



Helping to eliminate poverty and achieve sustainable development through public-private partnerships in infrastructure.



# 2013

ANNUAL REPORT

# TABLE OF CONTENTS

02 Message from the Program Manager

06 Section 1: PPIAF Strategic Direction: Looking Ahead

14 Section 2: PPIAF and SNTA Country and Regional Activities

15 PPIAF Portfolio

15 Fiscal 2013 Performance

15 Distribution of PPIAF Activities in Fiscal 2013

18 Sub-National Technical Assistance (SNTA) Program

18 Fiscal 2013 Performance

18 Distribution of SNTA Activities in Fiscal 2013

20 Regional Overviews

20 Sub-Saharan Africa

24 East Asia and the Pacific

26 Eastern Europe and Central Asia

28 Latin America and the Caribbean

32 Middle East and North Africa

36 South Asia

39 Global Knowledge Portfolio

40 Section 3: Results and Program Finances

41 Results

41 Monitoring and Evaluation Methodology

45 Results

48 Program Council

48 TAP Report

50 Program Finances

50 Contributions

52 Disbursements

52 Single Audit Process

53 Annex: Activities Approved in Fiscal 2013

## Message from the Program Manager

Dear Friends,

As you know, I joined PPIAF in June of this year. I am delighted to be leading PPIAF at this stage of our development. We have a great opportunity to have a significant impact on accelerating poverty eradication and enabling shared prosperity by bringing our distinctive experience of enabling private-sector investment in infrastructure.

Since I started, I have heard that colleagues within the World Bank and other development organizations value PPIAF's responsiveness and expertise. We often enable our clients to plug gaps in the infrastructure investment cycle. We are also recognized for the quality of our knowledge base, which is an asset to many policy makers in developing countries, as well as to development professionals throughout the world.

**PPIAF HAS PLACED A STRONG EMPHASIS ON PROVIDING SUPPORT TO THE LOWEST-INCOME AND MOST FRAGILE COUNTRIES. NEARLY 30 PERCENT OF PPIAF'S FISCAL 2013 FUNDING APPROVALS WERE FOR ACTIVITIES IN FRAGILE AND CONFLICT-AFFECTED STATES. LOWER-INCOME COUNTRIES CONSTITUTED MORE THAN 55 PERCENT OF APPROVED GRANT FUNDING.**

I also heard what donors had to say both at the Program Council Meeting in Paris in May and during the individual discussions I have had with Program Council members. It is clear that donors want us to increase our impact by being more focused in our strategy, more programmatic in our approach, and more consistent in our partnering. There is much to do, but we have a good foundation on which to build.

Re-reading the previous two annual reports reinforces the need for a new Three-Year Strategic Plan, as requested in Paris. It is also clear from this year's report that the last twelve months (fiscal 2013) have featured transitions on several fronts:

- In terms of personnel, Adriana de Aguinaga left in 2012 after two years of committed service, and Jordan Schwartz acted as Program Manager for six months while also setting up the World Bank's Infrastructure Policy Unit. We are very grateful to them both, and I personally appreciate Jordan's leadership in holding the work program together and providing support during my transition into the role.
- In terms of governance, PPIAF moved from the Finance Economics and Urban (FEU) directorate in the Sustainable Development Network of the Bank to the Transport, Water and Information & Communication Technology (TWI) directorate. This creates a better alignment with the Bank's infrastructure agenda, under Jose Luis Irigoyen's stewardship. Jose Luis has made me feel very welcome in the Bank and helped to connect me to some of the people and agendas that are most relevant to PPIAF.
- In terms of strategic focus, last year the team started to wrestle with some of the challenges PPIAF faces in continuing to increase its impact and responding to some of the observations made in the CEPA evaluation report. The new Three-Year Strategy will move away

from the three pillars, as we develop a programmatic approach based on a well-defined theory of change.

Despite this being a period of transition, our commitments have increased from \$12.4 million (fiscal 2012) to \$12.9 million (fiscal 2013) due to the continued efforts of the interim management and the PPIAF team. In this report, we set out some of the solid achievements associated with the projects PPIAF has funded during the year and we describe the platform we are creating for the successful implementation of the new Three-Year Strategy.

### Some Program Highlights

#### Country Focus

PPIAF continues to do a good job of originating and executing work with low-income countries and fragile states to help them build the capability required to attract private-sector investment in infrastructure.

PPIAF has placed a strong emphasis on providing support to the lowest-income and most fragile countries.<sup>1</sup> Nearly 30 percent of PPIAF's fiscal 2013 funding approvals were for activities in fragile and conflict-affected states. Lower-income countries<sup>2</sup> constituted more than 55 percent of approved grant funding. Sub-Saharan Africa was again the largest recipient of PPIAF support in fiscal 2013, with support to the region accounting for 36 percent of approved country- and region-specific activities.

#### Public-Private Infrastructure

Several of our projects have either already delivered a significant impact in the countries in which they are operating, or have the potential to do so. The ones highlighted in the report include:

- Development of a New Telecommunications Strategy and Reforms Action Plan for Togo
- Assessment of the Enabling Environment for public-private partnerships (PPPs) in the Road Sector in Lao PDR
- Technical Assistance on Private Sector Involvement in Operation of Regional Bus-Stations in Armenia
- Caribbean PPP Roadmap—Innovating by Focusing on Regional Harmonized PPP Approach in the OECS Region
- Public-Private Partnership Program in Egypt
- Assistance for the Development of a PPP Policy and an Institutional Framework in Bhutan

But there are many others. Some activities have funded a specific gap in the institutional landscape in order to enable PPPs to progress; others are more thematic in scope.

#### The Sub-National Technical Assistance (SNTA) Window

Activities funded through the SNTA window focus on technical assistance grants to help sub-national entities improve their creditworthiness in order to access market-based financing without sovereign guarantees. In doing so, the program increases the funds available for improved

<sup>1</sup> Fragile and conflict-affected status is defined according to the World Bank's Harmonized List of Fragile Situations FY13, which is available at: <http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/FCSHarmonizedListFY13.pdf>

<sup>2</sup> Country income status is defined according to the Organisation for Economic Co-operation and Development's Development Assistance Committee (DAC) List of Official Development Assistance (ODA) Recipients. The DAC List was most recently updated in October 2011, and went into effect on January 1, 2013, for reporting on 2012 and 2013 flows, and is available at: <http://www.oecd.org/dac/stats/daclistofodarecipients.htm>. Lower-income countries are those that appear in the first two columns on the DAC List.



*PPIAF Washington, DC office: Front row left to right: Christine Marie Shepherd, Anita Correa, Matt Bull, James Close, Bailo Diallo, Cristina Ladeira Ferreira. Back row (from left to right): Juliana Bedoya Carmona, David Painter, John Probyn, Lauren Nicole Wilson, Nozomi Tokiwa, Kirti Devi, Amsale Bumbaugh, Joshua Gallo, Bini George, Satheesh Sundararajan.*

and increased infrastructure services, such as water and electricity, wastewater treatment, and efficient transportation systems. This new capital, often from local markets, has the potential to accelerate investment in infrastructure and create greater access.

Over the course of fiscal 2013, the SNTA program significantly scaled up both its total activities approved and the percentage of resources dedicated to low-income countries, where significant constraints in supply for sub-national financing persist. The program is now fully committed to transferring more of its successes and best practices (learned in middle-income countries) to lower-income regions, in particular the underserved Sub-Saharan Africa region.

### Knowledge Generation and Dissemination

As a global platform for the generation and dissemination of knowledge on private-sector participation in infrastructure, PPIAF has helped developing countries leverage emerging best practices to improve and expand the provision of infrastructure services through PPPs. PPIAF funded eight new global knowledge activities worth \$848,975 in fiscal 2013, twice the number of knowledge activities approved in the previous fiscal year.

One of these was a paper called *Fostering the Development of Greenfield Mining-Related Transport Infrastructure Through Project Finance*, which guides government officials seeking to expand their countries' infrastructure networks through multi-use infrastructure assets.

Toolkits and interactive websites from PPIAF's global knowledge portfolio make the latest knowledge and case studies in PPPs available to a wide audience, which would otherwise not have access to such information. One such website is the PPP in Infrastructure Resource Center (PPPIRC), which provides access to a large selection of sample legal documents to assist in the planning, design and legal structuring of infrastructure projects. In fiscal 2013, the PPPIRC team translated the most-visited pages into Spanish, to increase the website's accessibility in Spanish-speaking countries. This resulted in a large increase in visitors from such countries.

### Paris Program Council

The Program Council in Paris in May was a key moment in the development of PPIAF. Donors agreed that PPIAF should develop a new Three-Year Strategy to increase our impact. They clearly signaled that they expect:

- A focus on low-income countries and post-conflict states
- A significant majority of the program to be in Africa
- A more programmatic approach to link together activities to increase their impact
- A regional presence
- More partnerships

All this will lead PPIAF to become a center of excellence with highly knowledgeable staff, best-practice operating procedures and world-class knowledge dissemination.

### Donations and Financial Position

Understandably as a result of the transition, donations are relatively low and we are grateful to core, non-core and SNTA-window donors for the provision of over \$12 million of funding. Notwithstanding the reduced funding levels, PPIAF has ended the year in a strong financial position, given the anticipated level of approvals expected next year.

The Three-Year Strategy will make the case for putting the funding of PPIAF on a stable platform. We hope donors will continue to support PPIAF, and that together we can enable much-needed private-sector capital to flow to infrastructure to accelerate the eradication of poverty and the creation of shared prosperity.

Best regards,

James Close  
Program Manager

1

SECTION



## PPIAF Strategic Direction: Looking Ahead

At the Program Council meeting in May, we agreed to prepare a new PPIAF Three-Year Strategy for discussion at a Special Program Council Meeting in November. We are very grateful for all the engagement we have had and feedback we have received. We have prepared a first draft of the strategy to build on PPIAF's strengths, address the infrastructure challenges in developing countries and maximize PPIAF's impact over the next three years. It will enable us to build on our historic activities and expertise and support institutional strengthening to enable the flow of private-sector capital by:

- Focusing on activities where PPIAF can have the most impact in accelerating poverty reduction and enabling shared prosperity, by bringing our distinctive experience of enabling private-sector investment in infrastructure
- Developing a programmatic approach prioritizing low-income countries and fragile states and the energy, water and transportation sectors
- Working in partnership with other organizations to leverage funding and knowledge

Our analysis shows that there is an important role for PPIAF to play, and that our heritage will allow us to enable private-sector investment in infrastructure by providing technical assistance to support the development of institutions and capacity in developing countries.

### As part of the strategy exercise, we have:

- Analyzed the infrastructure landscape to:
  - o Identify the impact of infrastructure investment in eradicating poverty and promoting shared prosperity
  - o Characterize the actors in the infrastructure investment cycle and assess PPIAF's unique capability and the area where we can add most value
- Identified who our clients are and what they need, as well as our donors' objectives and expectations
- Developed a theory of change to guide our approach and enable us to deliver clearly defined goals
- Proposed a new operating model to enable us to provide both coverage and focus and deliver a programmatic approach to increase impact with a higher degree of prioritization of themes and countries (the latter based on a rigorous multi-criteria analysis) to enable us to propose an appropriate regional presence
- Undertaken a thorough review of partnering and proposed some far reaching partnership principles to drive a transformational approach
- Suggested enhancements to our results-based approach through improvements in our monitoring and evaluations and learning systems
- Set out alternative ways of working with a range of resourcing options and funding requirements





We have also set out a number of implications for governance which will need to be addressed as we finalize the strategy.

We expect that the strategy will provide a platform for PPIAF to play a major role in other initiatives, such as the Global Infrastructure Fund, as they come to fruition. We are committed to continuing to engage with donors on the development of the strategy.

Although developing the strategy is a key activity of the first half of the next fiscal year, we also have ambitious plans to support activities as presented in the Six-Month Work Plan. We expect to approve more than \$8 million worth of activities in the first six months of the fiscal year and, subject to the approval of the strategy, we plan to complete \$20 million worth of approvals in fiscal year 2014. This is significantly more than the amount of approvals from last year and shows that we are managing the transition of the organization successfully.

In addition, in the Six-Month Plan, we agreed to produce the following in order to support the PPIAF knowledge agenda:

- Develop an interactive, map-based activity portal that allows access to PPIAF-funded studies at the country level
- Develop guidance notes on:
  - o How to manage demand risk within PPPs, incorporating examples from the transportation sector
  - o Lessons learned in managing unsolicited proposals and guidelines for developing countries
  - o Review of modern forms of private-sector participation and lessons learned in global water sector PPPs and implications for low- and middle-income countries
- Develop two new briefing notes on the importance of avoiding implicit guarantees on sub-national debt and the importance of domestic debt market development for sub-national infrastructure financing
- Produce a “special-edition” SNTA briefing note on pooled financing for sub-national authorities
- Develop an e-learning module on municipal bonds. This will be developed as a Microsoft PowerPoint-based training reference that can be accessed from our website with an interface to support different levels of content depth, depending on user knowledge

This is an ambitious and exciting program of work that will increase significantly our impact and set us up to become the center of excellence for creating the enabling environment for private sector investment to flow to low income countries and fragile states.

For the last three years, we have been reporting our work program around three strategic pillars (universal access, climate change and urbanization) and four cross-cutting themes (subnational technical assistance, fragile states, regional integration and capacity building). This Annual Report will be the last one in which we will report against these strategic themes. The next Annual Report will reflect our new strategy and will be focused on our theory of change and proposed programmatic approach.

## Work Program in Action: Fiscal 2013

The table below contains the activities approved during fiscal 2013 classified in accordance with the three strategic

pillars and four cross-cutting themes of PPIAF's 2011–2013 Work Program.

**Table 1:** Work Program in action: fiscal 2013

Sectors	Power	Transport	Water
Universal Access	<ul style="list-style-type: none"> <li>• <b>Djibouti</b> Energy Sector Assessment Phase II</li> <li>• <b>Ghana</b> Assessing the Enabling Environment and Options for Private Sector Participation within the Power Sector</li> <li>• <b>Iraq</b> Development of a Reform Roadmap for the Electricity Distribution Sector</li> <li>• <b>Kosovo</b> PPP in the Energy Sector – Public Opinion Research</li> <li>• <b>Senegal</b> Review and Update of SENELEC's Financial Model</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Global</b> Fostering Multi-User Greenfield Mining-Related Infrastructure Through PPPs</li> <li>• <b>Laos</b> Assessment of the Enabling Environment for PPPs in Lao Road Sector</li> <li>• <b>Mauritius</b> Review and Development of Asset Management Strategy in Support of Output- and Performance-Based Road Contracts</li> <li>• <b>Sri Lanka</b> Development of Domestic Airports Through PPPs</li> <li>• <b>Timor-Leste</b> Dili Airport PPP Support</li> <li>• <b>Timor-Leste</b> Tibar Bay Port PPP Support</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Armenia</b> Financial Strengthening of Operating Water Concessions</li> <li>• <b>Belarus</b> Private Sector Participation Options in the Water Sector</li> <li>• <b>Benin</b> Water Business Advisory Project</li> <li>• <b>Comoros</b> Improving Private Sector Management of Water Supply</li> <li>• <b>Jamaica</b> Prefeasibility Studies for the Soapberry Wastewater Treatment Plant</li> <li>• <b>Nigeria</b> Assessment of Potential Water PPP Projects</li> <li>• <b>Tunisia</b> Support to ONAS to Develop a Sewerage PPP Program</li> </ul>
Climate Change	<ul style="list-style-type: none"> <li>• <b>Egypt</b> Prefeasibility Study for Waste to Energy Projects</li> <li>• <b>Guinea</b> Energy Sector Hydro PPP – Capacity Building and Project Preparation</li> <li>• <b>Lesotho</b> Renewable Energy Sector Gap Analysis</li> <li>• <b>Global</b> Strengthening Capacity for PPPs in Renewable Energy</li> </ul>		
Urbanization		<ul style="list-style-type: none"> <li>• <b>Egypt</b> Prefeasibility Study to Assess PPP Options for the Heliopolis-New Cairo Tramway</li> <li>• <b>Philippines</b> Establishment of a Regulatory Unit in the Urban Passenger Rail Sector</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ghana</b> Assessing PPP Options to Improve the Provision of Public Toilets in Kumasi</li> <li>• <b>Ghana</b> Institutional Reforms of the Ghana Water Company Ltd to Improve the Provision of Urban Water Services</li> </ul>

Table 1: Work Program in action: fiscal 2013 (continued)

Sectors	Telecom	Multi-sector
<p>Universal Access</p>	<ul style="list-style-type: none"> <li>• <b>Djibouti</b> Telecommunications Sector Liberalization Phase II</li> <li>• <b>Egypt</b> Prefeasibility Study for the Development of the ICT Sector</li> <li>• <b>Myanmar</b> Telecommunications Sector Reform</li> <li>• <b>Yemen</b> Supporting the Expansion of Rural Telecommunications Access</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Regional</b> Country Diagnostic Study on PPP Legal, Institutional and Financial Frameworks and Identification of PPP Project Pipeline</li> <li>• <b>Democratic Republic of Congo</b> Project Pipeline Screening and Initial Feasibility Assessment of Potential Infrastructure PPPs</li> <li>• <b>Gambia</b> Project Pipeline Screening and Support to the Establishment of a PPP unit</li> <li>• <b>Jamaica</b> Support to PPP Program</li> <li>• <b>Jordan</b> Impact Assessment of Private Sector Participation in Infrastructure</li> <li>• <b>Jordan</b> Institutional and Policy Support for the Development of a PPP Program</li> <li>• <b>Global</b> Private Investment in Shared Infrastructure Toolkit</li> <li>• <b>Regional</b> Rapid Needs Assessment II</li> <li>• <b>Samoa</b> Development of a PPP Policy and Pipeline</li> <li>• <b>Tanzania</b> Drafting PPP Finance Regulations</li> <li>• <b>Tanzania</b> PPP Pipeline Screening</li> <li>• <b>Tanzania</b> Support to PPP Central Agencies and Development of a PPP Policy for Zanzibar</li> </ul>

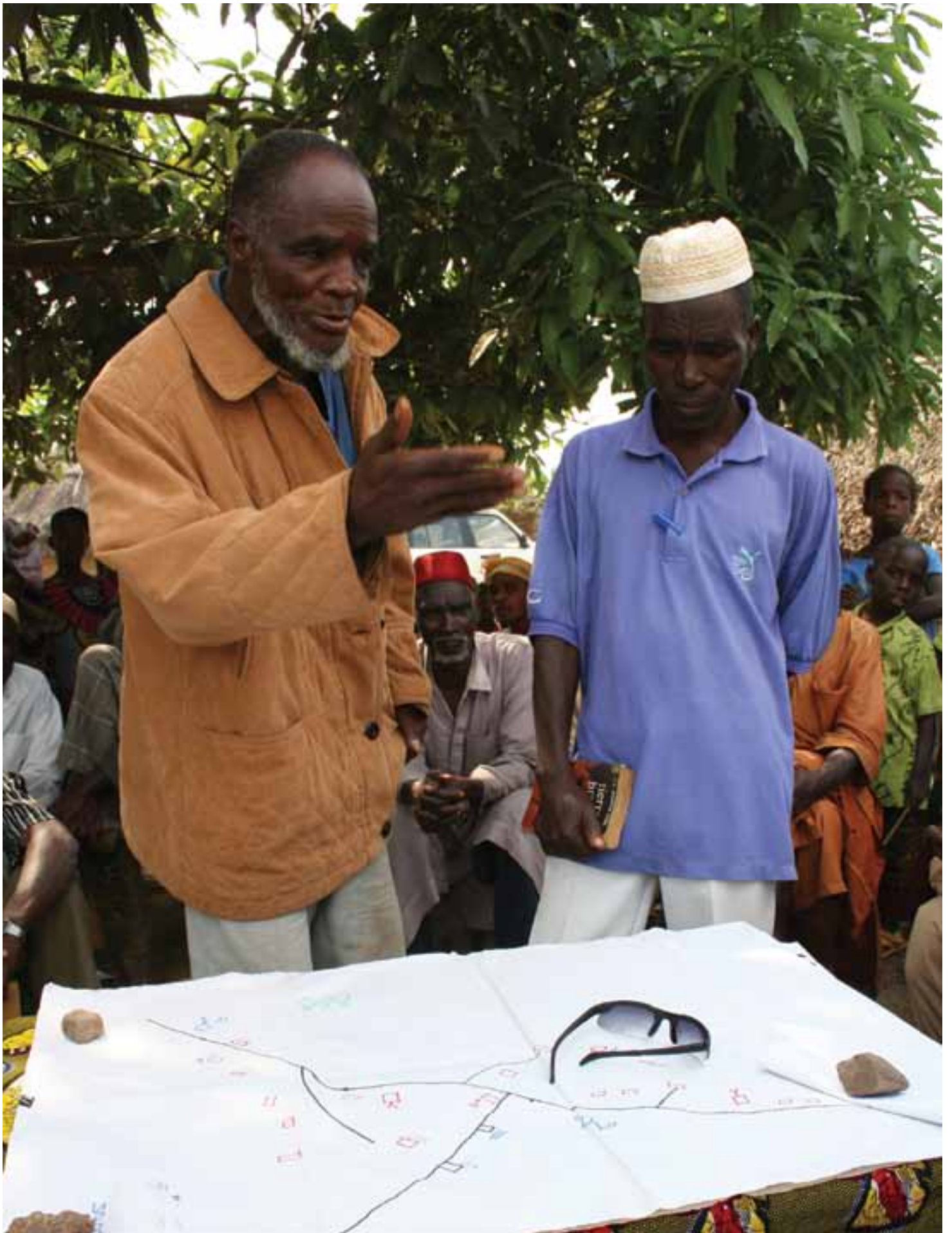


Table 1: Work Program in action: fiscal 2013 (continued)

	Cross-Cutting Themes
Sub-National Technical Assistance	<ul style="list-style-type: none"> <li>• Africa AFD-PPIAF Partnership for Municipal Finance Capacity Building Workshops</li> <li>• Africa Revenue Management Master Class for Senior Financial Managers</li> <li>• Africités Summit Seminar on PEFA Methodology and Land Finance</li> <li>• Brazil Risk Assessment of the CASAN Water and Sanitation Company in Santa Catarina</li> <li>• Central African Republic Performance Improvement of the Power Utility (ENERCA)</li> <li>• Ghana Municipal Financing Alternatives for the Municipality of Sekondi-Takoradi</li> <li>• Ghana Strengthening the Role of PPPs in Revenue Collection in Municipalities in Ghana</li> <li>• Global Guide to Value Capture Finance Mechanisms for Urban Transit Projects</li> <li>• Indonesia Strengthening Subnational Fiscal Capacity for Infrastructure Finance (WB and ADB)</li> <li>• Kenya Capital Market Development Support for Sub-Nationals</li> <li>• Kenya KPLC Loss Reduction Advisory Program – Finance Mobilization for Loss Reduction/Efficiency Investments</li> <li>• Mongolia Preparing Ulaanbaatar City to become Creditworthy and Improve its Capital Investment Planning</li> <li>• Namibia Assistance to the City of Windhoek to Build Financial Reporting Capacity</li> <li>• Global SNTA Rapid Response Initiative</li> <li>• Tanzania Analysis of Financing Options for the Tanzania Airports Authority</li> <li>• Turkey Technical Assistance Program for Sub-National Financing</li> <li>• Uganda Capacity Building for Kampala City Council Authority</li> <li>• Uganda Municipal Finance Development Support Program</li> </ul>
Fragile States*	<ul style="list-style-type: none"> <li>• Central African Republic Enhancing Infrastructure Services through PPP Program: Addressing Capacity Building Issues</li> <li>• Central African Republic Performance Improvement of the Power Utility (ENERCA)</li> <li>• Comoros Improving Private Sector Management of Water Supply</li> <li>• Democratic Republic of Congo Project Pipeline Screening and Initial Feasibility Assessment of Potential Infrastructure PPPs</li> <li>• Guinea Energy Sector Hydro PPP – Capacity Building and Project Preparation</li> <li>• Guinea PPP Diagnostic and Capacity Building</li> <li>• Iraq Development of a Reform Roadmap for the Electricity Distribution Sector</li> <li>• Kosovo PPPs in the Energy Sector – Public Opinion Research</li> <li>• Myanmar Telecommunications Sector Reforms</li> <li>• Republic of Congo Enhancing Infrastructure Services Through a PPP Program: Addressing the Capacity Building Issues</li> <li>• Sierra Leone Institutional Reform, Capacity Building, and Pipeline Development Support</li> <li>• Timor-Leste Dili Airport PPP Support</li> <li>• Timor-Leste Tibar Bay Port PPP Support</li> <li>• Yemen Supporting the Expansion of Rural Telecommunications Access</li> </ul>
Regional Integration	<ul style="list-style-type: none"> <li>• Africa Audit of the West Africa Power Pool Financial Model</li> </ul>
Capacity Building	<ul style="list-style-type: none"> <li>• Belize Capacity Building Twinning Phase 2 Between the Belize Water Service and the Contra Costa Water District</li> <li>• Central African Republic Enhancing Infrastructure Services through PPP Program: Addressing Capacity Building Issues</li> <li>• Central America PPP Training and Capacity Building Program</li> <li>• Egypt PPP Capacity Building</li> <li>• Guinea PPP Diagnostic and Capacity Building</li> <li>• Kenya PPP unit Support Phase II</li> <li>• Niger Technical Assistance to Prepare the PPP Legal and Regulatory Framework</li> <li>• Pakistan Punjab PPP unit Capacity Building and Business Plan Preparations</li> <li>• Peru Economic and Financial Assessment of PPP Projects Through a Value-for-Money Methodology</li> <li>• Peru Strengthening the PPP Project Cycle and Capacity Building Program with Proinversión and Line Ministries</li> <li>• Republic of Congo Enhancing Infrastructure Services Through a PPP Program: Addressing the Capacity Building Issues</li> <li>• Global Roundtable on Lessons Learned and Challenges of Value for Money Assessments</li> <li>• Senegal PPP Capacity Building Seminars for Government Officials</li> <li>• Sierra Leone Institutional Reform, Capacity Building, and Pipeline Development Support</li> <li>• Global Translation and Dissemination of a Practical Guide to PPP Programs</li> <li>• Uganda PPP Capacity Building Workshop</li> </ul>

\* Several of the activities listed in the cross-cutting theme Fragile States appear among the three strategic pillars and other three cross-cutting themes.

SECTION

2



# PPIAF and SNTA Country and Regional Activities

## PPIAF Portfolio

### PPIAF 2013 Performance

PPIAF approved \$8.5 million<sup>3</sup> in funding for 57 activities in fiscal 2013. As the year has progressed, a significant effort was made to increase the added value and size of each PPIAF grant so as to allow greater impact. This has resulted in a reduction of the number of activities below the \$75,000 threshold.

PPIAF has made a considerable effort to focus technical assistance on upstream activities that will help governments to establish a suitable enabling environment for future private-sector participation and investment in infrastructure. This trend is demonstrated by the large proportion of funding dedicated towards activities that are multi-sector in nature and are focused on making institutional, regulatory and legal improvements to a country's PPP framework. Such activities represent 50 percent of all new funding granted in fiscal 2013.

For those activities that are sector-specific, 40 percent of funding has been directed towards the transport and water sectors. These are the sectors where traditionally it has been more difficult to attract private-sector investment and participation, and therefore the need and demand for PPIAF's technical assistance is greater. Sectors with a more established track record of attracting private-sector participation, such as telecoms, typically require less assistance; thus only five activities were approved in the telecoms sector in fiscal 2013. In addition, these activities have typically been in fragile or low-income settings, where the telecoms sector is often the "first-mover" for private-sector participation in infrastructure.

PPIAF has placed a strong emphasis on providing support to the lowest-income and most fragile countries. Nearly 30 percent of its fiscal 2013 funding approvals were for activities in fragile and conflict-affected states. Lower-income countries constituted over 55 percent of approved grant funding. Middle-income countries also remain important and face a variety of challenges, and we continue to assist this important constituency too—roughly 35 percent of new funding approvals were provided to DAC III and DAC IV countries.

The 57 activities approved in fiscal 2013 were funded with donor contributions from the Multi-Donor Trust Fund II and Non-Core Funds. The breakdown of the trust funds is included within the program finances report found in Section 3 of this report, and a full list of approved activities is presented in the Annex.

### Distribution of PPIAF Activities in Fiscal 2013

Sub-Saharan Africa was again the largest recipient of PPIAF support in fiscal 2013, with support to the region accounting for 36 percent of approved country- and region-specific activities (see Figure 1). Eighty-four percent of funding for country-specific activities within the region was focused on low-income countries.

PPIAF support in East Asia and Pacific (EAP) increased by 33 percent in fiscal 2013 compared to the previous year, with \$2 million in new funding committed. Demand for PPIAF services also stayed strong in the Middle East and North Africa (MENA), despite the continuing political upheaval. PPIAF provided \$1.8 million to the MENA region in fiscal 2013, a 22 percent increase from the previous

IN FISCAL 2013, 40 PERCENT OF FUNDING HAS BEEN DIRECTED TOWARDS THE TRANSPORT AND WATER SECTORS, WHERE TRADITIONALLY IT HAS BEEN MORE DIFFICULT TO ATTRACT PRIVATE-SECTOR INVESTMENT AND PARTICIPATION, AND THEREFORE THE NEED AND DEMAND FOR PPIAF'S TECHNICAL ASSISTANCE IS GREATER.

<sup>3</sup> All currency figures in the report refer to US dollars.



year. Support within the region was focused particularly in countries such as Djibouti, Egypt, Tunisia, Jordan, Yemen and Iraq.

PPIAF provided support to one cross-regional activity, which builds on a previous PPIAF initiative to help governments undertake a rapid needs assessment to look at a range of issues and challenges as well as an assessment of private-sector participation in desired sectors.

Latin America and the Caribbean (LAC), Eastern Europe and Central Asia (ECA), and South Asia (SA) received the lowest approval amounts (\$0.6 million, \$0.4 million and \$0.2 million respectively).

PPIAF monitors the distribution of funding commitments by country income status in order to ensure a continued emphasis on funding pro-poor activities in low-income countries (see Figure 2). In fiscal 2013, PPIAF directed 56 percent of country-specific funding to low-income countries. This focus on low-income countries was attained despite the graduation of eight countries from low-income to middle-income status. Combined funding to these eight countries represented over 10 percent of approved country-specific funding.

Multi-sector activities typically provide broad-based support to the PPP enabling environment across infrastructure sectors. They remain a particularly strong priority for governments focused on capacity-building initiatives and institutional reforms, such as the creation of PPP units, policy and strategy frameworks, and infrastructure development funds. In fiscal 2013, multi-sector activities

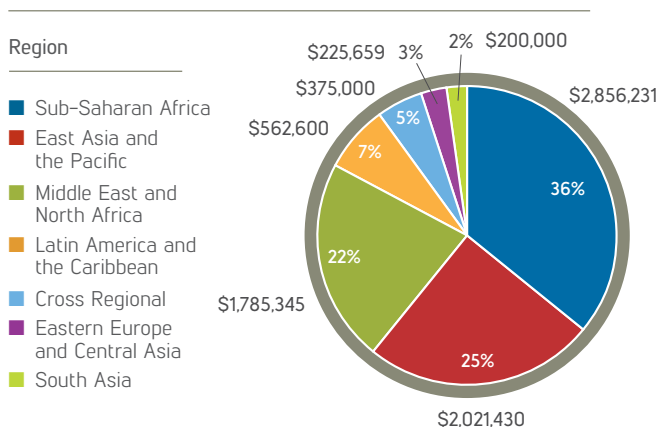
totaled \$2.7 million, representing 32 percent of the PPIAF portfolio (see Figure 3).

In fiscal 2013, PPIAF approved eight transport activities whose funding totaled over \$2.2 million, or a quarter of activities approved. These activities included helping the Government of the Philippines establish a regulatory unit in the urban passenger rail sector; a study on fostering multi-user greenfield mining-related infrastructure through PPPs; and assistance to the Government of Sri Lanka to develop domestic airports through private-sector participation.

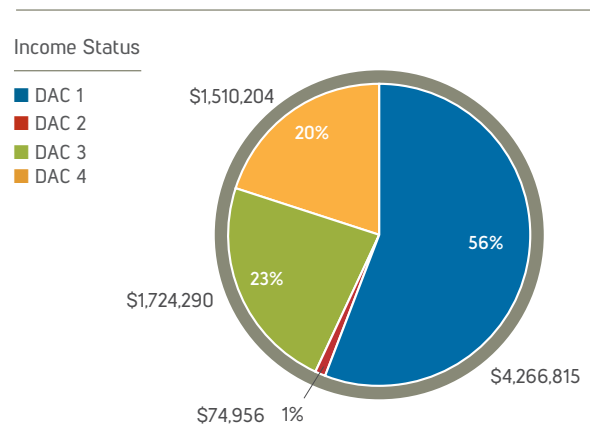
Telecommunications has traditionally received the smallest share of PPIAF funding, as much of the market's needs are already met by the private sector on a purely commercial basis. In fiscal 2013, PPIAF approved five activities for a total of \$1.4 million, including funding to prepare a toolkit on private investment in shared infrastructure; the second phase of telecoms sector liberalization in Djibouti; and supporting the government of Yemen in expanding rural telecommunication access.

Water and sanitation has traditionally been the hardest sector in which to encourage private-sector participation, and PPIAF funded \$1.2 million worth of activities in this sector in fiscal 2013, representing 14 percent of the portfolio. In Ghana, PPIAF is supporting an analysis of PPP options to improve the provision of public toilets in Kumasi, an activity that is being implemented in coordination with the Water & Sanitation for the Urban Poor (WSUP) and the United States Agency for International Development (USAID). PPIAF is also supporting the Government of Jamaica to prepare pre-feasibility studies for the expansion of the Soapberry Wastewater Treatment Plant.

**Figure 1: PPIAF COUNTRY- AND REGION-SPECIFIC FUNDING BY REGION, FISCAL 2013**



**Figure 2: PPIAF COUNTRY-SPECIFIC FUNDING BY COUNTRY INCOME STATUS, FISCAL 2013**



Energy activities accounted for 13 percent of PPIAF commitments in fiscal 2013, with \$1.1 million committed to the nine approved activities. Gaps in access to electricity services severely impede economic activity and private investment. Energy is also critical for PPIAF's focus on climate change adaptation and mitigation. For example, PPIAF is supporting the government of Lesotho to analyze and identify specific gaps and weaknesses in the existing regulatory, institutional and policy frameworks for the renewable energy sector. Likewise, in Guinea, PPIAF is supporting the government in capacity building and project preparation of large, low-cost, low-carbon but capital-intensive hydropower Independent Power Producers (IPPs).

PPIAF also tracks the specific types of activities approved, based on the Program Management Unit's judgment of the primary focus of each activity (see Figure 4).

Policy, regulatory and institutional reforms and infrastructure development strategies are PPIAF's most widely requested activity types as governments seek advice, expertise and funding to develop the requisite enabling environment to facilitate PPPs. In fiscal 2013, infrastructure development strategies accounted for a combined 63 percent of PPIAF funding (approximately \$5.5 million).

Pioneering transactions activities, which assist governments with innovative and replicable transactions, accounted for 21 percent of the portfolio. Capacity building, consensus building, and emerging best practices accounted for the smallest share of PPIAF grant assistance in fiscal 2013, representing a combined 16 percent of the portfolio.



Figure 3: PPIAF FUNDING BY SECTOR, FISCAL 2013

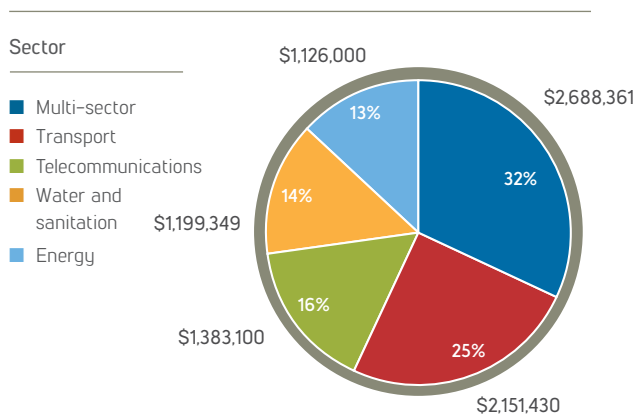
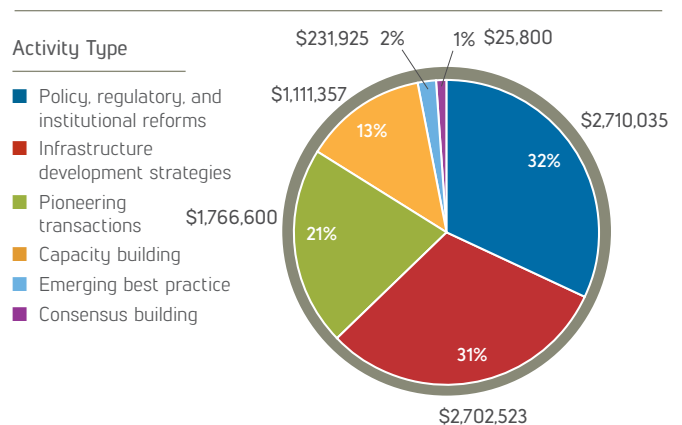


Figure 4: PPIAF FUNDING BY ACTIVITY TYPE, FISCAL 2013



## Sub-National Technical Assistance (SNTA) Program

The SNTA program provides technical assistance grants to help sub-national entities improve their credit-worthiness in order to access market-based financing without sovereign guarantees. In doing so, the program increases the funds available for improved and increased infrastructure services, such as water and electricity provision, treatment of wastewater, and efficient transport systems.

Over the course of fiscal 2013, The SNTA program significantly scaled up both its total activities approved and the percentage of resources dedicated to low-income countries, where significant constraints in supply for sub-national financing persist. The program is now fully committed to transferring more of its successes and best practices (learned in middle-income countries) to lower-income regions, in particular the critically underserved Sub-Saharan Africa region. The new approach was developed in fiscal 2012 and has not only increased the resources deployed to target countries and regions; it has also stimulated an increase in the average size of engagements, enhancing the opportunities for impactful activities in countries such as Uganda, Kenya and Tanzania. Such an approach, limited to contexts where capital markets are severely under-developed and sub-national entities are far below investment grade, is intended to support the creation and development of more mature capital markets.

### Fiscal 2013 Performance

Eighteen SNTA activities were approved in fiscal 2013, for a total of \$4.4 million in funding. This represents a three-fold increase from 2012. The average size of engagements also grew—from just under \$100,000 to \$250,000 per activity—reflecting a focus on supporting high-impact

projects. These activities seek to provide client sub-national administrations with a full spectrum of services, from building creditworthy practices to piloting transactions on local capital markets. One example of this type of approach is with two state-owned enterprises in Kenya—the Kenya Wildlife Service (KWS) and the Kenya Roads Board (KRB)—that approached PPIAF-SNTA as they sought to issue debt on the local capital market. Although they had a clear capital expenditure plan for the proceeds of any issue, KRB and KWS still needed considerable assistance in the areas of financial management and understanding their debt capacities. PPIAF-SNTA is providing them with the assistance they need to build creditworthy practices, including shadow credit ratings and targeted capacity building. Another critical component of the package is an objective financing options study that will advise them of the optimal transaction structure for their needs.

### Distribution of SNTA Activities in Fiscal 2013

The strategic reorientation of the SNTA program's portfolio has led to increased support to low-income countries (see Figure 5). In fiscal 2013, 56 percent of SNTA funding was approved in low-income countries (in fiscal 2012, only 31 percent was directed towards low-income countries).

Figure 5: SNTA PROGRAM FUNDING BY COUNTRY INCOME STATUS, FISCAL 2013

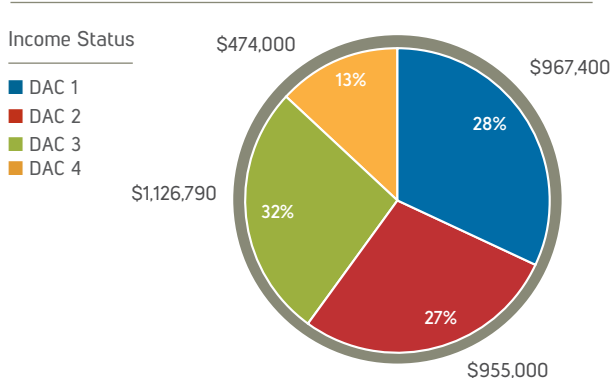
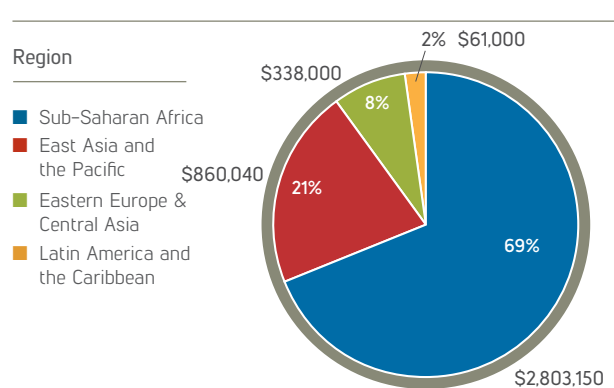


Figure 6: SNTA PROGRAM FUNDING BY REGION, FISCAL 2013



In addition, 69 percent of resources were directed to countries in the Sub-Saharan Africa region (see Figure 6). The number of Latin American activities decreased and only represented two percent of grants approved. The EAP region also saw a strong fiscal 2013, with \$860,040 of grants approved. This amount was predominately the result of a partnership arrangement with the Asian Development Bank (ADB) in Indonesia, whereby PPIAF provided \$700,000. The technical assistance will have two main objectives: It will assist sub-national governments in Indonesia to improve their creditworthiness, and it will assist the central government in increasing its capacity for sub-national bond monitoring and surveillance. The selection of sub-national governments will be based on their tax base and commitment from the local administrations to have transparent financial management.

Within Sub-Saharan Africa (see Figure 7), almost 50 percent of the resources were dedicated to Uganda and Kenya, which each received two complimentary and reinforcing grant programs. In Kenya, the aforementioned activities with KRB and KWS were designed in conjunction with each other to have the maximum stimulative impact on sub-sovereign market-based finance. In Uganda, a holistic approach to bring creditworthy practices to Kampala and five secondary cities was implemented with two grants. These approaches exemplify the leveraging of our growing knowledge base to maximize impact as SNTA continues to grow its operations in low-income countries and the African region.

In fiscal 2013 activities focused on specific performance improvements accounted for 44 percent of total funding (see Figure 8), totaling over \$2 million, while activities categorized as supporting financings represented 19 percent of the portfolio. The shift in support towards specific performance improvements that enhance creditworthiness reflects SNTA's new orientation towards lower-income countries.



Figure 7: SNTA PROGRAM FUNDING IN SUB-SAHARAN AFRICA BY COUNTRY, FISCAL 2013

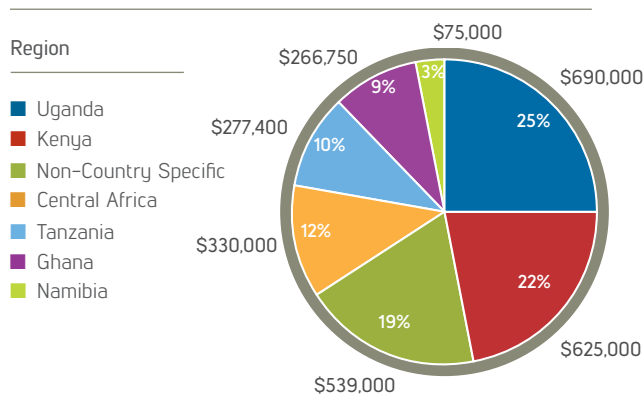
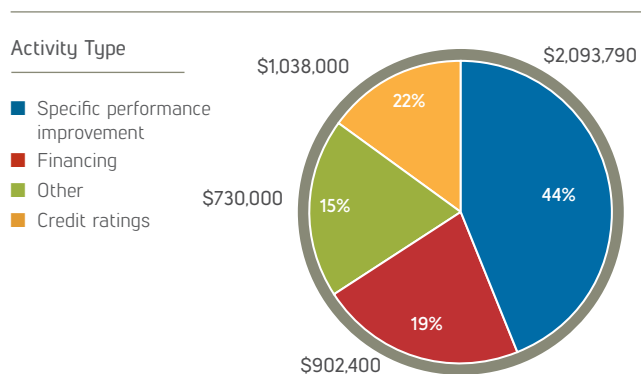


Figure 8: SNTA PROGRAM FUNDING BY ACTIVITY TYPE, FISCAL 2013





## Sub-Saharan Africa

### Overview

Sub-Saharan Africa (SSA) is now the second fastest-growing region in the world, trailing only emerging Asia. It is forecast to continue growing at 5.4 percent and 5.7 percent in 2013 and 2014, respectively. This growth story has been built on sound macro-economic principles that have reduced inflation from the highs of the 1990s, brought about tax reforms and the privatization of state assets, and energized the market through private-sector-friendly policies and sector strategies.

It is estimated that inadequate infrastructure across SSA is slowing GDP growth by about 2 percent per year. Governments in the region face a serious challenge of increasing the quality and quantity of infrastructure service provision to sustain and enhance economic growth rates in the context of funding constraints. Governments

IN FISCAL 2013, THE PPIAF AFRICA PORTFOLIO GRANTED \$5.6 MILLION, REPRESENTING 51 PERCENT OF THE TOTAL PPIAF AND SNTA COMBINED PORTFOLIO.



*PPIAF team members in East and Southern Africa Office (Nairobi, Kenya) Serah Njoroge and Njeri Gicheru.*

and donors alone are unable to fill the sizable funding gap. To address this, governments seek to engage the private sector through PPP arrangements to close the gaps in investment capital, technology, and know-how needed to improve the efficiency and delivery of public infrastructure services. PPIAF continues to provide significant assistance to the region to support these efforts.

**Areas of PPIAF assistance**

There continue to be many requests for PPIAF assistance in the region. The requests have grown significantly at the sub-national level as local governments seek support to develop the appropriate enabling environment for private-sector participation, as well as the knowledge and expertise to develop and implement bankable PPP projects. In fiscal 2013, the PPIAF Africa portfolio granted \$5.6 million, representing 51 percent of the total PPIAF and SNTA combined portfolio.

Alongside continued economic growth, the African continent has experienced unprecedented urban growth. Africa experienced the highest urban growth rate in the developing world over the past two decades (3.5 percent per year, a rate expected to be maintained through 2050). Yet urbanization in Africa has failed to bring about inclusive growth, which in turn has resulted in the proliferation of slums, urban poverty and rising inequality. Most SSA cities are characterized by insufficient basic infrastructure, particularly in low-income areas. As a result, sub-national entities are increasingly responsible for meeting these challenges.



**BOX 1: DEVELOPMENT OF A NEW TELECOMMUNICATIONS STRATEGY AND REFORMS ACTION PLAN FOR TOGO**

*PPIAF funding: \$130,000*

**Background:** Togo is a fragile state, with 58.7 percent of the population living on less than \$1.25 a day. One of the poorest countries in Sub-Saharan Africa, Togo’s average income per capita is \$440 (2011). The country has gone through a long socio-economic crisis that has caused a deterioration of its infrastructure. In late 2008, the government identified the most urgent measures needed to revitalize priority sectors, including telecommunications. Subsequent reforms in this sector had a positive impact on the development of this sector. However, it has significantly untapped potential and is dominated by the state-owned operator Togo Telecom.

**PPIAF’s contribution:** PPIAF supported the Togolese Government to develop strategic advice and provide implementation support to further liberalize the telecommunications sector to improve competition, leverage private sector involvement and improve connectivity.

**Outcomes:** Two reports were produced, including toolkits on licensing reforms and Mobile Virtual Network Operator (MVNO) licensing. These reports focused on market analysis and included: i) registration procedure networks across the country without government involvement; ii) tenders for international networks; iii) tenders for telephone service providers; iv) tenders for network operators to access Internet radio; v) a license fees assessment for different types of networks or services; vi) a standard agreement between the operators; vii) a draft agreement between the government and the operators to promote the introduction of MVNOs in the market. As a direct result of PPIAF support, the tender for MVNO licenses was launched in October 2012.

To help sub-national entities meet the growing infrastructure challenges resulting from rapid urbanization, in fiscal 2013 PPIAF supported several projects aimed at helping local governments and utilities improve revenue collection and determine effective financing options for infrastructure projects. Of note are four projects PPIAF supported in Ghana at the sub-national level. Two of them focused on improving revenue collection and financing options for infrastructure. One, in the municipality of Sekondi-Takoradi, worked to identify current sources of revenue and determine options for financing key infrastructure projects. Another will analyze successful examples of PPPs in Ghana's municipalities, to help develop a manual on PPP arrangements in revenue collection. This activity will also test a limited number of PPP models in one or two pilot cities. Other activities, like one that assessed private-sector participation options to deliver improved access to sanitation through the provision of public toilets in Kumasi, helped the municipal government develop infrastructure development strategies. Recommendations from a similar activity supporting revenue enhancement for Nairobi County will form the basis for the legal legislation which will be presented to the national parliament for approval in October.

In addition to alleviating challenges associated with urbanization, several PPIAF activities continued to aim to close Africa's energy infrastructure gap. In fiscal 2013, PPIAF approved seven such activities. Notably, two of these projects focused on advancing the clean energy agenda. One in Guinea will help the country improve its enabling environment, so as to attract private financing for large, low-cost, low-carbon but capital-intensive hydropower IPPs. Another in Lesotho, which has great potential to lead to more follow-on efforts, helped the government perform a "gap analysis" of the existing regulatory, institutional and policy frameworks.

Because robust institutions help countries attract more private investment, in late fiscal 2013, PPIAF decided to enable countries to establish capable PPP units. In Niger PPIAF supported an activity that is, among other things, helping to determine the country's PPP unit mandate. In Tanzania, PPIAF assisted the central PPP agency to develop operating practices and create a PPP policy and operating guidelines for Zanzibar.

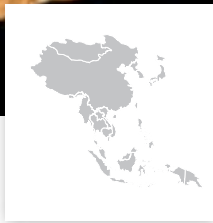
### Looking forward

PPIAF will emphasize providing support that strengthens countries' institutional capacity, given that stronger institutions enable countries to better provide infrastructure solutions. PPIAF will also take a more programmatic approach in countries by supporting activities that lead to clear next steps and follow-on support, or that can be supported in partnership with other actors, leading to greater impact. We will engage with regional partners more formally and strategically to develop programs and interventions that enhances the level of private investments and support throughout the project cycle.









## East Asia and the Pacific

### Overview

The East Asia and the Pacific (EAP) region continues to be an engine of global growth, contributing about 40 percent of global growth in 2012. Driven by strong domestic demand, the region's economy grew at a rate of 7.5 percent in 2012, which was higher than for any other region in the world. Fiscal and monetary policies to boost consumption and investment helped sustain growth in 2012 across the region, with middle-income countries performing particularly well. This strong regional growth promotes investments in infrastructure and increases the quality and efficiency of these investments. The private sector can play a role in financing and improving the delivery of productive infrastructure. PPIAF assistance in the region continues to be centered on building a robust pipeline of PPP projects and improving enabling environments for private-sector financing.

IN FISCAL YEAR 2013, PPIAF ASSISTANCE IN THE REGION CONTINUES TO BE CENTERED ON BUILDING A ROBUST PIPELINE OF PPP PROJECTS AND IMPROVING ENABLING ENVIRONMENTS FOR PRIVATE-SECTOR FINANCING.

## Areas of PPIAF assistance

Recent PPIAF assistance in the region focused on reforming the enabling environment for private-sector participation in infrastructure and developing robust project pipelines, particularly in the transport sector.

Lao PDR is positioning itself as a “land-linked” country for regional trade, and is looking at PPPs as an innovative way of financing future infrastructure investments. A PPIAF activity is supporting the Government of Lao PDR in assessing the viability of potential PPPs in the transport sector (see box). This is following up on a previous enabling-environment assessment and pipeline-screening activity in the transport sector, completed in June 2012.

In Myanmar, the government is in the process of planning telecommunications sector reforms that include liberalization, such as setting up joint ventures with private operators. PPIAF is providing assistance to the Ministry of Communication, Post and Telecommunications for the creation of a credible policy and regulatory function in the telecommunications sector, to establish fair competitive conditions in the telecommunications market.

Another PPIAF activity is providing assistance to establish a regulatory unit in the urban passenger rail sector in the Philippines. The Government of the Philippines has mounted an aggressive PPP program to attract private-sector participation in the financing, development, operations, and management of Metro Manila’s mass/light rail transit (M/LRT) system, while retaining ownership and regulations with the public sector. This activity aims to advise and assist the government in the preparation and implementation of an institutional program for establishing and capacitating the regulatory unit that will oversee the M/LRT concessions.

## Looking forward

PPIAF assistance in EAP will continue in the region’s larger economies; however, focusing on the least developed economies remains a strategic priority. Potential activities are in the transportation sector in Lao PDR; development of PPP policy and pipeline screening in Samoa; and the establishment of a PPP unit in East Timor. These activities will support the programmatic approach and follow on from previous PPIAF support, working in partnership with other players so as to have greater impact.



### BOX 2: ASSESSMENT OF THE ENABLING ENVIRONMENT FOR PPPs IN LAO PDR FOR THE ROAD SECTOR

*PPIAF funding: \$145,330*

**Background:** In the past few years, Lao PDR has faced increasing demand for transportation services, not only for the roads sector, but also for other modes of transportation and logistics. Given scarce public funds and competing needs in the social sectors, the challenge is how to effectively and efficiently prioritize and mobilize resources from other sources, including the private sector. Because PPPs are new to the sector, and neither the legal frameworks nor the institutional capacity for managing PPPs are well developed, the government wanted to carry out an assessment of suitable PPP options and to identify the legal framework and institutional capacity constraints that have to be addressed. In 2012, PPIAF was asked to support a project pipeline screening and initial feasibility assessment of potential road infrastructure PPPs. A potential project (National Road 13 (NR13)) was identified, and policy recommendations were presented for the enabling environment. The government then also asked PPIAF to support an assessment of the potential PPP project’s viability.

**PPIAF’s contribution:** PPIAF conducted a viability and options assessment of the potential for PPPs in the transportation sector. This informed the government’s decisions in the development and implementation of the pilot PPP.

**Outcomes:** PPIAF completed a PPP options analysis study that assessed the viability of using a PPP model for delivering the project. It concluded with a recommendation that the government develop a full feasibility study to be financed by an International Development Association (IDA) credit and also seek a transaction advisor to prepare the project for investment. A stakeholder consultation held in Vientiane in July 2013 brought together representatives of several agencies (at the central and local levels), as well as the private sector. PPIAF’s recommendations took into account the stakeholders’ views and concerns regarding PPP development in the pilot projects. This activity led the government to pursue a feasibility study and to hire a transaction advisor to move forward with the PPP projects. PPIAF is currently preparing follow-up support to the government in order to build the institutional readiness and capacity that is required for the government to become an effective counterparty to a PPP project for NR 13.



## Eastern Europe and Central Asia

### Overview

The global financial crisis that began in late 2008 set back ambitious infrastructure development plans for many countries in the Eastern Europe and Central Asia (ECA) region. Many such plans relied on PPP arrangements. While private activity in infrastructure has picked up again since 2011, and the level of private investment is now comparable to the pre-crisis level, the flight to quality projects and countries perceived as less risky has been notable. Private activity in recent years has been mostly focused on energy and telecommunications, particularly in Turkey.

### Areas of PPIAF assistance

PPIAF support to the ECA region has expanded in recent years from the Balkan states to a broader pool of countries, and the focus of PPIAF-funded activities has shifted from regional initiatives to single-country activities.

IN FISCAL YEAR 2013, THE FOCUS OF PPIAF-FUNDED ACTIVITIES HAS SHIFTED FROM REGIONAL INITIATIVES TO SINGLE-COUNTRY ACTIVITIES.

Among other interesting results, a PPIAF activity in Tajikistan that was completed in early 2013 led to the draft of an investment law that will set out the regulatory framework for the implementation of large-scale infrastructure projects. The law is expected to be enacted in the coming months.

PPIAF also implemented four new activities in Armenia, Belarus, Kosovo and Turkey. The activity implemented in Turkey through the SNTA program is particularly noteworthy, because it will provide tailored assistance to 10 municipalities to support potential borrowing transactions to finance priority infrastructure projects. This activity will also assist the central government to strengthen its coordination mechanisms and policy framework for financing sustainable cities. In Belarus, PPIAF is assisting the government with a preliminary study of the introduction of private-sector participation in water supply. In Armenia, PPIAF was asked to provide further assistance for work on the financing of the water sector in the current context of private-sector participation.

### Looking forward

PPIAF is relatively selective in the ECA region, focusing on activities with a regional perspective. In a regional study that covers Kosovo and Mongolia, among other countries, PPIAF is developing an activity to provide upstream assistance to bring private-sector participation in a district heating efficiency improvement project. The lessons learned from this activity will also benefit other countries in the region. In Kosovo, PPIAF will support the Post Privatization Unit of Kosovo Electricity Distribution and Supply, through capacity building and institutional reforms. PPIAF will continue to explore activities in the ECA region that support private-sector participation in key infrastructure sectors.



### BOX 3: TECHNICAL ASSISTANCE ON PRIVATE SECTOR INVOLVEMENT IN OPERATION OF REGIONAL BUS-STATIONS IN ARMENIA

*PPIAF funding: \$75,000*

**Background:** In November 2010, the Government of Armenia established an inter-sectoral task force to involve the private sector in the operation of the inter-regional bus stations. The task force was chaired by the Minister of Transport and Communication, and included the Deputy Minister of Transport and Communication, the Deputy Minister of Justice, the Deputy Minister of Finance, the Deputy Minister of the Economy, and the Deputy Chairman of the Department for Management of State Property Under the Government. In this context, PPIAF assistance was requested in 2011 to develop a plan for improving the performance of bus-station operations through private-sector involvement, in the hope of transforming the provision of bus-station services into a financially sustainable enterprise capable of providing good-quality services.

**PPIAF’s contribution:** The PPIAF-funded activity helped develop a plan for improving the performance of bus-station operations through private-sector involvement by focusing on: i) the development of performance standards for the operation of bus stations; ii) the assessment of financial performance and identification of potential savings; iii) the identification of potential additional revenue sources; and iv) the identification of options for private-sector participation in the financing and operation of bus stations.

**Outcomes:** The reports’ findings confirmed the viability of the proposed private-sector involvement, and the government counterparts have confirmed their continued interest in pursuing private-sector involvement in the management and operations of bus stations. The World Bank is currently in discussions with the government to help it make its final decision on the specific option for private-sector involvement, the terms of the PPP, and the timing of the transaction.



## Latin America and the Caribbean

### Overview

Over the past decade, the middle class in the Latin American and the Caribbean (LAC) region increased by 50 percent—a historic achievement for a region that has long experienced great inequality of wealth and income. Meanwhile, the proportion of people living in poverty decreased from 44 percent to 30 percent. As a result, the middle class and the poor now account for roughly the same proportion of the population.<sup>4</sup>

The environment for PPPs in the LAC region appears to be improving. A rising middle class is demanding vital infrastructure, prompting countries to redouble efforts to attract greater private investment. Whether driven by one-time demand factors such as major international athletic events scheduled in Brazil in 2014 and 2016, or ongoing internal demand factors, such as already existing

IN FISCAL YEAR 2013, PPIAF CONTINUED SPEARHEADING INSTITUTIONAL REFORM AND CAPACITY BUILDING TO ATTRACT PRIVATE PARTICIPATION IN INFRASTRUCTURE ACTIVITIES IN THE REGION.

<sup>4</sup> Oxford Analytica—New global poverty “geography” raises policy questions (February 2013). Projections suggest that “two-dollar poverty” will continue to be focused in middle-income countries over the next 20 years—the so called “poverty paradox.”

**BOX 4: PPIAF-CARIBBEAN INFRASTRUCTURE PPP ROADMAP— INNOVATING BY FOCUSING ON REGIONAL HARMONIZED PPP APPROACH IN THE OECS REGION**

*PPIAF funding: \$250,000*

**Background:** There is a significant need across the Organization of Eastern Caribbean States (OECS) countries for investment in improved infrastructure to underpin economic growth and development, and in some countries, to continue reconstruction following Hurricane Tomas in October 2010. Recognizing that meeting this infrastructure need is beyond the fiscal and technical capacity of the governments alone, several countries in the region intend to increasingly engage the private sector in providing infrastructure through PPPs.



**PPIAF’s contribution:** In 2012, PPIAF supported the “Caribbean Infrastructure PPP Roadmap”, which provides a review of the outlook and challenges for PPPs in the Caribbean. The roadmap identified PPP projects, obstacles, and possible strategies for overcoming bottlenecks and implementing PPP schemes that can further narrow the infrastructure delivery gap. The study covered the electricity, water, ports and airports, and telecommunications sectors in 11 Caribbean countries. As noted in its country reviews, several recent attempts to develop PPP projects have run into difficulties, generally arising from unclear processes and limited government capacity to initiate structure and procure PPPs. Many PPP projects have simply stalled, and some have been subject to legal challenge. Across the region, past projects were developed on an ad-hoc basis, without any clear policy framework for managing PPPs.

**Outcomes:** Given the small size of the OECS countries, and their close economic relationships, a regionally harmonized approach to PPPs appears to have clear advantages. It can help create a regional PPP “market,” reducing investors’ costs of engaging in any individual country, and thereby increasing investor interest and competition in PPP projects. The roadmap has recommended developing a regional “model” PPP policy, and building capacity to engage with PPPs across the OECS and the wider Caribbean, while also working with a subset of governments to implement and entrench that policy in practice. During fiscal year 2014, PPIAF will seek to disseminate the findings and recommendations of the roadmap in various forums and through its online dissemination tools.

infrastructure deficits in various Central America and Caribbean countries, infrastructure development continues to top the policy agenda of governments across the region. The gap between emerging and developing PPP markets is narrowing. A number of LAC countries—including Colombia, El Salvador, Guatemala, Jamaica and Uruguay—have improved their readiness and capacity for PPP investment through accelerated regulatory changes and institutional capacity building.

Nonetheless, experience in the region has demonstrated that PPP-focused institutional frameworks in and of themselves are not sufficient to sustain necessary PPP-based infrastructure development. While LAC countries facing resource and fiscal constraints must prioritize PPP-based infrastructure development projects, they must also build and consolidate their institutional and technical expertise and demonstrate how their PPP programs will result in

more equitable economic development, especially given the close attention being paid to these programs in many countries. Building PPP institutional and technical capacity has proven to be a long-term challenge for countries with PPP experience (including Brazil, Chile and Mexico), not to mention for those with less PPP experience.

**Areas of PPIAF assistance**

During fiscal year 2013, PPIAF continued spearheading institutional reform and capacity building to attract private participation in infrastructure activities in the region. PPIAF piloted cutting-edge interventions and consolidated PPP know-how and best-practices in Brazil, Belize, Jamaica and Peru. A good illustrative example is an on-going PPIAF activity in Jamaica. The Jamaican government recently developed a new policy, procedural and institutional framework for PPPs. PPIAF is supporting the

“upstream” conceptualization, development, assessment and prioritization of “first-mover” PPP projects. This activity is building the capacity of the Development Bank of Jamaica PPP unit to manage the PPP program, and of other key government ministries and agencies to engage with the PPP program by identifying and initiating promising PPP projects in the course of developing their sector plans and policies. This activity builds on an earlier PPIAF-supported PPP pipeline assessment, and complements work being carried out by the World Bank, International Finance Corporation, and Inter-American Development Bank (IDB). In particular, the activity is being implemented in close cooperation with the IDB/Multilateral Investment Fund’s recently created Regional Public-Private Partnerships Advisory Services Program, also known as New Frontiers PPPs. Projects identified and developed through this partnership work could subsequently be candidates for IDB and other international financial institution (IFI)-funded transaction support, and projects and sector plans may also be disseminated through program-wide events organized under the IDB and other IFI’s support program.

### Looking forward

PPIAF will continue working with partners to leverage its resources to consolidate PPP institutional building and technical expertise in the LAC region. PPIAF will explore new and innovative approaches to grant making and PPP programmatic development with our regional partners that will harness more private-sector investment for PPP-based infrastructure development, to augment the provision of vital infrastructure services and provide greater positive impacts through more inclusive, equitable and sustainable economic development.









## Middle East and North Africa

### Overview

Political turmoil has swept the Middle East and North Africa (MENA) region since the Arab Spring began in late 2010. The upheaval has had political and economic consequences across the region. Economic growth rates have fallen, unemployment has risen, and fiscal deficits and government debt levels have grown as governments responded to the unrest by increasing spending on subsidy programs and cutting tax rates. The region's infrastructure needs a total \$100 billion per year over the next 10 years, but current regional infrastructure investment totals only \$60 to \$70 billion per year. There is therefore a financing gap that the private sector can help to close. However, regional PPP investments have been relatively low over the past 10 years. Since 2003, 87 PPPs have mobilized \$68 billion in private investment. In order to close the region's infrastructure gap, the challenge remains to increase

**IN FISCAL YEAR 2013, PPIAF  
SUPPORT IN THE MENA REGION  
FOCUSED IN LOW-INCOME AND  
FRAGILE STATES.**



*PPIAF team member in Middle East and North Africa (Dubai, UAE), Andrew Jones.*

private-sector investment programs across the region. PPIAF support has been highly sought after in fiscal 2013 to help governments identify, design and implement PPPs in order to meet the region’s infrastructure needs.

**Areas of PPIAF assistance**

To stimulate economic development and growth, the provision of adequate infrastructure services is a policy imperative for regional governments. MENA countries have a critical need to upgrade their infrastructure stock to address past underinvestment and new demand from a young, growing population. However, with state budgets stretched thin, regional governments face a serious challenge of balancing budgets with significant infrastructure investment requirements. Since the global financial crisis, governments in the region are increasingly looking to leverage private-sector management expertise and/or financing to expand and improve infrastructure services and to improve the operation and usage of existing infrastructure assets.

PPIAF’s MENA portfolio has been focused in low-income and fragile states in fiscal 2013. In Djibouti, PPIAF approved two activities in the energy and telecommunications sectors that built on successful activities undertaken in fiscal 2012. In the energy sector, PPIAF is assisting the Government of Djibouti to identify least-cost-generation investments that can be effectively financed and managed through a PPP. This analysis, which takes account of the future



**BOX 5: PUBLIC-PRIVATE PARTNERSHIP PROGRAM IN EGYPT**

*PPIAF funding: \$524,500*

**Background:** In 2006 the government of Egypt articulated a new economic reform agenda that emphasized the promotion of PPPs across infrastructure sectors. PPPs are seen as a central element of the government’s reform agenda, providing an important means of delivering investment in public infrastructure that is necessary to improve the quality of public services. The government hoped that PPPs could help attract private capital (thus easing pressure on the capital budget), and provide other benefits, including greater efficiency and innovation in the design and operation of infrastructure assets, and economic growth and increased employment.

**PPIAF’s Contribution:** In 2007 PPIAF provided capacity-building support to Egypt’s recently created Central PPP unit, housed within the Ministry of Finance. The unit was formed to develop a clear policy framework and action plan for PPPs, and to work alongside line ministries and the private sector to develop PPP projects. PPIAF support included an institutional development plan that defined the unit’s mandate and operating environment. From 2011 to 2013, PPIAF has supported multiple pre-feasibility studies intended to identify and develop viable PPP projects. These have included activities in the public transportation, solid waste and telecommunications sectors. In 2013 additional capacity building was also provided to PPP unit and line ministry officials to increase understanding of project finance and financial modeling.

**Outcomes:** PPIAF support to the government of Egypt has led to a strong legislative and institutional PPP framework that has been crucial to the development and implementation of an ambitious PPP program across all infrastructure sectors. In May 2010, a PPP law, reviewed and revised as part of the PPIAF support, was enacted. Law No. 67 for the year 2010, entitled “Promulgating the Law Regulating Partnership with the Private Sector in Infrastructure Projects, Services, and Public Utilities,” permits government authorities to enter into PPP contracts with private entities, enabling the private sector to finance, construct and operate infrastructure projects and public utilities for contracts of up to 30 years.

potential for geothermal energy, includes support for the development of appropriate PPP legislation for the sector. In the telecommunications sector, PPIAF is continuing to support the exploration of sector liberalization options, including the partial privatization of the state-owned incumbent. In addition, PPIAF is also contributing to the development of the ICT sub-sector, which has the potential to serve as an engine of economic growth and employment, taking advantage of Djibouti's strategic location and access to international submarine cables.

Two activities were approved in fiscal 2013 in fragile states. In Iraq PPIAF is supporting the development of a roadmap for distribution sector reform. The reform strategy will enable the Government of Iraq to identify and define the future mode of private-sector participation in the electricity distribution sector. In Yemen PPIAF is providing support for the further liberalization of the telecommunications sector, in order to expand access and services. Specifically PPIAF is assisting the Government of Yemen to improve the mobile licensing regime and lay the groundwork for a new license tender that will introduce competition in the mobile broadband segment in Yemen.

### Looking forward

The continued upheaval in the MENA region has highlighted the need for better access and improved public services at affordable prices in order to spur economic development. Demand for PPIAF technical assistance is expected to remain strong as governments face the challenge of balancing fiscal constraints with the need to provide significant investment to meet the infrastructure needs of the region. PPIAF will selectively engage in countries that demonstrate the political stability and will to pursue PPPs. Many of these countries are economically weak or have little experience with PPPs; PPIAF will therefore focus its support in low-income and/or fragile and conflict affected countries to provide assistance on capacity building, the development of appropriate enabling environments for PPPs, and the implementation of pathfinder pioneering transactions.







## South Asia

### Overview

South Asia—home to 1.5 billion people with over one billion living on less than \$2 per day—has the largest global concentration of poor people. The region also has the world's largest working-age population, a quarter of the world's middle-class consumers, the largest number of poor and undernourished, and several fragile states of global geopolitical importance. With inclusive growth, South Asia has the potential to change global poverty. Since inception PPIAF and its SNTA program have provided \$21,791,789 in funding to 128 activities in this region, representing 10 percent of the PPIAF and SNTA program portfolios.

WITH OVER ONE BILLION PEOPLE LIVING ON LESS THAN \$2 PER DAY—SOUTH ASIA HAS THE LARGEST GLOBAL CONCENTRATION OF POOR PEOPLE.

## Areas of PPIAF assistance

PPIAF has continued to support the development of the PPP agenda in Sri Lanka in fiscal 2013, with a new activity for the airport sector. Its objective is to support the Ministry of Civil Aviation of Sri Lanka in developing its strategy for domestic airports with private-sector participation. The activity will identify airports and services that can be managed by the private sector, and evaluate the sector's legal, regulatory and institutional frameworks. This activity complements four other on-going activities in the country concerning private-sector participation in roads, urban area development, railway stations, and small-scale water infrastructure.

PPIAF renewed the dialogue on PPPs with the Government of Pakistan and approved a new activity in Punjab State. Pending on-going discussions with ADB and World Bank teams to ensure donor coordination on the project, PPIAF will provide assistance to the Punjab PPP unit to contribute to its development and ensure that the unit can work autonomously in the near future. The objective of this activity is to analyze the unit's capacity constraints, prepare a business plan for it, and deliver necessary training to enhance its capacity.

## Looking forward

PPIAF is currently preparing a number of high-impact activities in the South Asia region. In Pakistan, PPIAF has been working over the past year on an important activity to open the water supply and sanitation sector to private-sector participation. The activity assesses the key barriers for PPPs in Karachi and Rawalpindi's water supply and sanitation utilities. In Bhutan, PPIAF is currently developing a follow-up activity that focuses on capacity building for key public-sector officials and on assistance in implementing PPP rules and regulations, building on our earlier assistance on developing a PPP policy and an institutional framework. In Nepal, PPIAF is developing an activity for a market-wide intervention by building the capacity of the Renewable Energy Authority, private-sector sponsors (SME and MSMEs), and domestic banks to develop commercially viable small-scale renewable energy projects. In Bangladesh, PPIAF will be working with the PPP Office to identify and address institutional and regulatory barriers for bringing long-term domestic banking and capital market lending to infrastructure projects.



### BOX 6: ASSISTANCE FOR THE DEVELOPMENT OF A PPP POLICY AND AN INSTITUTIONAL FRAMEWORK IN BHUTAN

*PPIAF funding: \$167,000*

**Background:** The Kingdom of Bhutan is a small, mountainous, landlocked country in South Asia, located in the eastern Himalayas and bordered by India and China. According to the last census in 2005, its population is approximately 696,000, spread across an area of 38,394 square kilometers—roughly the size of Switzerland. Recognizing the need to leverage private investments in order to develop the country's strategic infrastructure, the Ministry of Economic Affairs prepared a Framework for Private Participation in Infrastructure in April 2010, but needed further assistance in developing an enabling environment for private-sector participation.

**PPIAF's contribution:** In order to achieve its goal of expanding its PPP agenda, the government requested PPIAF support in June 2011 to help formulate a PPP policy and implement an institutional framework favorable for private-sector participation. More specifically, PPIAF supported the government in drafting the PPP policy by hiring a PPP expert and a legal expert to provide technical and regulatory inputs. PPIAF also supported the preparation of an institutional framework document. The document developed various options for locating a PPP capability within Bhutan based on international good practices. Pros and cons of the establishment and location of the PPP agency were discussed extensively with the government.

**Outcomes:** The PPP policy is set to be enacted by the end of the fiscal year. The preferred institutional framework option identified during consultations and presented to the cabinet was the establishment of an autonomous agency under the Ministry of Economic Affairs, as this would create the arm's length distance required to function impartially.



## Global Knowledge Portfolio

As a global platform for the generation and dissemination of knowledge on private-sector participation in infrastructure, PPIAF can help developing countries leverage emerging best practices to improve and expand the provision of infrastructure services through efficient PPPs. PPIAF funded eight new global knowledge activities worth \$848,975 in fiscal 2013, twice the number of knowledge activities approved in the previous fiscal year.

### Overview

PPIAF's global knowledge portfolio supports a robust knowledge agenda that complements its country and region-specific technical assistance activities. The portfolio supports the development of new knowledge through research and helps make existing knowledge more accessible to policymakers and other stakeholders. Research findings are disseminated through books, user guides, notes, toolkits, workshops, videos and specialized websites.

PPIAF's knowledge products and training resources contribute to developing countries' efforts to create an enabling environment for efficient and sustainable PPPs in infrastructure and also strengthen local capacity to undertake sound sector reforms. They cover multi-sector as well as sector-specific issues in gas, transportation, electricity, telecommunications, and water and sanitation. They also focus on key themes that together constitute a reference framework for achieving significant and sustainable improvement in the delivery of infrastructure services.

### Areas of PPIAF assistance

PPIAF's global knowledge portfolio sponsors research and knowledge development to support governments for private investment in infrastructure. *Fostering the Development of Greenfield Mining-Related Transport Infrastructure Through Project Finance* is one such knowledge product PPIAF funded in fiscal 2013. The paper provides a guide for government officials seeking to expand their countries' infrastructure networks through multi-use infrastructure assets.

PPIAF's global knowledge portfolio also supports the technical assistance it provides to sub-national entities through the SNTA program. In fiscal 2013, PPIAF provided support for a guide on value-capture mechanisms for financing urban transit projects. This work builds on previous PPIAF-funded knowledge activities on the use of land-based financing tools to fund infrastructure projects. The guidebook will examine the legal and regulatory frameworks needed to implement land-based financing

**PPIAF FUNDED EIGHT NEW GLOBAL KNOWLEDGE ACTIVITIES WORTH \$848,975 IN FISCAL 2013, TWICE THE NUMBER OF KNOWLEDGE ACTIVITIES APPROVED IN THE PREVIOUS FISCAL YEAR.**

mechanisms, outline the implementation process, and explore the challenges and risks of using these tools to finance urban transit systems.

Toolkits and interactive websites from PPIAF's global knowledge portfolio make the latest knowledge and case studies in PPPs available to a much wider audience. The PPPIRC, which provides access to a large selection of sample legal documents to assist in the planning, design and legal structuring of infrastructure projects, is one such website. In fiscal 2013, the PPPIRC team translated the most visited pages into Spanish to increase the website's accessibility in Spanish-speaking countries. Following these efforts, the website recorded a large increase in visitors from countries in the Latin America region. A similar French-language initiative is planned for fiscal 2014.

### Looking forward

The global knowledge portfolio will be at the core of PPIAF's center of excellence strategy in the coming years. PPIAF's efforts to disseminate new and existing knowledge products will be enhanced in fiscal 2014, and new PPIAF-branded knowledge products will be developed. PPIAF will also continue to provide capacity building through targeted seminars and training events for senior government officials and technical staff responsible for designing, implementing and regulating infrastructure projects.



SECTION

3



# Results and Program Finances

## Results

In fiscal year 2013, PPIAF and the SNTA program approved nearly \$13 million dollars' worth of funding for 75 new activities, to enable private-sector participation in infrastructure development by strengthening institutions, facilitating transactions and enhancing technical capacity in client countries. As of June 30, 2013, PPIAF had contributed to the strengthening of 252 institutions, the adoption of 113 pieces of regulation, and the facilitation of more than 130 transactions, including brownfield concessions, divestitures, greenfield projects, and lease and management contracts. In the following section, we present a cumulative summary of PPIAF's monitoring and evaluation (M&E) methodology and results for fiscal 2013.

## Monitoring and Evaluation Methodology

The distinctive nature of PPIAF's work consists of advisory work in the early stages of, or even preceding, the project cycle. The work is "upstream" from actual transactions and typically involves developing enabling environments, providing project-cycle-related assistance, and capacity and awareness building. Many of these activities result in long lasting changes to institutions and increases in capability. However the timing of outcomes and, even more so, impacts often happen several years after the implementation of the PPIAF activities. Attributing the associated results of a particular infrastructure project directly and exclusively to PPIAF's intervention is also difficult, because other causal factors are usually involved. Since PPIAF's interventions normally occur early in the project cycle, it is often many years before any physical infrastructure services are finally available and the "impact" of PPIAF's intervention in this sense is realized.

In order to reflect accurately and thoroughly the nature of the technical assistance it provides, PPIAF refined its system for methodically capturing and measuring its results in fiscal 2011, revising its output and outcome categories and indicators, and developing a standardized way of defining them for both PPIAF and SNTA activities, to more accurately track their results and thoroughly document the causal chain from outputs to outcomes to impacts.

Although the categories and indicators of outputs, outcomes and impacts have been revised, their respective definitions remain the same:

- **Outputs** are the direct deliverable(s) as mandated in the terms of reference for the activity being funded by PPIAF.
- **Outcomes** are the actions taken as a direct result of the outputs. These outcomes can usually be expected to occur within two to three years of completion of the outputs.

- **Impacts** are the changes at the government and/or direct beneficiary level resulting from implementation of the outcomes. Impacts usually take much longer to materialize, particularly in PPIAF's case, and usually are the result of several interventions.

The new output and outcome categories group the indicators by type of advisory assistance PPIAF can provide: enabling environment reform, project-cycle-related assistance, and capacity and awareness building. These are indicators common to *advisory* work, which is the nature of the technical assistance PPIAF provides. *Investment* projects have other indicators, because their objective is to develop specific assets; such projects have direct impacts on beneficiaries, associated with the direct investment in the asset and the delivery of a service.

By more clearly distinguishing between the different types of results, this methodology ensures that every output, outcome and impact is accounted for, and makes the results of PPIAF and SNTA activities consistent between programs and thus easier to aggregate and report. Table 2 contains the revised output and outcome categories.

### Internal system to track outputs, outcomes and impacts

PPIAF's internal web-based database, developed in fiscal 2011, includes a section dedicated solely to M&E (i.e., results that have actually happened), to enable PPIAF to better monitor its activities and keep the outcomes and impacts up-to-date. With this database, PPIAF can prepare customizable summary reports to better aggregate and

view the results by region, country, sector, fiscal year, etc. In particular, these reports enable PPIAF to list each individual output, outcome and impact, and view them in detail.

With more than 1,094 PPIAF-funded activities,<sup>5</sup> 953 of which are closed and completed,<sup>6</sup> this database is a valuable source of information on PPPs in developing countries, and will be easier to maintain and share.

Since fiscal 2011, PPIAF staff has been populating the M&E portion of the database, reviewing all outputs obtained, and researching the corresponding outcomes and impacts. The team is thus able to include details such as the exact name of the legislation that was passed as a result of a PPIAF activity, as well as the actual credit rating given to a utility and funded by the SNTA program when available. As of June 30, 2013, approximately 583 out of 953 closed country-specific and regional/global activities have been researched.

In addition to populating the database, the PPIAF team has prepared country write-ups that consolidate the results of all closed PPIAF and SNTA activities in a particular country in one comprehensive summary. The country write-ups (the completed ones are available at [www.ppiaf.org](http://www.ppiaf.org)) are powerful tools that describe the outputs, outcomes and impacts (i.e. the tangible results) achieved by PPIAF over the past 14 years. They can be used to draw lessons from what has worked and what hasn't, which can help governments and the international development community in general when designing future technical assistance activities. Furthermore, the write-ups will help PPIAF internally when making decisions regarding selecting activities to support.

As can be seen in the country write-ups, many outcomes have been obtained in each country as a result of PPIAF's technical assistance: specific laws, regulations, institutions, and, in some cases, infrastructure projects. All of these outcomes are evidence that PPIAF is achieving its mission and objective to help developing country governments improve the quality of their infrastructure through private-sector involvement. PPIAF is thus helping to remove obstacles to private-sector investment and to establish the foundations necessary to give private investors enough confidence to invest in a specific country.

In addition to thoroughly researching the results of its activities, PPIAF works hard to validate them, either by: 1) contacting the World Bank Group (including the IFC) staff

AS OF JUNE 30, 2013, PPIAF HAD CONTRIBUTED TO THE STRENGTHENING OF 252 INSTITUTIONS, THE ADOPTION OF 113 PIECES OF REGULATION, AND THE FACILITATION OF MORE THAN 130 TRANSACTIONS.

<sup>5</sup> The total number of PPIAF-funded activities does not include 39 activities that were cancelled after approval and before any of the allocated funds were spent.

<sup>6</sup> As of June 30, 2013.

Table 2: Categories and indicators of outputs, outcomes and impacts

	OUTPUTS	OUTCOMES
Enabling environment reform	<b>Analysis/assessment prepared</b> <b>PPIAF:</b> e.g., PPP option study, PPP structuring recommendations <b>SNTA:</b> e.g., credit rating preparation advice, credit rating or FMA, legal/regulatory assessment, transaction structuring recommendations	<b>Institution created or strengthened</b> <b>PPIAF:</b> e.g., PPP unit able to appraise projects, regulatory commission, rural electrification agency <b>SNTA:</b> e.g., creditworthiness enhanced
	<b>Policy prepared or legal or regulatory changes recommended</b> <b>PPIAF:</b> e.g., PPP or sector policy or law, PPP unit deal approval steps, tariff reform <b>SNTA:</b> e.g., sub-national debt management policy, law authorizing sub-national borrowing, revisions to sub-national debt limits	<b>Policy adopted, legislation passed/amended, or regulation issued/revised</b> <b>PPIAF:</b> e.g., PPP or sector policy or law adopted, PPP procurement regulations adopted, revised PPP produrement regulations <b>SNTA:</b> e.g., sub-national debt management policy, revised sub-national debt limits
	<b>Plan/Strategy prepared</b> <b>PPIAF:</b> e.g., sector PPP strategy, county strategy, PPP project action plan <b>SNTA:</b> e.g., captial investment plan, borrowing plan, creditworthiness, improvement plan, credit rating action plan	<b>Plan/Strategy adopted</b> <b>PPIAF:</b> e.g., PPP sector strategy <b>SNTA:</b> e.g., borrowing plan
Project cycle-related assistance	<b>Transaction support</b> <b>PPIAF:</b> e.g., feasibility studies, bidding documents, model contracts, transaction structuring, advice during PPP contract negotiation <b>SNTA:</b> e.g., advice during negotiations with lenders, transaction legal advice	<b>Transaction facilitated</b> <b>PPIAF:</b> e.g., PPP transaction <b>SNTA:</b> e.g., sub-national borrowing plan, capital raised (i.e., loan amounts)
Capacity and awareness building	<b>Workshop/seminar</b> <b>PPIAF:</b> e.g., PPP project appraisal training <b>SNTA:</b> e.g., credit rating trainings	<b>Technical capacity enhanced</b> <b>PPIAF:</b> e.g., government (PPP unit or ministry) staff with improved capacity <b>SNTA:</b> e.g., utility staff with improved capacity
	<b>Knowledge product disseminated</b> <b>PPIAF:</b> e.g., PPP toolkits <b>SNTA:</b> e.g., guide to credit ratings	<b>Consensus achieved</b> <b>PPIAF</b> and <b>SNTA:</b> e.g., popular support for targeted transaction or reform
<b>IMPACTS</b>		
<b>Additional private investment in the sector (\$)</b>		
<b>Increased number of people with infrastructure services</b> This includes both expanded access for new customers and improved service for existing customers.		
<b>Improved level of service (% change, include unit)</b> Will this activity ultimately lead to improved infrastructure services (e.g., % reduction in losses for water)?		
<b>Increased employment opportunities</b> Please specify short-term (e.g., construction period) or long-term (e.g., operation and maintenance).		
<b>Fiscal impact on government (\$)</b> Will this activity lead to investments that would reduce government subsidies in the sector (i.e., subsidies avoided) and/or result in new income to the government through fees, taxes or other economic activity?		



## Results

### Progress capturing outputs and outcomes in database

The PPIAF team has made significant progress capturing the results of PPIAF's activities. As of June 30, 2013, PPIAF had funded 953 fully completed/closed activities, and had undertaken the M&E research for approximately 61 percent of the activities (67 percent in terms of total funding). PPIAF has prioritized the M&E research for country-specific (rather than regional/global) activities, such that the M&E research for 83 percent of all country-specific activities has been completed. Within the country-specific portfolio, the evaluation of activities in low-income countries has been prioritized such that the M&E research for 90 percent of closed activities in low-income countries has been completed. The table below provides an update on how many outputs and outcomes have been captured in the PPIAF database as of June 30, 2013 (the numbers are cumulative).

**Table 3: PPIAF and SNTA outputs and outcomes captured as of June 30, 2013**

Total outputs captured	FY 2013	FY 2012	FY 2011
<b>Enabling environment reform</b>			
Analyses/assessments prepared	726	500	168
Credit ratings (SNTA only)	69	68	50
Policies prepared or legal or regulatory changes recommended	162	104	35
Plans/strategies prepared	227	159	58
<b>Project cycle-related assistance</b>			
Total number of times advice given or studies/model legal documents related to transaction/financing support prepared	177	110	35
<b>Capacity and awareness building</b>			
Workshops/seminars	577	365	94
Workshops/seminars participants	13,305	8,223	N/A
Knowledge products produced/disseminated	94	19	3
<b>Total outcomes captured</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>
<b>Enabling environment reform</b>			
Institutions created/ strengthened	252	192	84
Policies adopted, legislation passed/amended, or regulation issued/revised	113	86	42
Plans/strategies adopted	136	110	59
<b>Project cycle-related assistance</b>			
Number of transactions facilitated (PPIAF only)	119	86	15
Total size of all contracts (PPIAF only)	\$16,626,772,174	\$7,278,246,588	\$3,106,270,000
Number of financings facilitated (SNTA only)	17	17	14
Financing raised from non-sovereign sources (SNTA only)	\$1,099,970,586	\$1,098,981,676	\$858,354,476
<b>Capacity and awareness building</b>			
Total number of activities with technical capacity enhanced reported to PPIAF	194	161	22
Participants with technical capacity enhanced	2,159	1,219	544
Total number of activities leading to consensus achieved reported to PPIAF	132	95	28

A disaggregated report of outputs and outcomes for both PPIAF and SNTA is presented below in Tables 4, 5, 6 and 7.

### *PPIAF program*

As of June 30, 2013, PPIAF has provided funding for the following outputs:

**Table 4:** PPIAF outputs captured as of June 30, 2013

<b>Enabling environment reform</b>
599 analyses/assessments prepared
158 policies prepared or legal or regulatory changes recommended
196 plans/strategies prepared
<b>Project cycle-related assistance</b>
Advice given for 136 transactions (including model legal documents prepared to support transactions)
<b>Capacity and awareness building</b>
531 workshops/seminars with 12,620 participants
87 knowledge products disseminated

As a result, the following outcomes have been achieved and captured in PPIAF's internal database:

**Table 5:** PPIAF outcomes captured as of June 30, 2013

<b>Enabling environment reform</b>
166 institutions created or strengthened
109 policies adopted, legislation passed/amended, or regulation issued/revised
104 plans/strategies adopted
<b>Project cycle-related assistance</b>
119 transactions facilitated worth a total of \$16.62 billion
<b>Capacity and awareness building</b>
189 activities with technical capacity enhanced reported to PPIAF, with a total of 2,074 participants
128 activities leading to consensus achieved

*SNTA program*

As of June 30, 2013, PPIAF’s SNTA program has facilitated the following outputs:

**Table 6:** SNTA outputs captured as of June 30, 2013

<b>Enabling environment reform</b>
127 analyses/assessments prepared, including 69 credit ratings
4 policies prepared or legal or regulatory changes recommended
31 plans/strategies prepared
<b>Project cycle–related assistance</b>
Advice given related to 14 transactions, including model legal documents related to transaction support prepared
<b>Capacity and awareness building</b>
46 workshops/seminars with 685 participants
7 knowledge products produced or disseminated

As a result, the following outcomes have been achieved and captured in PPIAF’s internal database:

**Table 7:** SNTA outcomes captured as of June 30, 2013

<b>Enabling environment reform</b>
86 institutions strengthened
4 policies adopted, legislation passed/amended, or regulation issued/revised
32 plans/strategies adopted
<b>Project cycle–related assistance</b>
17 transactions facilitated that raised \$1.1 billion in loans from non-sovereign sources
<b>Capacity and awareness building</b>
5 activities with technical capacity enhanced reported to PPIAF, with a total of 85 participants
4 activities leading to consensus achieved



## Program Council

PPIAF's 14th Program Council meeting was held on May 15–17, 2013 in Paris. The meeting was attended by donor representatives from ADB, Australia, Austria, France, Germany, IFC, Japan, Millennium Challenge Corporation, Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and the World Bank. Invited guests included representatives from the Private Infrastructure Development Group and Cambridge Economic Policy Associates (CEPA). PPIAF's new manager was introduced to all the donors at the meeting.

The primary agenda of the meeting was to discuss the findings and recommendations of the evaluation undertaken by CEPA on the relevance of PPIAF. CEPA presented the main findings of their evaluation to the donors as well as their recommendations of actions to be taken by PPIAF. Following the discussions of CEPA's recommendations, it was decided that PPIAF will prepare a Three-Year Strategic Plan with clear goals focused on a more programmatic approach which will reinforce PPIAF's role as a center of excellence and knowledge hub for enabling private-sector investment in infrastructure and disseminating knowledge to developing countries. Increased engagement and more strategic direction from donors would be a key part of developing and implementing the strategy. The strategy will outline a funding requirement for donors to be considered at the Program Council meeting planned for November 2013.

## TAP Report

The 2013 Technical Advisory Panel (TAP) review of PPIAF activities is the TAP's annual independent evaluation of PPIAF and its portfolio, and includes detailed reviews of a sample of individual activities. As part of its regular responsibility for independent evaluations, the panel conducted an ex-post review of completed and ongoing activities, and presented its findings at the PPIAF Program Council meeting in May 2013.

This year the TAP chose to review projects relating to SNTA activities, predominantly in Asia, because of the contribution this makes to the on-going debate about PPIAF's presence in middle-income countries. The countries concerned were middle-income countries with significant poor populations that neatly encapsulated the dilemmas surrounding the debate. Another reason was that TAP had not undertaken reviews of SNTA projects as a group before.

The TAP review of these selected activities uncovered that although in none of the cases reviewed have bond issues taken place, all of them have embarked on developing a methodology and the capacity building which is necessary for an issuance in the future. Given that PPIAF is essentially an advisory facility and not involved in direct transaction negotiations, it has limited influence over outcomes. Where deals do not result, this does not mean that projects have failed. Furthermore, collateral material is gathered that may serve the long-term objectives. Among other observations, the TAP suggested that PPIAF should enhance the use of the material accumulated in these projects, given the high level of interest in SNTA around the world (which is unlikely to diminish given the continued moves towards decentralization).



## Program Finances

PPIAF derives its resources from donor contributions, which are channeled through trust funds administered by the World Bank Group. The World Bank Group recovers an administrative fee for costs associated with this task.

### Contributions

In fiscal 2013, PPIAF received cash contributions from its donors totaling \$12.20 million. Of this, the contribution for PPIAF core activities received through its Multi-Donor Trust Fund II amounted to \$6.57 million. Non-Core Trust Funds for 1) Integrating the Climate Change Agenda with a Public-Private Partnerships Program, 2) Middle-Income Countries, 3) Water and Sanitation in Sub-Saharan Africa, and 4) the Sub-National Technical Assistance Program received \$5.63 million during the fiscal year (see Table 8).

Table 8: Member contributions receipts, fiscal 2013, 2012 and 2011

	Fiscal 2013 (\$)	Fiscal 2012 (\$)	Fiscal 2011 (\$)
<b>PPIAF Core fund</b>			
Austria	n.a.	2,739,600	n.a.
Australia	4,924,660	4,622,450	1,491,280
France	n.a.	656,650	n.a.
Germany	615,750	335,825	317,750
International Finance Corporation	250,000	162,000	488,000
Italy	n.a.	n.a.	281,700
Millennium Challenge Corporation	250,000	250,000	250,000
Norway	533,229	n.a.	n.a.
Netherlands	n.a.	n.a.	1,500,000
Sweden	n.a.	279,099	317,682
United Kingdom	n.a.	n.a.	4,855,004
World Bank	n.a.	n.a.	600,000
<b>Sub-total</b>	<b>6,573,639</b>	<b>9,045,624</b>	<b>10,101,416</b>
<b>Non-Core funds</b>			
Norway: Climate Change	n.a.	n.a.	161,142
Netherlands: Climate Change	285,990	2,000,000	n.a.
Switzerland: for Middle-Income Countries	2,159,360	2,864,344	2,604,166
Switzerland: for Global Financial Crisis	n.a.	n.a.	n.a.
United Kingdom: for Global Financial Crisis	n.a.	n.a.	4,698,140
USAID: Water for Sub-Saharan Africa	740,456	245,450	n.a.
<b>Sub-total</b>	<b>3,185,806</b>	<b>5,109,794</b>	<b>7,463,448</b>
<b>SNTA program</b>			
Australia	1,047,800	983,500	n.a.
France	n.a.	672,100	n.a.
Switzerland	1,400,000	2,499,573	n.a.
United Kingdom	n.a.	n.a.	4,869,600
World Bank	n.a.	n.a.	n.a.
<b>Sub-total</b>	<b>2,447,800</b>	<b>4,155,173</b>	<b>4,869,600</b>
Total contribution receipts	12,207,245	18,310,591	22,434,464
Net investment income	318,340	369,233	392,673
<b>Total funding</b>	<b>12,525,585</b>	<b>18,679,824</b>	<b>22,827,137</b>

Contributions received in fiscal 2013 brought cumulative donor contributions received since PPIAF's inception to \$274.37 million (\$240.06 million for PPIAF and \$34.31 million for SNTA), as indicated in Table 9.

**Table 9:** Member contributions received, inception to June 30, 2013

	Fiscal 2000–2013 (\$)
<b>PPIAF Core fund</b>	
Asian Development Bank	1,750,000
Austria	2,739,600
Australia	14,371,790
Canada	2,134,000
European Bank for Reconstruction and Development	In kind
European Commission*	1,254,610
France	3,424,851
Germany	4,337,230
International Finance Corporation	3,900,000
Italy	1,178,840
Japan	10,435,000
Millennium Challenge Corporation	1,000,000
Netherlands	5,249,970
Norway	3,383,204
Sweden	4,807,406
Switzerland	9,554,431
United Kingdom	90,479,709
US Agency for International Development	1,000,000
World Bank	18,723,235
<b>Sub-total</b>	<b>179,723,876</b>
<b>Non-Core funds</b>	
Japan	5,608,000
Norway	2,028,006
Netherlands	2,286,000
Sweden	9,178,182
Switzerland	15,873,478
United Kingdom	24,374,000
US Agency for International Development	985,000
<b>Sub-total</b>	<b>60,332,666</b>
<b>Total</b>	<b>240,056,542</b>
<b>SNTA program</b>	
Australia	2,031,300
France	1,101,340
International Finance Corporation	4,100,000
Italy	647,140
Switzerland	7,544,596
United Kingdom	13,039,125
World Bank	5,850,000
<b>Total</b>	<b>34,313,501</b>
<b>Grand Total</b>	<b>274,370,043</b>

\*European Commission is no longer contributor to the Multi-Donor Trust Fund II effective 2009.

## Disbursements

In fiscal 2013, \$9.89 million was disbursed for PPIAF activities. Disbursements were made for activities approved in fiscal year 2013, as well as for activities approved in prior years that are being implemented over multiple years. In accordance with the administration agreements entered by the World Bank and PPIAF donors, \$0.3 million was collected as an administration fee.

In fiscal 2013, the Program Management Unit incurred a total of \$2.49 million in administrative costs, as indicated in Table 10. This included \$1.69 million in expenses incurred in Washington, DC, such as staff salaries, benefits, overhead, travel, office space, administration, evaluation of proposals, and governance and coordination of donor relations. Regional coordination offices incurred expenses amounting to \$0.23 million, which included regional office staff salaries, benefits, overhead, office space, administration, and portfolio monitoring. Other expenditures amounted to \$0.57 million and included expenses for the Technical Advisory Panel, annual meetings, communication, IT, and monitoring and evaluation.

Table 10: Disbursements for fiscal years 2013, 2012 and 2011

	Fiscal 2013 (\$)	Fiscal 2012 (\$)	Fiscal 2011 (\$)	Fiscal 2010* (\$)
<b>Disbursements</b>				
Activity disbursements	9,894,970	11,045,888	10,787,159	20,854,273
Administration fee	292,721	368,674	509,234	488,468
Program Management Unit expenses:				
1) Program Management Unit headquarters	1,696,148	1,410,968	1,479,588	1,515,726
2) Regional coordination offices	230,705	129,133	357,093	1,057,859
3) Other expenditures	571,672	774,285	510,105	715,294
<b>Total Program Management Unit expenses</b>	<b>2,498,525</b>	<b>2,314,386</b>	<b>2,346,786</b>	<b>3,288,879</b>
<b>Total Disbursements</b>	<b>12,686,216</b>	<b>13,728,948</b>	<b>13,643,179</b>	<b>24,631,620</b>

\*Activity disbursements for 2010 have been restated to correct an accounting error.

## Single Audit Process

The World Bank Group has instituted an annual "single audit" exercise for all trust funds. As part of this exercise, the PPIAF Program Manager signs a trust fund representation letter attesting to the correctness and completeness of the financial process for all PPIAF trust funds. The task manager for each approved activity is required to confirm that due diligence has been exercised with respect to the administration, management and monitoring of the funds awarded for the activity, and to ensure that all expenses and disbursements are made in accordance with World Bank procurement and administrative guidelines.

## Annex: Activities Approved in Fiscal 2013

**Table A.1: Summary of PPIAF activities approved in fiscal 2013, by region and sector**

Region	Number of Activities	Funding (\$)	Share of Activities (%)	Share of Funding (%)
Sub-Saharan Africa	24	2,856,231	41	33
East Asia and the Pacific	6	2,021,430	11	24
Middle East and North Africa	11	1,785,345	19	20
Latin America and the Caribbean	5	562,600	9	7
Global	6	596,975	11	7
Cross-Regional	1	300,000	2	4
Eastern Europe and Central Asia	3	225,659	5	3
South Asia	1	200,000	2	2
<b>Total</b>	<b>57</b>	<b>8,548,240</b>	<b>100</b>	<b>100</b>
<b>Sector</b>				
Multi-sector	24	2,688,080	42	32
Transport	8	2,151,430	14	25
Telecommunications	5	1,383,100	9	16
Water and sanitation	11	1,199,349	19	14
Energy	9	1,126,000	16	13
<b>Total</b>	<b>57</b>	<b>8,548,240</b>	<b>100</b>	<b>100</b>

**Table A.2: Summary of SNTA program activities approved in fiscal 2013, by region and nature of activity**

Region	Number of Activities	Funding (\$)	Share of Activities (%)	Share of Funding (%)
Sub-Saharan Africa	11	2,803,150	60	63
East Asia and the Pacific	2	860,040	11	20
Eastern Europe and Central Asia	1	338,000	6	8
Global	2	252,000	11	6
Cross Regional	1	75,000	6	2
Latin America and the Caribbean	1	61,000	6	1
<b>Total</b>	<b>18</b>	<b>4,389,190</b>	<b>100</b>	<b>100</b>
<b>Nature of Activity</b>				
Specific performance improvements	10	2,093,790	55	47
Credit ratings	2	1,038,000	11	24
Financing	3	902,400	17	21
Other	3	355,000	17	8
<b>Total</b>	<b>18</b>	<b>4,389,190</b>	<b>100</b>	<b>100</b>

# Activities Approved in Fiscal 2013

Activities approved from PPIAF non-core funds or for a specific donor objective have been shaded using the key below; all other activities were approved from PPIAF's core fund. Activities funded by the SNTA program are indicated separately under each region.

- Austria Climate Change
- Japan Trust Fund for East and South East Asia
- Norway-Netherlands Integrating Climate Change Agenda with Public-Private Partnerships
- SECO/DFID: Response to the Global Financial Crisis
- SECO: Middle-Income Countries
- USAID for Water, Sanitation, and Hygiene in Sub-Saharan Africa

**Table A.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2013**

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Benin	Water Business Advisory Project	Strengthening the capacity of the local private sector to deliver water supply services, thereby enabling the government to structure PPPs that transfer more risk to the private-sector participants.	\$155,500	Pioneering transactions
Central African Republic	Enhancing Infrastructure Services through PPP Program: Addressing Capacity Building Issues	Assessing the enabling environment and recommending improvements to the legal, regulatory and institutional frameworks. This activity will also conduct a PPP pipeline diagnostic and present options for building capacity to structure PPPs, including establishing a PPP unit.	\$75,000	Policy, regulatory and institutional reforms
Comoros	Improving Private Sector Management of Water Supply	Analyzing the performance of the ongoing management contracts and assessing the range of management options available for the provision of water services to establish the best option for private-sector participation in the sector.	\$103,500	Policy, regulatory and institutional reforms
Democratic Republic Of Congo	Project Pipeline Screening and Initial Feasibility Assessment of Potential Infrastructure PPPs	Assisting the government to develop and implement its PPP program, by doing a preliminary assessment of potential infrastructure projects that would be suitable for private-sector investment.	\$74,000	Infrastructure development strategies
Gambia	Project Pipeline Screening and Support to the Establishment of a PPP unit	Supporting the government in the preliminary assessment of potential infrastructure projects to develop a pipeline of feasible PPP projects, and to help establish a PPP unit with defined responsibilities and functions. The results of the assessment will serve to inform future government decisions on which projects to prioritize for further development as PPPs.	\$75,000	Infrastructure development strategies

Table A.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2013 (continued)

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Ghana	Assessing PPP Options to Improve the Provision of Public Toilets in Kumasi	Assessing PPP options to deliver improved access to sanitation through the provision of public toilets in Kumasi.	\$295,650	Infrastructure development strategies
Ghana	Assessing the Enabling Environment and Options for Private Sector Participation within the Power Sector	Assessing the practicality of previously identified and additional opportunities for private-sector participation in the power sector in Ghana.	\$73,000	Infrastructure development strategies
Ghana	Institutional Reform of the Water Company Ltd (GWCL) to Improve the Provision of Urban Water Services (Phase 3)	Analyzing PPP options for the urban water supply sector and organizing a roundtable of experts to review and discuss the pros and cons of the different options. This activity builds on earlier PPIAF support to the sector.	\$46,000	Policy, regulatory and institutional reforms
Guinea	Energy Sector Hydro PPP—Capacity Building & Project Preparation	Enabling the power sector to attract private financing for large, low-cost, low-carbon but capital-intensive hydropower IPPs. Reviewing the effectiveness of the legislative framework, benchmarking hydro IPP projects in the region, and reviewing the sector's investment and capacity needs to develop standard documentation for IPPs.	\$232,200	Capacity building
Guinea	PPP Diagnostic and Capacity-Building	Supporting the development of an enabling environment for PPPs and strengthening the Government of Guinea's capacity to identify and implement PPPs. This activity will identify and assess a pipeline of infrastructure projects to determine which projects can potentially be developed into PPPs.	\$170,000	Infrastructure development strategies
Kenya	PPP unit Support (Phase II)	Assisting the Kenya PPP Unit to develop finance regulations for the PPP Bill and direct agreement for funding and providing follow-up assistance and mentoring for two pilot transactions. This activity builds on the initial phase I of PPIAF support.	\$74,956	Capacity building
Lesotho	Renewable Energy Sector Gap Analysis	Assisting the Government of Lesotho and the IFC by undertaking a "gap analysis" of the renewable energy sector. This work will identify specific gaps and weaknesses in the existing regulatory, institutional and policy framework.	\$120,000	Policy, regulatory and institutional reforms



Table A.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2013 (continued)

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Mauritius	Review and Development of Asset Management Strategy in Output and Performance based Road Contracts	Supporting the Road Development Authority in the introduction of output- and performance-based road maintenance contracts, within an appropriate asset management strategy to optimize the use of existing resources and the role of the private sector in the provision of maintenance services.	\$297,100	Pioneering transactions
Niger	Technical Assistance to Prepare the PPP Legal and Regulatory Framework	Enabling the Government of Niger to advance its PPP agenda by defining the PPP Unit's mandate, identifying gaps in existing laws and regulations, identifying a pipeline of PPP projects, and developing a PPP strategy.	\$179,556	Capacity building
Nigeria	Assessment of Potential Water PPP Projects	Assessing the suitability of eight potential water projects to be developed under a PPP model.	\$32,240	Infrastructure development strategies
Republic Of Congo	Enhancing Infrastructure Services through a PPP Program: Addressing the Capacity Building Issues	Building the capacity of the government to develop PPPs through drafting policy recommendations to improve the legal, regulatory, and institutional and policy arrangements; taking an inventory of potential and planned PPP projects; and providing recommendations for creating institutional and human expertise on PPPs, either through a PPP Unit or an inter-institutional commission.	\$74,640	Policy, regulatory and institutional reforms
Senegal	PPP Capacity Building Seminars for Government Officials	Supporting a PPP training workshop to build the capacity of 105 stakeholders involved in PPP project development. The training session will improve the capacity of senior government officials to understand key aspects of PPPs, including risk management, financing, procurement, and supervision of contracts.	\$49,015	Capacity building
Senegal	Review and update of SENELEC's Financial Model	Reviewing and updating SENELEC's financial model to mitigate risks and assess the impact of sector restructuring options.	\$75,000	Policy, regulatory and institutional reforms
Sierra Leone	Institutional Reform, Capacity Building, and Pipeline Development Support	Building the capacity of key officials to implement PPPs. This activity will also identify a pipeline of potential PPP projects and develop a framework for objective selection, comparison, prioritization and tracking of PPP projects, as part of Sierra Leone's public investment management process.	\$215,674	Infrastructure development strategies

Table A.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2013 (continued)

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Tanzania	Drafting PPP Finance Regulations	Supporting the Government of Tanzania in developing the draft PPP finance regulation needed to support the PPP Finance Unit, and the management of unsolicited bids.	\$75,000	Policy, regulatory and institutional reforms
Tanzania	Support to PPP Central Agencies and Development of a Public Private Partnership Policy For Zanzibar	Assisting the central PPP agencies to develop operating practices, create a PPP policy and operating guidelines, identify gaps in existing laws and regulations, and identify a pipeline of potential PPP projects (all pertaining to Zanzibar).	\$180,000	Policy, regulatory, and institutional reforms
Tanzania	PPP Pipeline Screening	Supporting the Government of Tanzania in the preliminary assessment of potential infrastructure projects and the development of a pipeline of feasible PPP projects. A list of seven "first mover" demonstration projects will be identified, as will the actions required to bring those demonstration projects to market.	\$50,000	Infrastructure development strategies
Uganda	PPP Capacity Building Workshop	Building the capacity of decision makers to use PPPs as a means to improve infrastructure services and provide public services. The workshop addresses challenges faced by the country in the development and delivery of infrastructure and the provision of public services by the private sector.	\$58,200	Capacity building
Regional	Audit of the West Africa Power Pool (WAPP CLSG) Financial Model	Auditing the WAPP Secretariat's financial model to ensure the assessment of the financial viability of the regional transmission network is accurate and reliable. Supporting the WAPP secretariat and the four governments in the preparation of an anchor Power Purchase Agreement for about 83 megawatts to be sold by Côte d'Ivoire to the other three participating countries (Liberia, Guinea and Sierra Leone).	\$75,000	Pioneering transactions

**Table A.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2013** *(continued)*

Country	Activity	Description	Funding (\$)	Type of activity
<b>SNTA Program</b>				
Central African Republic	Performance Improvement of the Power Utility (ENERCA)	Identifying the actions necessary for ENERCA to achieve its recovery and development objectives and to secure private-sector participation in its management (short- and long-term). This will be reflected in a series of action plans over a time frame to be defined.	\$330,000	Specific performance improvement
Ghana	Municipal Financing Alternatives for the Municipality of Sekondi-Takoradi	Assessing the economic capacity of the Municipality of Sekondi-Takoradi, including identifying current sources of revenue, to determine options for financing key infrastructure projects.	\$166,750	Specific performance improvement
Ghana	Strengthening the Role of PPPs in Revenue Collection in Municipalities in Ghana.	Analyzing existing best practices in revenue collection arrangements with private-sector participation, and preparing a guidance note to inform local governments' design and management of revenue-collection PPPs. This activity will also pilot PPP models for revenue collection in one or two municipalities.	\$100,000	Financing
Kenya	KPLC Loss Reduction Advisory Program— Finance Mobilization for Loss Reduction/ Efficiency Investments.	Increasing the efficiency of energy distribution in Kenya. This activity will build KPLC's capacity to identify, plan and mobilize finance for loss reduction and efficiency improvement investments.	\$125,000	Financing
Kenya	Capital Market Development Support for Kenyan Sub-Nationals	Supporting two Kenyan sub-national entities to access local capital markets. The Kenya Roads Board and Kenya Wildlife Service are seeking to access capital markets to fund their respective capital expenditure plans. This activity will help the sub-nationals prepare for the transactions by conducting a shadow credit rating, a financial options analysis, and a market-sounding exercise, and preparing an information memorandum.	\$500,000	Financing
Namibia	Assistance to the City of Windhoek to Build Financial Reporting Capacity	Building the City of Windhoek's capacity to produce future financial statements in accordance with recognized accounting standards on a systematic basis.	\$75,000	Specific performance improvement

Table A.3: PPIAF and SNTA program activities in Sub-Saharan Africa approved in fiscal 2013 (continued)

Country	Activity	Description	Funding (\$)	Type of activity
<b>SNTA Program</b>				
Regional	Revenue Management Master Class for Senior Financial Managers	Supporting a three-day master class held in Accra, Ghana in November 2012 with Agence Française de Développement. The class was conducted in English and gathered about 40 participants from African and Middle East cities that share similar challenges. The participants were a homogeneous group of senior technical financial managers who have a great sphere of influence in their workplace and were screened to ensure that their cities benefit most from what was offered.	\$75,000	Specific performance improvement
Regional	AFD-PPIAF Partnership for Municipal Finance Capacity Building Workshops	Partnering with AFD to deliver a program of training seminars over the next three years. This partnership aims to build the capacity of sub-national governments to manage their revenues and debts, mobilize funds, and facilitate investment that will help overcome poverty.	\$464,000	Specific performance improvement
Tanzania	Analysis of Financing Options for the Tanzania Airports Authority (TAA)	Supporting the Tanzania Airports Authority in examining commercial financing and PPP options for its infrastructure development plans. The assignment will assist management in determining the role that commercial finance can play in the authority's debt finance mix and in selecting the most suitable form(s) of commercial financing to meet the authority's current financing requirements.	\$277,400	Financing
Uganda	Capacity Building for Kampala City Council Authority	Increasing the Kampala City Council Authority's capacity for revenue management, financial management systems, cost control, revenue projections, and other factors that affect its creditworthiness. This activity will also provide just-in-time support to assist the authority in its discussions with the central government.	\$300,000	Specific performance improvement
Uganda	Municipal Development Support Program	Supporting revenue enhancement measures for five municipalities to trigger concessional loan financing under the World Bank Program for Results in Uganda, and to identify options for further financing without sovereign guarantee.	\$390,000	Specific performance improvement

**Table A.4 PPIAF and SNTA program activities in East Asia and the Pacific approved in fiscal 2013**

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
East Timor	Dili Airport PPP Support	Advising the Government of Timor-Leste on structuring and implementing a viable transaction scheme for private-sector participation in Presidente Nicolau Lobato International Airport.	\$500,000	Pioneering Transactions
East Timor	Tibar Bay Port PPP Support	Advising the Government of Timor-Leste on structuring and implementing a viable transaction scheme for private-sector participation in a greenfield container port terminal in Tibar Bay, outside the capital city, Dili.	\$500,000	Pioneering Transactions
Lao PDR	Assessment of the Enabling Environment for PPPs in the Road Sector	Assessing the enabling environment in the road sector to identify impediments to PPP projects.	\$145,330	Capacity Building
Myanmar*	Telecommunications Sector Reforms	Supporting the creation of a credible policy and regulatory environment. This activity will support institutional capacity building in the telecommunications sector and the development of the first strategic plan for the sector regulator.	\$500,000	Policy, regulatory and institutional reforms
Philippines	The Establishment of a Regulatory Unit in the Urban Passenger Rail Sector	Assisting the Department of Transportation and Communications to establish and build the capacity of the regulatory unit that will oversee the Light Rail Transit Authority (LRT) PPP Concessions.	\$250,000	Policy, regulatory and institutional reforms
Samoa	Development of a Public-Private Partnership Policy and Pipeline Screening	Supporting the Government of Samoa in the development of a draft PPP policy and the preliminary assessment of potential infrastructure projects to develop a pipeline of feasible PPP projects.	\$126,100	Policy, regulatory and institutional reforms

\* This activity was supported by funds from the Multi-Donor Trust Fund II (\$250,000) and the Japan Trust Fund for East and South East Asia (\$250,000).

Table A.4 PPIAF and SNTA program activities in East Asia and the Pacific approved in fiscal 2013 (continued)

Country	Activity	Description	Funding (\$)	Type of activity
<b>SNTA PROGRAM</b>				
Indonesia	Strengthening Sub-National Fiscal Capacity for Infrastructure Finance	Strengthening municipal fiscal capacity in Indonesia to support the financing of infrastructure development. This activity aims to improve sub-national government awareness of alternative sources of infrastructure financing (capital markets) and improve access to capital markets through issuance of municipal bonds.	\$700,000	Credit rating
Mongolia	Preparing Ulaanbaatar City to Become Creditworthy and Improving its Capital Investment Planning	Providing technical assistance to the Municipality of Ulaanbaatar to help it improve its budget transparency and support it in carrying out a creditworthiness self-assessment.	\$160,040	Specific performance improvement

Table A.5: PPIAF and SNTA program activities in Eastern Europe and Central Asia approved in fiscal 2013

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Armenia	Financial Strengthening of Operating Water Concessions	Assessing the levels of the current water and wastewater tariffs in terms of cost-recovery, to recommend improvements to the tariff structure and rate in order to ensure efficient use of water resources and sustainable financing.	\$125,000	Policy, regulatory and institutional reforms
Belarus	Private Sector Participation Options in the Water Sector	Analyzing water and wastewater sector modernization options, with a specific focus on the development of private sector participation. Analyzing the legal, regulatory, financial, social and economic barriers to private-sector participation, reviewing institutional options to overcome these barriers, and recommending the most feasible PPP options for the sector.	\$74,859	Infrastructure development strategies
Kosovo	Public Private Partnership in the Energy Sector: Public Opinion Research	Researching citizens' attitudes towards private-sector participation in the energy sector and on broader energy issues. A series of focus groups and a national survey will be commissioned to better understand the concerns, fears, misperceptions and aspirations of citizens related to private-sector participation in energy service delivery. This activity complements PPIAF's on-going consensus-building work in Kosovo.	\$25,800	Consensus building

**Table A.5: PPIAF and SNTA program activities in Eastern Europe and Central Asia approved in fiscal 2013 (continued)**

Country	Activity	Description	Funding (\$)	Type of activity
<b>SNTA PROGRAM</b>				
Turkey	Technical Assistance Program for Sub-National Financing	Providing tailored assistance to 10 municipalities to support a pilot of potential borrowing transactions to finance priority infrastructure projects. Assisting the central government to strengthen its coordination mechanisms and policy framework for financing sustainable cities.	\$338,000	Credit rating

**Table A.6: PPIAF and SNTA program global activities approved in fiscal 2013**

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Global	Central America PPP Training and Capacity Building Program	Building the capacity of government officials from five Central American countries to implement PPPs and disseminate best practices on structuring and implementing PPPs in partnership with the IFC and WBI.	\$35,000	Capacity building
Global	Fostering Multi-User Greenfield Mining-Related Infrastructure Through PPPs	Producing a guide on the development of multi-user mining-related transportation infrastructure. The guide examines the legal and regulatory frameworks necessary to structure the mining-related infrastructure projects as PPPs, and also provides guidelines on how to raise debt and equity for these projects.	\$75,000	Emerging best practices
Global	Private Investment in Shared Infrastructure Toolkit	Maximizing the economic impact of telecommunications connectivity by reducing costs, enhancing competition, and increasing access by mainstreaming cross-sector infrastructure sharing.	\$350,000	Emerging best practices
Global	Roundtable on Lessons Learned and Challenges of Value for Money Assessments	Supporting the dissemination of lessons learned on implementing value-for-money analysis of PPP projects.	\$26,475	Emerging best practices
Global	Strengthening Capacity for Public Private Partnerships in Renewable Energy	Building understanding among key government and private-sector stakeholders/decision makers on the fundamentals of designing, structuring, tendering and implementing bankable PPPs in the renewable energy sector. This activity supported an IFC Renewable Energy Conference to held in Istanbul, Turkey, in November 2012.	\$50,000	Capacity building

Table A.6: PPIAF and SNTA program global activities approved in fiscal 2013 (continued)

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Global	Translation and Dissemination of a Practical Guide to PPP Programs	Translating “A Practical Guide to Private Participation in Infrastructure: Project development and project finance” into French. The activity also supports dissemination efforts to key policymakers in developing countries.	\$60,500	Emerging practices
<b>SNTA PROGRAM</b>				
Global	Africites Summit Seminar on PEFA Methodology and Land Finance	Increasing the technical capacity of financial directors of large African municipalities through the dissemination of the PEFA methodology and sensitization on land added-value capture.	\$72,000	Specific performance improvement
Global	Guide to Value Capture Finance Mechanisms for Urban Transit Projects	Developing a guidebook on the application of non-tax-based value-capture mechanism to transit investments in developing countries, and disseminating the guidebook widely in developing countries.	\$180,000	Other

Table A.7: PPIAF and SNTA program activities in Latin America and the Caribbean approved in fiscal 2013

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Belize	Capacity Building: Twinning Phase 2 Between The Belize Water Services (BWS) and the Contra Costa Water District (CCWD)	Supporting the second phase of a twinning process between the Belize Water Services and the Contra Costa Water District. The activity will produce a report that will present an analysis of the twinning exercise and other key information on the utility, such as areas of strength/weakness, as well as a needs assessment for potential future activities.	\$37,600	Capacity building
Jamaica	Pre-Feasibility Studies for the Soapberry Wastewater Treatment Plant (WWTP)	Determining the feasibility of structuring the Soapberry WWTP expansion as a PPP by reviewing environmental risks, establishing the technological adaptations needed to address the current nitrogen concentration non-compliance, and considering the viability of this investment given current sewerage tariffs.	\$200,000	Infrastructure development strategies



Table A.7: PPIAF and SNTA program activities in Latin America and the Caribbean approved in fiscal 2013 (continued)

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Jamaic	Support to the PPP Program	Supporting the conceptualization, development, assessment and prioritization of “first-mover” PPP projects in the context of the Government of Jamaica’s overall priorities for improving infrastructure services and enabling growth. This activity will also build the capacity of the PPP unit to manage the PPP program, and of other key ministries and agencies to engage with the PPP program by identifying and initiating promising PPP projects in the course of developing their sector plans.	\$150,000	Infrastructure development strategies
Peru	Economic and Financial Assessment of PPP Projects Through a Value-for-Money Methodology	Assisting the Government of Peru’s infrastructure investment agenda by reducing the barriers to implementing efficient PPPs. The assistance will help to strengthen the PPP process, from project identification to financial closure, by ensuring that the decisions concerning when and how to use PPPs are based on a sound economic and financial assessment of projects in the pipeline.	\$75,000	Capacity building
Peru	Strengthening the PPP Project Cycle and Capacity Building Program with Proinversión and Line Ministries	Identifying practical recommendations to improve the efficiency of the project cycle for PPPs. This activity builds the institutional capacity of Proinversión and PPP units housed in line ministries to select, structure and procure PPPs.	\$100,000	Capacity building
<b>SNTA Program</b>				
Brazil	Risk Assessment of the CASAN Water and Sanitation Company in Santa Catarina	Conducting a risk assessment of CASAN, a state-owned water and sanitation company, assessing the physical risks, assisting CASAN with risk management and insurance-related decisions, and training its risk management staff to assess risks appropriately. This activity will help the company access commercial and capital market funds, which will enable it to invest in the extension of services in the medium term.	\$61,000	Specific performance improvement

Table A.8: PPIAF and SNTA program activities in the Middle East and North Africa approved in fiscal 2013

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Djibouti	Energy Sector Assessment Phase II	Drafting of primary and secondary legislation and conducting a workshop to discuss the findings of the work for both capacity and consensus building. Ultimately, the drafting and passage of these legislative reforms will enable the Government of Djibouti to launch the tender process for an IPP.	\$75,000	Policy, regulatory and institutional reforms
Djibouti	Telecoms Sector Liberalization Phase II	Assisting the government to open the telecoms sector to competition through private-sector participation. Drafting amendments to the legal and regulatory framework to allow private-sector participation; identifying and building consensus on the most suitable approach to the sale of a mobile license, and partial privatization of the incumbent telecommunications operator.	\$293,100	Infrastructure development strategies
Egypt	PPP Capacity Building	Building capacity and awareness of mid-level government officials on PPPs to enable the development of bankable PPP projects. The training will build capacity to identify, develop, implement and regulate PPPs.	\$74,500	Capacity building
Egypt	Prefeasibility Study for Waste to Energy Projects	Assessing the viability of a PPP option for the development and operation of waste-to-energy projects in four potential governorates (Cairo, Alexandria, Matrouh and Dakahliya).	\$55,000	Pioneering transactions
Egypt	Prefeasibility Study to Assess PPP Options for the Heliopolis - New Cairo Tramway	Assessing the institutional, financial and contractual feasibility of PPP options for the development and/or operation of the Heliopolis-New Cairo tram project. This activity will also recommend a preferred PPP option and outline the main legal, financial, risk sharing and procurement aspects of that option.	\$184,000	Pioneering transactions
Egypt	Prefeasibility Study for the Development of the ICT Sector	Assessing the viability of a PPP option for the development of the ICT sector in the Cairo Contact Centers Park. The study will look at the project's affordability and ability to attract private-sector participation for the development, construction, financing and long-term operation and management of the facilities.	\$75,000	Infrastructure development strategies
Iraq	Development of a Reform Roadmap for the Electricity Distribution Sector	Supporting the Government of Iraq to identify and define the future role of the private sector in the development of the electricity distribution sector.	\$400,000	Policy, regulatory and institutional reforms
Jordan	Impact Assessment of Private Sector Participation in Infrastructure	Assessing the impact of private-sector participation in Jordan's infrastructure sectors. This activity will contribute to the development of the government's future PPP strategy.	\$69,950	Emerging best practices

**Table A.8: PPIAF and SNTA program activities in the Middle East and North Africa approved in fiscal 2013 (continued)**

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Jordan	Institutional and Policy Support for the Development of the PPP Program	Supporting institutional and policy reform to develop Jordan's PPP program. This activity will support the creation of an institutional structure for the PPP unit, review gaps in existing laws, identify a pipeline of potential PPP projects, and develop a PPP strategy.	\$319,795	Policy, regulatory and institutional reforms
Tunisia	Support to Office National de l'Assainissement (ONAS) to Develop a Sewerage PPP Program	Supporting the ONAS to implement its PPP program for the operation and management of sewerage infrastructure with private operators, moving from the current five-year subcontracting framework to longer and more comprehensive PPP contracts.	\$74,000	Infrastructure development strategies
Yemen	Supporting the Expansion of Rural Telecommunications Access	Improving the mobile licensing regime in Yemen and laying the groundwork for a new license tender that will introduce competition in the mobile broadband segment of the telecommunications sector.	\$165,000	Infrastructure development strategies

**Table A9: PPIAF activities in South Asia approved in fiscal 2013**

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Sri Lanka	Development of Domestic Airports Through Private Sector Participation	Supporting the Government of Sri Lanka in developing its strategy for domestic airports with private-sector participation.	\$200,000	Infrastructure development strategies

Table A10: PPIAF and SNTA program cross-regional activities approved in fiscal 2013

Country	Activity	Description	Funding (\$)	Type of activity
<b>PPIAF</b>				
Cross-Regional	Rapid Needs Assessments (II)	Supporting selected government agencies with a rapid needs assessment initiative to look at a range of issues and challenges, including an assessment of private-sector participation in desired sectors. This activity builds on a previous PPIAF initiative.	\$300,000	Infrastructure Development Strategies
<b>SNTA PROGRAM</b>				
Cross-Regional	SNTA Rapid Response Initiative	Improving the quantity and quality of support provided to sub-national clients directly or indirectly by the PPIAF-SNTA team. This activity will allow SNTA to provide just-in-time expert advice to clients, both internal and external. This advice will be provided on a short-term basis, as required, and will help to improve the implementation of ongoing activities and strengthen applications for new activities.	\$75,000	Specific performance improvement

## Photo Credits

---

1. Curt Carnemark/World Bank (Woman drinking water on cover page, pages 14 and Box 6 on page 37)
2. Hidajet Delic Degi/World Bank (Box 3 on page 27)
3. Jonathan Ernst/World Bank (Box 1 on page 21)
4. Kim Eun Yeu/World Bank (Box 5 on page 33)
5. Maria Fleischmann/World Bank (Box 4 on page 29)
6. Markus Kostner/World Bank (page 40)
7. Ray Witlin/World Bank (page 20)
8. IFC Photos (Wind farm on cover page, pages 8, 12, 26, 30-31, 32, 34-35, 36, 38, 49)
9. PPIAF Photos (Bus transport and woman on phone on cover page, pages 17, 22-23, Box 2 on page 25, 28)
10. World Bank Photos (pages 6, 19, 24)

