

# 2015 Annual Report



**PPIAF**  
Enabling Infrastructure Investment



SUPPORTED BY  
**WORLD BANK GROUP**



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# Abbreviations

<b>ADB</b>	Asian Development Bank
<b>AFD</b>	Agence Française de Développement
<b>AfDB</b>	African Development Bank
<b>BSC</b>	Balanced Scorecard
<b>CCSA</b>	Cross-Cutting Solutions Area
<b>DAC</b>	Development Assistance Committee
<b>DFID</b>	Department for International Development (U.K.)
<b>EAP</b>	East Asia and Pacific
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>ECA</b>	Eastern Europe and Central Asia
<b>EIB</b>	European Investment Bank
<b>IDB</b>	Inter-American Development Bank
<b>IFC</b>	International Finance Corporation
<b>LAC</b>	Latin America and the Caribbean
<b>LIC</b>	Low-Income Country
<b>MDTF II</b>	Multi-Donor Trust Fund II
<b>ME&amp;L</b>	Measurement, Evaluation and Learning
<b>MENA</b>	Middle East and North Africa
<b>MIC</b>	Middle Income Country
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PPIAF</b>	Public-Private Infrastructure Advisory Facility
<b>PPP</b>	Public-Private Partnership
<b>PPPIRC</b>	Public-Private Partnership in Infrastructure Resource Center
<b>PURC</b>	Public Utility Research Center
<b>SECO</b>	State Secretariat for Economic Affairs (Switzerland)
<b>SNTA</b>	Sub-National Technical Assistance
<b>SSA</b>	Sub-Saharan Africa
<b>TA</b>	Technical Assistance
<b>TAP</b>	Technical Advisory Panel
<b>ToC</b>	Theory of Change
<b>UEMOA</b>	Union Économique et Monétaire Ouest Africaine
<b>UNECE</b>	United Nations Economic Commission for Europe
<b>USAID</b>	U.S. Agency for International Development
<b>WBG</b>	World Bank Group

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# Message from the Program Manager

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It is my pleasure to present you with the fiscal 2015 annual report. This has been a year of significant staffing changes and managerial transitions at PPIAF—I myself joined PPIAF mid-way through the fiscal year—as well as organizational changes for the World Bank Group (WBG), through the setting up of a new PPP Cross-Cutting Solution Area (CCSA), to which PPIAF is now attached. Nevertheless, the team remained focused on delivering the fiscal 15-17 Strategy and Business Plan objectives and we believe this report demonstrates the progress we have continued to make towards meeting our key portfolio targets and aligning ourselves with our donors' priorities. While PPIAF fell short of achieving its ambitious quantitative target for approvals, we approved close to \$17 million worth of activities (60 activities), representing a slight uptick from the previous year's \$16.75 million, and we posted strong results related to other areas of our strategic reorientation.

We have also built a strong pipeline of technical assistance activities, with \$14.6 million worth of them already identified for fiscal 2016. PPIAF is also increasing its disbursement levels, logging \$14.5 million worth in fiscal 2015, which is 8.3 percent more than the previous year. Likewise, in our new programmatic approach, we have significantly increased the average size of our grants, from \$213,000 in fiscal 2014 to \$308,000 in fiscal 2015, by designing activities that are of a sufficient scale to deliver greater impact.

The highlights of the past year include the following:

- **A marked shift towards programmatic engagements:** Five technical assistance program concepts totaling \$9.16 million were developed by PPIAF and approved. As part of these programs, PPIAF already approved six activities totaling \$2.5 million. Programmatic technical assistance and strategic knowledge activities comprised 24 percent of PPIAF assistance this year. Programmatic activities are typically larger in size, longer in duration, and delivered in coordination with our development partners.

- **Delivery of technical assistance with partners for greater impact:** PPIAF aims to deliver much of its technical assistance in partnership with other development organizations to increase our impact, both from a financial and operational standpoint. In fiscal 2015, PPIAF delivered 22 of its activities with partners, such as working with the regulatory experts at the University of Florida’s Public Utility Research Center (PURC) to update the Body of Knowledge in Infrastructure Regulations to cater to low-capacity, and fragile countries.
- **Continued focus on countries with the most need:** We continue to have a strong emphasis on providing support to the lowest income and most fragile countries, with 54 percent of approvals for country-specific activities going to low-income (Development Assistance Committee [DAC] 1 and DAC 2) countries, representing a slightly higher portion of our approved funding than the previous year (51 percent). We also approved six new activities, representing about 10 percent of total approvals, in fragile states.
- **Reinforcing our footprint on the ground to increase our efficiency:** Fiscal 2015 has seen the re-opening of our regional bureau in Dakar to better cover West, Central and North Africa, with a specific focus on French-speaking countries that have yet to catch up in terms of public-private partnerships (PPPs).
- **Reorientation of PPIAF’s knowledge delivery to offer the best to our clients:** PPIAF delivered more knowledge in fiscal 2015, while transitioning away from its model of offering “demand-driven knowledge.” PPIAF adopted a structured approach to designing and producing knowledge products within three categories, to enable us to address the breadth of challenges facing clients.

The pages below provide more information on the technical assistance we have provided in fiscal 2015; a snapshot of our assistance by region and sector; examples of successful activities and partnerships; and status updates of activities funded through PPIAF’s various trust funds. Looking forward to next year, I am confident that PPIAF will continue along this strategic direction. We are in the process of staffing key senior positions that will enable us to improve our overall expertise and performance, and we will build on our strong pipeline of activities to generate more and better engagements from PPIAF.

Finally, on a personal note, I want to take this opportunity to express my heartfelt appreciation for the team’s dedication and professionalism, as well as for the continuous support and encouragement from our donors.

Best regards,



François Bergere

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# PPIAF Team

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**Bottom row Left to right**

Sarah Mbayo, Anna Aghababyan, Luciana Guimaraes Drummond e Silva, Nozomi Takiwa, Jemma Sy, Junglim Hahm

**Middle row**

Beth Mwangi, Kirti Devi, Juliana Bedoya Carmona, Bailo Diallo, Fatouma Ibrahima, Sara Ahmed, Francois Bergere, E. Njeri Gicheru, Christine Shepherd, Serah Njoroge, Nuwan Suriyagoda

**Upper row**

Lauren Wilson, Cristina Ladeira Ferreira, Anita Correa, Souleymane Traore, Celine Payet, Amsale Bumbaugh

# SECTION ONE





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# Program Highlights Fiscal 2015

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## **PPIAF ASSISTANCE GREW TO NEARLY \$17 MILLION IN 2015, WITH A SHIFT TO MORE STRATEGIC ENGAGEMENTS**

This year, PPIAF's work focused on developing strategic engagements that seek to leverage PPIAF resources with partnerships for greater effects. Programmatic technical assistance (TA) is a sequence of activities designed to tackle multiple aspects of the enabling environment in a country, region or sector over the course of one or more years, to achieve more wide-ranging objectives; strategic knowledge initiatives, on the other hand, use the same partnership principles to leverage knowledge resources to tackle a global learning question. Programmatic TA and strategic knowledge activities comprised 24 percent of PPIAF assistance this year.

In fiscal 2015, PPIAF approved 60 activities worth \$16.95 million. Although this fell short of the ambitions set out in the FY15-17 Strategy<sup>1</sup> and Business Plan<sup>2</sup>, it still represents an increase over the previous year's figure (\$16.75 million). There is also a strong pipeline of activities developed but not yet approved as of June 30. The larger average activity size in fiscal 2015 (\$308,000) compared to fiscal 2014 and 13 (respectively \$213,000 and \$171,000) reflects the same shift towards broader and more committed engagements.

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1 [http://www.ppiaf.org/sites/ppiaf.org/files/documents/PPIAF\\_Strategy\\_Final.pdf](http://www.ppiaf.org/sites/ppiaf.org/files/documents/PPIAF_Strategy_Final.pdf)

2 [http://www.ppiaf.org/sites/ppiaf.org/files/documents/PPIAF\\_3yrBusinessPlan\\_Final.pdf](http://www.ppiaf.org/sites/ppiaf.org/files/documents/PPIAF_3yrBusinessPlan_Final.pdf)

**TABLE 1: PPIAF's Actual Fiscal 2015 Approvals vs. Fiscal 2015 Projected Approvals and Fiscal 2014 Approvals**

	Fiscal 2014	Fiscal 2015 Target*	Fiscal 2015 Actual	Fiscal 2016 Pipeline
<b>Programmatic Technical Assistance</b>	1,606,000	6,000,000	2,473,000	6,688,000
<b>Technical Assistance (Coverage)</b>	13,327,000	14,250,000	11,326,000	7,700,000
<b>Strategic Knowledge Initiative</b>	350,000	1,000,000	1,534,000	-
<b>Other Knowledge Initiatives</b>	1,473,000	1,500,000	1,620,000	1,500,000
<b>Total</b>	16,756,000	22,750,000	16,953,000	15,888,000

\*These are targets for fiscal 2015 in the PPIAF FY15-17 Business Plan.

This year, five technical assistance programs totaling \$9.16 million were developed by PPIAF. As part of these programs, PPIAF approved six activities totaling \$2.5 million<sup>3</sup> (Table 2). These programs were developed in close coordination with partners: the Agence Française de Développement (AFD), the Asian Development Bank (ADB), the Inter-American Development Bank (IDB), and the World Bank and the International Finance Corporation (IFC). Technical assistance programs are inherently more complex and take more time upfront and more resources to develop. These programs are expected to result in an increase in approved activities in subsequent fiscal years. The pipeline at the start of fiscal 2016 for programmatic TA (\$6.7 million) signals that PPIAF will be on track to meet its target.

PPIAF continued to provide smaller but vital “coverage grants” to help fill key gaps in the enabling environment at the national and sub-national levels in client countries. As projected, in fiscal 2015, these activities received the majority of approved funds. Approval levels, while slightly lower, remained in the range of last year’s levels, despite important organizational changes in the WBG, PPIAF’s main implementing partner. Going forward, PPIAF is optimistic that it will meet its targets, given the robustness of the fiscal 2016 pipeline for such activities.

For its knowledge activities, PPIAF exceeded the targets it set for itself, while transitioning away from “Demand Driven Knowledge” and towards new implementation modalities. These are explained in more detail below, in the “Highlights of the Knowledge Portfolio” section.

<sup>3</sup> Approval for a technical assistance program concept is approval for a large, multi-partner technical assistance engagement that is expected to require a certain amount of funding over several fiscal years. The approved thematic program concepts are expected to require \$9.16M for the program life. In each fiscal year, PPIAF only counts the amount of each approved activity that falls under programs towards its approved funding figures.

**TABLE 2: Overview of PPIAF's Thematic Technical Assistance Programs in Fiscal 2015**

Program Name	Program Description	Individual Activities under Program Approved in FY 2015	Program Amount	Activity Amount
<b>Scaling Up the PPP Program in Bangladesh</b>	<i>The program aims to create an enabling policy and regulatory environment to help develop a range of PPP infrastructure projects across the country, which the Government of Bangladesh could implement with its own capacity and knowledge.</i>		<b>\$400,000</b>	
		Scaling Up the PPP Program in Bangladesh		\$400,000
<b>Building PPP Institutional Support in Tanzania</b>	<i>This program supports the Government of Tanzania in accelerating the facilitation of private investment by its PPP program, by building capacity for the agencies charged with coordinating and implementing PPPs.</i>		<b>\$1,660,000</b>	
		Building PPP Institutional Support in Tanzania (Phase 1)		\$356,000
<b>UEMOA - Regional PPP Institutional and Project Financing Strategy Support</b>	<i>This program aims to help create an institutional architecture to facilitate regional and national PPP projects.</i>		<b>\$4,000,000</b>	
		Senegal: PPP Program Support (Phase I) - PPP Institutional Building and Pipeline Development		\$407,490
		Mali: Support for PPP Framework Design & Pipeline Development		\$299,950
<b>Caribbean Regional PPP Framework</b>	<i>To support the governments of the Caribbean region to make good use of PPPs to deliver resilient infrastructure.</i>		<b>\$1,500,000</b>	
		Caribbean Regional PPP Support		\$499,625
<b>City Creditworthiness Initiative (Academies &amp; Tech. Assistance)</b>	<i>The goal of this program is to enable sub-national entities to invest in low-carbon and resilient infrastructure.</i>		<b>\$1,600,000</b>	
		Cross Regional: City Creditworthiness Initiative: Program I, Application 1		\$510,000
		<b>Total</b>	<b>\$9,160,000</b>	<b>\$ 2,473,065</b>

## HIGHLIGHTS OF ACTIVITIES SUPPORTED THROUGH PPIAF'S NON-CORE FUNDS

The majority (53 percent) of approvals are made by PPIAF's core fund (Multi-Donor Trust Fund II, or MDTF II). The second most active is the Sub-National Technical Assistance (SNTA) fund. The distribution of approvals against fund sources tends to be proportionate to each fund's respective amount.

**TABLE 3: Approvals from PPIAF's Trust Funds**

	MDTF II	SNTA	ADB	Climate Change	Japan	SECO	USAID	Total
<b>Approved (\$)</b>	8,979,000	3,975,000	750,000	659,000	400,000	1,693,000	497,000	16,953,000
<b>%</b>	53%	23%	5%	4%	2%	10%	3%	100%
<b>Pipeline (\$)</b>	6,032,000	800,000	-	659,000	-	-	200,000	7,691,000
<b>%</b>	78%	10%	0%	9%	0%	0%	3%	100%
<b>Total (\$)</b>	15,012,000	4,775,000	750,000	1,318,000	400,000	1,693,000	697,000	24,644,000

In Fiscal 2015, the Financial Crisis Fund was closed; its balance will be reallocated to the PPIAF core funds in the coming year. This year, as part of the ADB support, the Program Council approved two activities for \$750,000, which will use up 97 percent of this fund's remaining monies. Under the Administrative and Transfer out Agreements covering this fund, ADB proposals are submitted directly to the PPIAF Program Council for approval. How the remaining amounts in the ADB fund are to be treated is being discussed with the ADB.

Activities supported under the PPIAF core and SNTA funds are well covered in this report. Below are a few highlights of exemplary activities funded under PPIAF's other non-core funds:



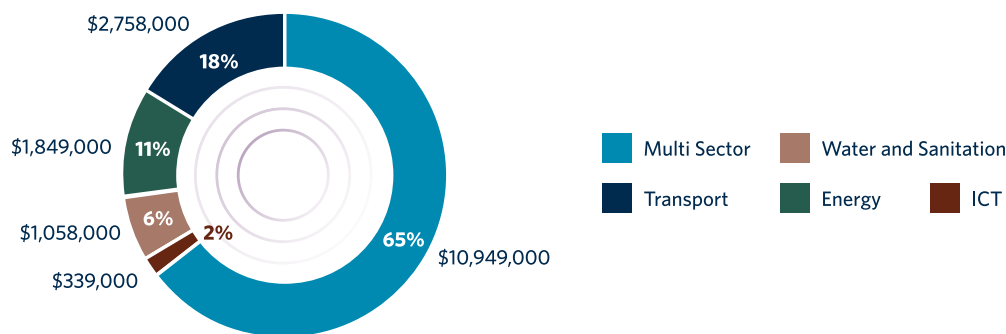
**TABLE 4: Highlights of Exemplary Activities funded from Non-Core Funds**

<b>Fund</b>	<b>Objective</b>	<b>Highlights</b>
<b>Japan Trust Fund for East and South Asia Regions</b>	These funds are used to support PPIAF activities for purposes authorized by the Program Council, with a specific regional on East Asia and South East Asia.	\$400,000 went towards supporting the development and operationalization of the Manila LRT 1 Project in the Philippines, and development of the “Regulation Procedures Manual” to equip the Light Rail Transit Authority with the tools needed to effectively regulate the concession.
<b>Non-Core Trust Fund for Integrating the Climate Change Agenda with Public-Private Partnerships</b>	This fund seeks to mainstream the consideration of climate change externalities and opportunities with existing country-specific and multi-country sectoral work focusing on improving energy, transport, water, sanitation and telecommunications services.	\$659,000 went towards three activities: helping the Sri Lanka Climate Fund develop and implement the tools to screen and prioritize renewable energy/energy-efficiency projects eligible to be PPPs; developing a global knowledge product about mainstreaming climate resilience into PPPs; and helping the state of Odisha, India develop an enabling environment favorable to private investment in renewable energy.
<b>Non-Core Trust Fund for Middle-Income Countries (SECO)</b>	The fund supports infrastructure development strategies, builds institutional capacity, and supports the design and implementation of pioneering projects in selected middle-income countries, including Colombia, Egypt, Ghana, Indonesia, Peru, South Africa, Tunisia and Vietnam.	\$1,693,000 was deployed to support five technical assistance activities in Indonesia, Tunisia and Egypt, as well as a regional Middle East and North Africa (MENA) activity. In Indonesia, support was provided to the City Government of Surabaya, building its capacity to select and structure the most appropriate land-value capture instruments to leverage private finance for public infrastructure investment. In both Indonesia and Egypt, support was provided to help increase private investment in the ports sector. In Tunisia, funding will support sewerage PPP reform, and the regional MENA activity will help the governments of Morocco, Tunisia and Egypt improve PPP project identification capacity in the transport sector.
<b>Non-Core Trust Fund for Water, Sanitation and Hygiene in Sub-Saharan Africa (USAID)</b>	This fund seeks to catalyze increased access to water, sanitation and hygiene in Sub-Saharan Africa (SSA)	\$110,000 will support a willingness-to-pay and demand study in Maputo, Mozambique to ensure that the investment needed to increase the population served from 1 million to 2.5 million is properly sized. In Kenya, \$387,000 will help water utilities in Mombasa and Nairobi explore PPP options with a view towards reducing non-revenue water.
<b>Non-Core Trust Fund from the Asian Development Bank</b>	This fund supports core PPIAF objectives through ADB-implemented activities.	\$350,000 was deployed to build the capacity of municipal governments in China to use PPPs, through the demonstration of PPP projects in Chongqing. Likewise, \$400,000 was deployed to assist the Municipality of Ulaanbaatar (MUB), Mongolia in improving public transport management, quality of services, and financial management through PPP projects.

## PPIAF ASSISTANCE LEANS TOWARDS BUILDING BETTER INSTITUTIONS ACROSS SECTORS IN LOWER-CAPACITY COUNTRIES

PPIAF’s technical assistance aims to strengthen the enabling environment to encourage private-sector investment in key economic infrastructure sectors such as water, transport, and energy in countries with the greatest need and potential—lower-income countries, fragile and conflict-affected states, and select-priority middle-income countries.

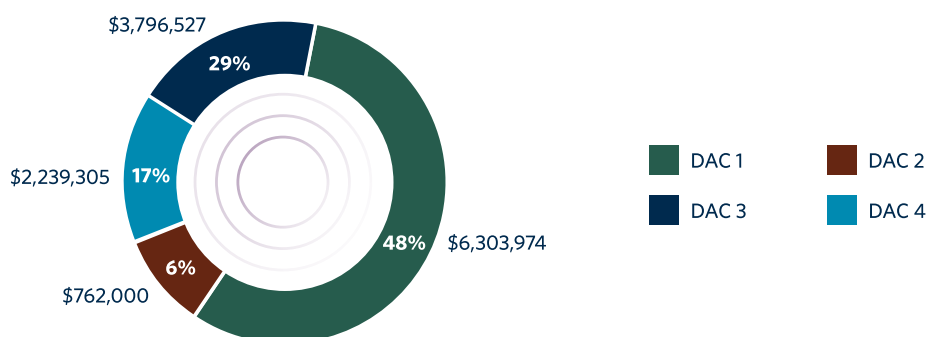
**FIGURE 1: PPIAF Funding by Sector in Fiscal 2015**



PPIAF was most engaged in multi-sector activities (Figure 1), consistent with the goal of helping establish stronger institutions (in terms of policies, regulations and organizations) that provide the framework and confidence to the private sector to invest in low-capacity countries. In fiscal 2015, 65 percent of PPIAF’s activities were multi-sector in nature and helped countries to improve their legal and institutional frameworks.

PPIAF focused on supporting countries and regions with the greatest need: lower-income countries as defined by the Organization for Economic Cooperation and Development (corresponding to the OECD’s DAC 1 and 2 categories). As illustrated in Figure 2, 54 percent of approvals for country-specific activities were invested in DAC 1 and DAC 2 countries, which is a slightly higher proportion than last year (51 percent).

**FIGURE 2: Program Funding by Country Income Fiscal 2015**



\*Does not include cross-regional and Global activities

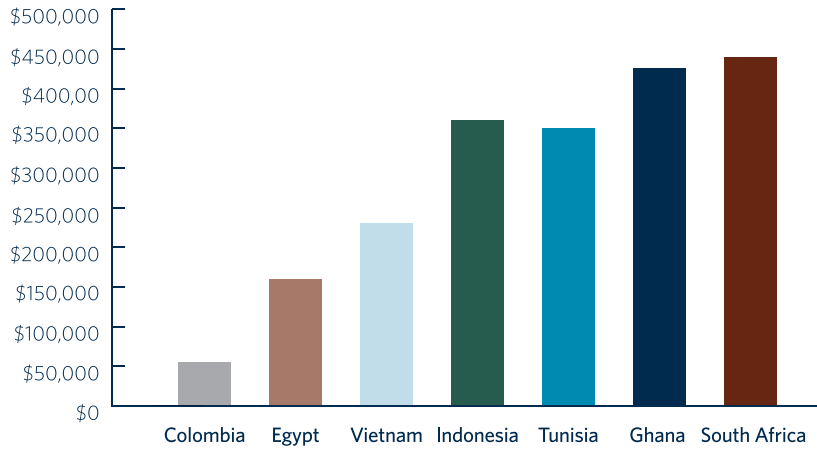
Another priority under the FY15-17 Strategy is to deliver technical assistance to fragile and conflict-affected states. In fiscal 2015, PPIAF approved six activities, representing about 10 percent (\$1.63 million) of total approvals, in fragile states. Activities focused on working with lead institutions in these countries, including ministries of finance and deputy prime ministers’ offices, to develop strategic PPP programs to support the countries’ development efforts.

**TABLE 5: PPIAF Support in Fragile Countries**

Activity Title	Major Sector	Approved Amount	Description of Support
<b>Afghanistan: Supporting the Development of a PPP Program</b>	Multi-sector	\$500,000	This activity will support Afghanistan’s Ministry of Finance in the development of an effective PPP program, in line with the country’s national infrastructure development strategy.
<b>Chad: Institutional, Process and Capacity Review to Facilitate PPPs</b>	Multi-sector	\$257,971	This activity will help strengthen the current institutional framework and processes for the development of PPP projects.
<b>Mali: Support for PPP Framework Design and Project Pipeline Development</b>	Multi-sector	\$299,950	This activity, which is part of the Building PPP Institutional Capacity in the UEMOA Region thematic program, will help the Government of Mali with the “upstream” strategic work and sector- and project-level work to move the PPP program forward in a way that contributes to sustainable development and benefits the regional PPP agenda.
<b>Somalia: Supporting ICT Sector and Broadband Connectivity in Somalia</b>	Telecommunication-ICT	\$338,800	This activity will support a medium-term plan for Somalia’s ICT infrastructure; carry out a preliminary assessment of legal and regulatory issues involved in developing a fiber-optic backbone network to connect Somalia to neighboring countries; prepare an options study for the implementation of an open-access, long-haul, fiber-optic backbone network connecting Somalia to the neighboring countries and international communications infrastructure; and provide capacity building to the Ministry of Posts and Telecommunications, as well as to the regulator.
<b>West Bank and Gaza: PPP Framework Review and Development of PPP Pipeline and Strategy</b>	Multi-sector	\$162,000	This activity will support the Deputy Prime Minister’s Office for Economic Affairs (DPOMEA) in the development of a PPP program that will promote and sustain private-sector participation in the delivery of infrastructure services.
<b>West Bank and Gaza: Solid Waste Management Capacity Building and Institutional Strengthening Support: Phase II</b>	Water	\$71,000	This activity will provide additional capacity building and institutional strengthening support to the Joint Services Council for Hebron and Bethlehem for the customization, use and management of the Management Information System (MIS) in the initial PPP project and in the Global Partnership for Output Based Aid pilot implementation period. This activity follows on from a previous PPIAF activity.
<b>Total Funding</b>		<b>\$1,629,721</b>	

Twelve percent of this year’s approved activities also went to priority middle-income countries (Colombia, Egypt, Ghana, Indonesia, Peru, South Africa, Tunisia, and Vietnam), for activities that can provide transferable lessons to lower-income countries. PPIAF supported nine activities across these countries, for a total of \$2.044 million (see Figure 3).

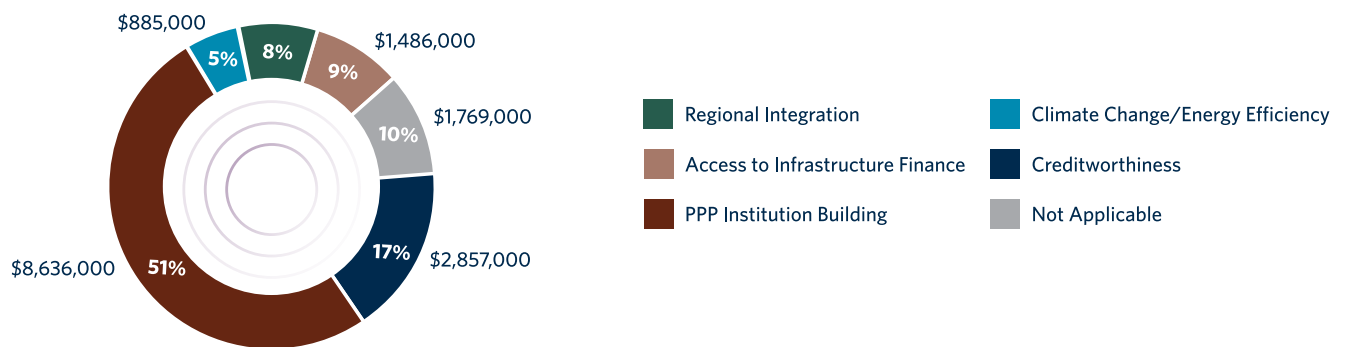
**FIGURE 3: Amounts approved in priority MICs in fiscal 2015**



### PPIAF SOUGHT TO DELIVER ON OUTCOMES WITHIN THEMATIC PRIORITIES

Per its FY15-17 Strategy and Business Plan, PPIAF supported activities in the following thematic priority areas: PPP institution building; climate change and energy efficiency; creditworthiness; regional integration; and access to infrastructure finance (Figure 4). A significant proportion of resources went towards PPP institution building and creditworthiness activities.

**FIGURE 4: PPIAF Approvals in Fiscal 2015 by Thematic Priority Area**



*(The portion labeled "not applicable" refers to global knowledge activities that are not classified under one of PPIAF's thematic priorities.)*



Examples of the results achieved across PPIAF's five thematic priorities include:

### **Creditworthiness**

- **Creditworthiness in Senegal:** The City of Dakar is making strides towards becoming the first West African city to be in a position to launch a municipal bond without a sovereign guarantee, following its implementation of recommendations from a Public Expenditure and Financial Accountability (PEFA) assessment tool supported by PPIAF. This grant has enabled the City of Dakar to identify ways to improve its own source of revenues, as well as follow-up assistance to help implement selected improvements of the city's financial management and to identify measures to improve the city's creditworthiness. The report's recommendations were implemented and have already enabled the city to secure a €10 million (\$15.8 million) loan from AFD.

### **PPP Institution Building**

- **PPP Institution Building in Jordan:** The Government of Jordan established a PPP Unit within the Ministry of Finance, based on support and structural recommendations from PPIAF. By providing significant support to the PPP enabling environment—including reviewing gaps in existing laws and regulations; helping to define the role of the PPP; and developing a draft PPP policy and guidance document—PPIAF contributed to the preparation of a new draft of the PPP Law, which has been passed by the Jordanian Parliament and ratified by King Abdullah II.

### **Regional Integration**

- **Caribbean Regional PPP Support:** Through PPP Boot Camps and a Regional PPP Toolkit implemented through high-level workshops, in coordination with the Caribbean development Bank, PPIAF is helping to build regional capacity and develop a network to support member states in developing a common approach and framework for PPPs. This program continues to: strengthen the regional enabling environment, provide hands-on support to the development of PPP projects, and develop a business plan for a regional PPP Facility.

### **Energy Efficiency and Climate Change**

- **Energy Efficiency and Climate Change in Sri Lanka:** PPIAF support has helped the Sri Lanka Carbon Fund (SLCF) to acquire the tools to screen and prioritize renewable energy/energy-efficiency projects eligible to be PPPs. Complementing work supported by the Carbon Partnership Facility, which aims to build capacity in the SLCF, PPIAF has provided support to ensure that the SLCF has the tools to monitor carbon emissions and reductions, and the proper procedures and policies in place to attract carbon financing.

### **Access to Finance**

PPIAF approved the following two activities on this theme in fiscal 2015 and hopes to see some results and impacts starting in fiscal 2016:

- Financing Catalytic Local Urban Development Projects in South Africa and
- Establishment and Preparation of Business Plan for Ghana Infrastructure Investment Fund.

## Box 1: Rwanda—Supporting the Government in Managing Private-Sector Participation in the Water Sector (Kigali Bulk Water PPP Project)

*PPIAF funding: \$544,043 (this activity was done in two phases)*

**Background:** Rwanda’s capital city of Kigali is home to more than one million people, and the population is expected to grow significantly in the coming years due to a combination of migration from densely populated rural areas and the city’s rapid economic growth. Increased pressure to expand services is one of the challenges the government is facing. The government is committed to increasing water supply and ensuring 100 percent coverage in Kigali. In addition, the government is exploring options for private-sector participation in the sector. The National Water Strategy, derived from the National Public Investment Policy, promoted a delegated management model, which involved the private sector in the production and distribution of the water supply.

**PPIAF’s Contribution:** PPIAF provided two phases of support to help establish and strengthen the off-taker for the Kigali bulk-water project. The major areas covered were:

- Institutional support to the Energy, Water, and Sanitation Authority (EWSA);
- Technical support to EWSA to develop a more comprehensive understanding of the distribution network and its operational performance; and
- Capacity building to government officials to improve their understanding of PPPs.

**Results:** EWSA was split into two specialized energy and water utilities. Water and Sanitation Corporation Ltd (WASAC) was formally established under law N° 87/03 to manage water and sanitation services. This enabled the successful tendering and signing of the Kigali bulk-water project in March 2015, following an IFC transaction advisory. This is providing comfort to potential bidders that the Government of Rwanda is committed to the sustainable provision of water and sanitation services, and that WASAC would be able to serve as an effective off-taker and counterparty to the project. In addition to this institutional support, PPIAF also provided significant capacity-building training to government officials. The training is critical for effective oversight and management of the Kigali bulk-water PPP project and for any subsequent PPP projects in the sector.



# PPIAF KNOWLEDGE EFFORTS ECHO THE FOCUS ON BUILDING INSTITUTIONS IN LOW-CAPACITY COUNTRIES THROUGH PARTNERSHIPS

By working with partners more closely, PPIAF seeks to apply the best available knowledge to increase the ability of low-capacity countries to attract private-sector investment.

In 2015, PPIAF adopted a structured approach to designing and producing knowledge products, using three categories to enable us to address the breadth of the challenges. **Strategic knowledge** initiatives are conducted in collaboration with institutional partners that bring their own expertise and outreach; **commissioned products** are focused on stimulating knowledge creation through calls for proposals in the areas of PPIAF’s thematic priorities; and **Program-Management-Unit (PMU)-led knowledge products** are commissioned or undertaken by PPIAF staff in areas where gaps or opportunities to consolidate lessons are identified through our technical assistance activities.

Our approach to increasing outreach and usability of knowledge is underpinned by a policy of partnering with reputable institutions that bring their own content and credibility.



**TABLE 6: PPIAF Knowledge Product Categories**

Category	Status
<b>Strategic Knowledge Initiatives</b>	Three initiatives approved in fiscal 2015 and one approved in fiscal 2014 are currently being implemented: <ul style="list-style-type: none"> <li>▪ Partnership with the Public-Private Partnership in Infrastructure Resource Center (PPPIRC),</li> <li>▪ International Infrastructure Support System,</li> <li>▪ Improving Infrastructure Regulation Program, and</li> <li>▪ Global PPP Certification.</li> </ul>
<b>Commissioned Products</b>	The first call for proposals was launched in April 2015
<b>PMU Knowledge Products</b>	Knowledge activities and products under implementation: <ul style="list-style-type: none"> <li>▪ Emerging Trends in Mainstreaming Climate Resilience in Large Scale,</li> <li>▪ Multi-Sector Infrastructure PPPs,</li> <li>▪ PPP Short Stories Competition, and</li> <li>▪ Development and Dissemination of a Green Bond Knowledge Product for Policy Makers.</li> </ul>

This year, PPIAF's knowledge activities focused on increasing the accessibility of PPP tools and instruments, particularly to low-capacity countries. PPIAF invested in web-based platforms for training and outreach, and in PPP document standardization. Some of the highlights in knowledge include:

- **Partnership with the Public Utility Research Center on Improving Infrastructure Regulation Program**, PPIAF partnered with regulatory experts at the University of Florida's PURC to update the body of knowledge regarding infrastructure regulations. This initiative is being supported by other multilateral development banks: the ADB, the African Development Bank (AfDB), the IDB and the WBG, as well as regulatory practitioners and academics in developed and developing countries. The initiative seeks to understand the particular constraints of regulation systems in low-capacity and fragile and conflict-affected states to develop more tailored solutions in these situations.
- A partnership with the **Sustainable Infrastructure Foundation** and other multilateral development banks (MDBs) to support the **International Infrastructure Support System**, which was launched this year. The initiative is developing a web-based platform to support standardized project preparation and connect public projects with private investors. PPIAF supported the development of sector- and sub-sector-specific templates for the platform and is a member of the advisory committee.
- Support to the **PPPIRC**, an initiative of the World Bank with funding from the AfDB's African Legal System Facility and the IADB's Multilateral Investment Fund. PPPIRC is recognized as a unique resource for PPP legal documents, which often have restricted disclosure, making it difficult for international legal experts to support projects in specific contexts. The website collects and presents legal documents in a way that allows commercial-in-confidence items to remain undisclosed, providing a rich public-goods product to clients, the private sector, and the wider development community.
- A partnership to develop a standardized PPP process and documentation that incorporates global best practices kicked off with a pilot in Ghana, undertaken with United Nations Economic Commission for Europe (**UNECE**). The **Standardization of PPP Documents** will provide the basis for scaling up to other countries in Africa in coming years.
- Creation and launch of a global certification **program** for individuals working on PPPs. The certification scheme has been conceived by the World Bank Group as a way of fostering a common minimum level of knowledge and understanding amongst practitioners working on PPPs.



- The first **call for proposals** was launched in April with a budget of \$1 million. The call for proposals is a demand-led approach to focus resources on priority areas and will be the primary mechanism for PPIAF knowledge assistance. This first launch generated proposals three times the value advertised. PPIAF will use this approach in 2016 to promote the creation and codification of knowledge in important areas such as the links between PPP and poverty, gender and climate change. Successful applications under the pilot call for proposals include:
  - Regulating Water Services Provision in MENA (WBG, Water Global Practice);
  - Guidebook on the Development of Metro Projects with Private Participation (WBG, Transport Global Practice);
  - Benchmarking Public-Private Partnership Procurement (WBG, PPP CCSA);
  - Capacity Building for Leaders in Urban Transport (WBG, Transport Global Practice);
  - Promoting Municipal Finance Markets through Strengthening of Knowledge and Capacity Building (UNCDF); and
  - PPP Simulation (UNECE/Dutch Ministry of Foreign Affairs).

## PPIAF EXPANDS DISSEMINATION AND OUTREACH IN 2015

PPIAF aims to connect with a wider audience over the coming years. Much of the lessons and knowledge coming out of our technical assistance is of value to practitioners working in other contexts. This year, PPIAF sought to increase its dissemination channels.

PPIAF started a redesign of its website that will be ready for launch in late spring of 2016. The website will showcase the breadth and depth of PPIAF’s assistance and refocus attention on its core business of supporting clients and partners through high-quality technical assistance and knowledge services. The site will establish a clear link to the PPP Knowledge Lab, the primary medium of curated knowledge used by PPIAF’s host department within the World Bank, the PPP CCSA. The PPP Knowledge Lab is a joint undertaking with other multi-lateral partners such as the ADB, the European Bank for Reconstruction and Development (EBRD), and the IDB. Both PPIAF and the PPP CCSA are working with the same company on the design. While both sites will reinforce the WBG efforts to deliver PPP knowledge in different channels, the PPIAF website will maintain its brand by showcasing the on-the-ground, dynamic delivery and application of such knowledge through technical assistance services. With the redesign of the website, PPIAF hopes to increase visitors and double the number of page views per month (see Table 7).

**TABLE 7: PPIAF Web Traffic by Number of Visitors and Number of Pages Viewed**

Month	July-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	April-15	May-15	June-15
# of Visitors	5,588	5,449	6,326	7,284	8,389	7,090	7,009	7,657	8,587	8,332	8,350	8,928
# of Page Views	16,739	16,375	20,110	21,756	22,423	21,420	20,685	23,078	24,957	23,823	24,570	31,160



In 2014, PPIAF launched its Twitter account, which has steadily attracted followers. Through this dissemination channel, PPIAF partners with other World Bank Twitter feeds to increase our reach to different audiences and cross promote our knowledge products. We are

encouraged by the interactions with our followers (mentions, retweets and favorites) showing how our content is adding value to them and are incorporating their feedback into our own operations. In fiscal 2016, PPIAF aims to reach more than 2,500 followers through Twitter.

At the heart of PPIAF's efforts to connect clients with knowledge is the "codification" of experience through case studies and impact stories. This year, some of our impact stories have featured green infrastructure investments in Vietnam, and the Kampala Capital Authority's and the City of Dakar's quests for creditworthiness. PPIAF also supported the PPP Short Stories Competition which attracted 153 submissions from students and practitioners in over 50 countries around the world. The winning submissions were widely disseminated through the various dissemination channels and the overall winner was presented at the PPP days in London in June 2015. A complete list of our knowledge products can be found in Annex D.

PPIAF's monthly newsletter, which provides highlights of PPIAF activities through impact and feature stories, and showcases new PPIAF knowledge products (publications) and PPPs in the news, continues to grow in readership.



Blogging is now becoming a new medium of engagement for PPIAF and audiences that are interested in opinions and insights in summary form. PPIAF's blog on The Importance of Managing Unsolicited Proposals in Infrastructure (<http://blogs.worldbank.org/psd/importance-managing-unsolicited-proposals-infrastructure>) generated a lively debate. The debate will inform a recently launched initiative supported by PPIAF regarding the development of policy frameworks for managing unsolicited proposals.



Next fiscal year, PPIAF will continue to expand its outreach and dissemination, building on the efforts of the previous two years. We will continue to leverage and grow our channels—Twitter, newsletter, website, and blogs—to share our knowledge and lessons learned. We will also strategically cross promote to reach a more targeted audience of PPP professionals. The new website in particular, with its emphasis on viewer-friendly design and features, will help engage our audience and connect it to the right information. We believe this will facilitate learning and accelerate the implementation of PPP projects in our client countries. Our new website will also be bolstered by the PPP Knowledge Lab, which will help us build a more collaborative online environment and enable us to partner with other organizations to further disseminate our expert knowledge. These collaborative efforts, together with a continuous effort to translate some of our knowledge material in languages other than English, should create the opportunity for us to increase our outreach exponentially.



# SECTION TWO



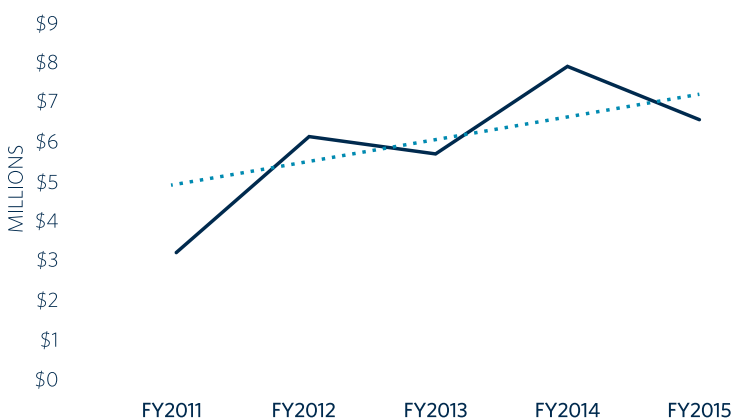


# PPIAF's Support in the Regions



PPIAF is gearing up to provide 60 percent of our geographically focused assistance to the SSA region, a target set out in our current three-year strategy. In 2015, PPIAF deployed \$6.5 million to activities in SSA, representing about 50 percent of our regional portfolio, despite the effects of the Ebola outbreak and political instability in some of our target countries over the past year. The overall trend towards shifting more resources to Africa continues to be positive in the past five years (see Figure 5), and PPIAF is strengthening its staffing in the region to accelerate this trend. The aim is not only to support increased volume in the region, but to deliver high-quality, impactful technical assistance. Much work in fiscal 2015 was devoted to developing several technical assistance programs to be delivered in SSA over the coming fiscal years.

**FIGURE 5: Amounts Approved for SSA (inclusive of SNTA)**



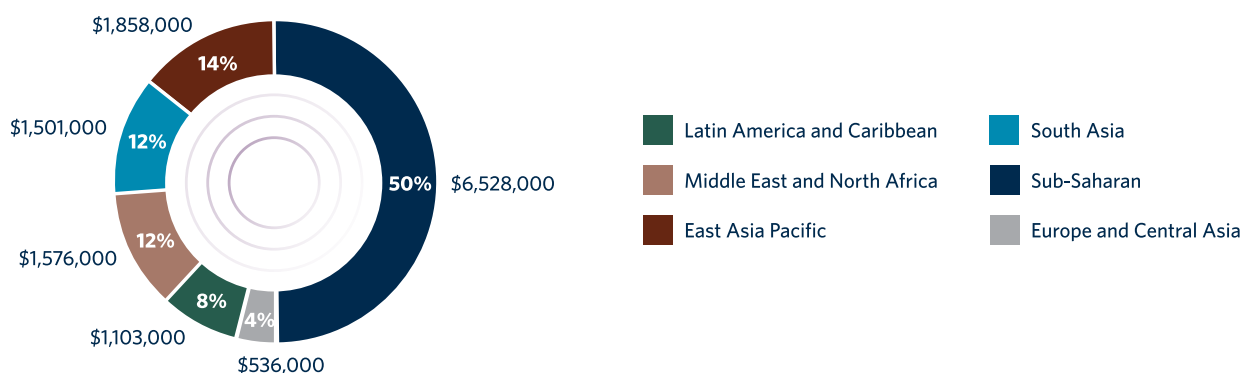
PPIAF support to other regions—the Middle East and North Africa (MENA); Europe and Central Asia (ECA); South Asia; East Asia and the Pacific (EAP); and Latin America and Caribbean (LAC)—as well as select middle-income countries is directed to those activities that can make the greatest impact, usually in the countries with the greatest needs. Figure 6 shows the distribution of funding across regions. Two regions saw sharp increases in the size and in the proportion this represented of the total funding, compared to fiscal 2014.

Support more than doubled for MENA, from \$678,475 in fiscal 2014 to \$1.6 million in fiscal 2015, despite the region's unstable geo-political environment. Increased support in MENA is driven by follow-on engagements that build on previous successful engagements and a large PPP support program in Djibouti.

South Asia received five times more support in 2015, increasing from \$316,860 in 2014 to \$1.5 million in 2015. This increase follows PPIAF's deliberate efforts to develop energy-efficiency and climate-change activities, given the region's vulnerability.

In EAP, PPIAF developed a portfolio of almost \$2 million, representing 14 percent of the total funding, down from 15 percent in 2014. LAC funding levels were at \$1.1 million, or 8 percent of total approvals this year, down from \$2.2 million in 2014. Finally, PPIAF support to ECA declined from \$1.14 million to \$536,000 this year, representing four percent of total new activities this year.

**Figure 6: Distribution of Approvals by Region**



\* This chart does not include Global Knowledge or Cross-Regional activities.



## SUB-SAHARAN AFRICA

### Overview

Overall growth rates in SSA remained above five percent over the past 15 years, although not evenly distributed across the continent. Despite this growth, extreme poverty persists and affects a high proportion of the population (40 percent).<sup>4</sup> Many countries lag behind the rest of the world in the key areas of poverty, job creation and food security. African infrastructure in many of the core sectors remains underdeveloped. In 2014, the SSA region received just two percent (\$2.6 billion) of the total commitments for private investment in infrastructure in the developing world.<sup>5</sup> Private participation was largest in the telecommunications sector (53 percent), followed by the energy sector. Increasing long-term private investment will require a larger pipeline of projects, an improved enabling environment and better governance.

PPIAF provided \$6.5 million in 2015 for 21 newly approved activities in SSA. Over the course of the year, PPIAF also developed several programmatic activities, including “Building PPP Institutional Support in Tanzania” and “UEMOA – Regional PPP Institutional and Project Financing Strategy Support,” generating a strong pipeline for 2016.

### Areas of PPIAF assistance

Among the notable outcomes resulting from PPIAF TA in 2015 are:

- **Kampala City in Uganda becomes creditworthy:** PPIAF’s SNTA program assisted the Kampala City Council Authority to increase its capacity for financial management and, as a result, to obtain an investment-grade credit rating.
- **A post and telecommunications regulation agency, ARPT, was established in Guinea:** The Government of Guinea has been a PPIAF client since 2000. PPIAF assisted Guinea with a review of the regulatory framework for transport

4 Global Monitoring Report 2014/2015, World Bank

5 <http://ppi.worldbank.org/-/media/GIAWB/PPI/Documents/Global-Notes/Global2014-PPI-Update.pdf>, page 10

and utilities. The study identified the key impediments to private-sector participation in priority sectors. In the ICT and transport sectors, the “Autorité de Régulation des Postes et Télécommunications agency (ARPT) was established and urban transport services improved with the procurement of 100 new buses and a railway system for the capital city of Conakry. In the energy sector, a contract for Electricité de Guinée (EDG) management was tendered. The adoption of master plans to develop mining and non-mining infrastructure projects are also key outcomes. In June 2015, several mining companies, including Compagnie des Bauxites de Guinée, Rusal, and Global Alumina Corporation, signed an agreement regarding multiple users’ access to the port and railroad in the Kamsar Sangaredi zone.

PPIAF also stepped up its support to the region through programmatic activities. These activities aim to achieve greater impact through longer, more focused interventions and through partnerships. Highlights of PPIAF’s programmatic work in SSA include:

- **Developing a Regional PPP Institutional and Project Financing Strategy for UEMOA (\$4.1 million):**

With the AFD, PPIAF assistance is helping to create an institutional architecture in the UEMOA region in West Africa that will support the implementation of selected regional and national PPP projects over the next decade. The program will be delivered in two phases (a development phase and an execution phase) and consist of two tracks—a country-level track and a regional institutional development track. The development phase focuses on institution building at the regional and national levels. Mali, Togo and Senegal are the first beneficiaries of this program. To date, PPIAF is funding PPP diagnostic studies, pipeline development, and PPP trainings in Mali and Togo, while in Senegal, PPIAF is supporting capacity building of the PPP unit and increasing access to best-practice tools and methodologies for implementing a PPP program. Three other activities are under development to support national PPP programs in Côte D’Ivoire, Benin and Guinea Bissau. At the regional level, PPIAF is supporting the two regional entities (the UEMOA commission and the Regional PPP Unit of the West African Development Bank [BOAD]) in business planning; development of processes and tools; capacity building; pipeline screening; and support for early-stage preparation of regional projects. The second phase of this program is the execution phase, during which the Regional PPP Unit will assist member states to prepare

projects, build capacity and promote projects to the international and regional markets. At the end of the implementation phase, it is expected that a pipeline of projects will be approaching financial close. In this sense, the final outcome of the implementation phase is for each member state to have a program of PPPs, with new projects entering the process and existing ones reaching closure and entering into operation.



**PPIAF West Africa Team**

Bailo Diallo, Fatouma Toure Ibrahima, Souleymane Traore, Celine Payet

- **PPP Institutional Strengthening in Tanzania (\$1.7 million):** The objective of the PPP Institutional Strengthening in Tanzania, approved in January 2015, is to help the Government of Tanzania accelerate its PPP program, by helping it identify a viable PPP project pipeline; improve the legal, institutional, financial and technical framework; build its capacity to implement PPPs; and create a PPP facilitation fund. PPP regulations and draft guidelines for both the mainland and Zanzibar are in the final phases of development. A preliminary analysis of four airport PPPs is ongoing, as is the development of a pipeline of potential municipal projects.

PPIAF also undertook a number of targeted technical assistance activities in fragile and low-income countries, including Chad, Guinea, Kenya, Malawi, Mozambique, Rwanda, Senegal, Somalia, Tanzania and Uganda, as well as priority middle-income countries such as Ghana and South Africa. Through its SNTA program, PPIAF is extending assistance to Kenya's National Housing Corporation to enable it to develop 30,000 affordable-housing units by raising local-currency debt finance and transaction support for a bond issuance. PPIAF is also supporting Malawi's energy utility in strengthening its financial management.

PPIAF activities in fragile and conflict-affected states include support to Somalia on an assessment of laws and regulations relevant to the development of a fiber-optic backbone infrastructure to connect Somalia to neighboring countries and to develop a medium-term strategy for its ICT sector.

### Looking forward

PPIAF expects to increase its support to the SSA region in line with its aims of allocating a majority of PPIAF resources to SSA. This will be achieved through the development of additional country- and cross-country programmatic engagements, with continued emphasis on fragile and conflict-affected states. Programmatic engagements will allow incremental capacity building and strengthening of institutions in a region where a number of national institutions are weak or non-existent. Capacity building will be a key component of all programs in the region and will focus on assisting the public sector to become an effective counterparty to the private sector. Over the past year, PPIAF supported a number of countries to develop their PPP programs. In the coming year, PPIAF will extend this assistance to other countries, such as Madagascar, Sudan, Guinea Bissau and Benin. In terms of sector focus, PPIAF will ramp up its support in the water and energy sectors, while continuing to engage on a multi-sector institutional strengthening framework.



**PPIAF team based in Nairobi**

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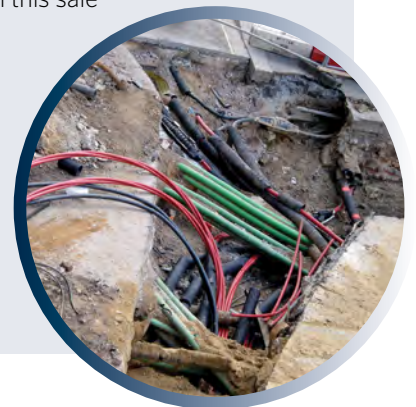
## Box 2: Increasing Internet Connectivity in Mali, Mauritania and Senegal, Using Excess Regional Energy Infrastructure

*PPIAF funding: \$305,000*

**Background:** The “Organisation de la mise en valeur du fleuve Senegal” (OMVS) is a regional organization set up by Mauritania, Senegal and Mali to operate the Manantali dam, through a public company, SOGEM (Société de Gestion de l’Energie de Manantali). SOGEM, through the South African private company Eskom Energy Manantali (EEM), operates high-voltage transmission lines that have been equipped with fiber-optic cables. The cable is installed along a 1,728-kilometer electrical grid and features six fiber pairs on all of its links. The three incumbent telecommunications operators in Mali, Mauritania and Senegal are using three of the fiber pairs, and SOGEM is using one pair for monitoring and control. Two fiber pairs could therefore be made available to other telecommunications and Internet service operators. Additionally, SOGEM plans to extend its network to cover 1,960 kilometers of transmission lines by 2017, including a line to Guinea and other lines in Senegal, Mali and Mauritania. Making SOGEM’s excess capacity available to telecommunications service providers is expected to improve competition and result in lower prices for international calls, Internet access and other international data services. This in turn will promote greater access to Internet and telecommunications services in the region—a key driver of economic development.

**PPIAF’s contribution:** In 2014-15, PPIAF supported SOGEM to assess the opportunity and the manner in which the excess capacity in the fiber-optic cables could be made available to other private telecommunications companies to improve Internet access and communications in the region. Four strategic options, including a PPP option, were defined, and the study confirmed a high level of demand among telecommunications and service providers in Mali, Mauritania and Senegal to use this excess capacity. The consultants recommended a PPP with a wholesale operator under a concession contract (“PPP Concession opérateur de gros” model), which strikes a good balance among complexity, impact on the market, and financial return to SOGEM. In addition to this options report, a study tour was organized for SOGEM staff to Lesotho to learn about the experience of the Lesotho Electricity Company, which is considered a best practice in leveraging fiber-optic opportunity. This study tour allowed SOGEM staff to better understand the PPP option so that they can implement these recommendations effectively.

**Results:** With PPIAF support, SOGEM is now equipped with an appropriate reference offer to telecommunications operators and service providers for its excess capacity, according to international best practice. The PPP option, as recommended in the PPIAF-supported consulting, was selected as the manner in which this sale will take place. A conference of the heads of state and government of OMVS countries, held in Conakry in 2015, mandated OMVS to implement this recommendation. Telecommunications operators and service providers in Mali, Mauritania and Senegal have expressed interest in using the excess capacity to meet the expected growth of regional connectivity, so that some form of PPP could also be ultimately considered. As a result of the positive experience thus far, SOGEM is seeking additional PPIAF support to pursue the concession.





## EAST ASIA AND THE PACIFIC

### Overview

Growth in the developing East Asia and Pacific region moderated over the past few years. Most countries are rebuilding the fiscal buffers eroded by stimulus spending in the wake of the global financial crisis, but challenges remain. In 2014, EAP attracted private-sector investments amounting to \$11.5 billion across 46 new projects, which represented 11 percent of infrastructure investments by the private sector globally. This was a lower proportion than in 2013, reflecting declines in investments in China.<sup>6</sup> Nonetheless, the region still accounted for more than one third of global growth in private-sector investments. Regional growth brings opportunities to increase both the investment in infrastructure and the quality and efficiency of these investments by the private sector.

Recent PPIAF assistance in the region focused on strengthening institutional frameworks and building governments' capacities to implement PPPs alongside the preparation of potential projects that would attract private-sector investments, particularly in the transport sector. In fiscal 2015, EAP had seven approved activities, totaling \$1.9 million and representing 14 percent of total approvals for the regions.

### Areas of PPIAF assistance

This year, a key result achieved with PPIAF assistance in EAP was the development of a robust PPP project pipeline in Vietnam and Indonesia, while building institutional capacity for the identification, prioritization and implementation of PPPs.

In Vietnam, PPIAF supported Da Nang City to identify a shortlist of five potential energy-efficiency and renewable-energy projects considered attractive to private-sector investors, and to develop financing options for those projects. It also

<sup>6</sup> <http://ppi.worldbank.org/-/media/GIAWB/PPI/Documents/Global-Notes/Global2014-PPI-Update.pdf>, page 8

improved the institutional capacity of the city government to pursue these projects through interactive training and a workshop on practices and lessons learned from energy-efficiency projects that involved the private sector and that can be replicated in Da Nang. Further support is being prepared to support Da Nang City to operationalize the project identification and implementation process to harness potential energy-efficiency projects, and to build the capacity of city government officials for the implementation of PPPs.

In Indonesia, PPIAF supported the government to assess the investment and operational-improvement needs in the port sector. PPIAF supported the development of a financing strategy through private-sector participation for 11 selected ports. The activity facilitated a workshop and educational study tour to showcase operational best practices, technological advancements in port management, and successful public-private ventures. For the next stage, six ports were selected for further development with private-sector participation, and with possible lending support from the World Bank and transaction advice from the IFC PPP Advisory. Further PPIAF support may be considered for building both government capacity and the legal and regulatory framework to enable PPPs in the port sector.

### **Looking forward**

In fiscal 2016, aligned with our thematic priority, PPIAF assistance in the region continues to be centered on building institutions, alongside supporting the development of a robust PPP pipeline and the preparation of pilot projects. This will help the governments become effective counterparties to private investors, in order to successfully deliver the projects. PPIAF's engagement in the region is expected to be maintained at the same volume and to focus on DAC 1 countries (Lao PDR and Cambodia) and SECO middle-income countries (Vietnam and Indonesia). To date, the recently approved assistance for railway-sector reform in Vietnam and support for contract management of the urban railway sector PPPs in the Philippines have been approved as a follow-up to the previous PPIAF support (see Box 3).





### Box 3: Rapid Needs Assessment on Project and Contract Management Mobilization for Metro Manila

*PPIAF funding: \$35,000 (An additional funding of \$399,950 has been provided for the follow up activity)*

**Background:** In 2013, PPIAF supported the Department of Transport and Communications (DOTC) and the Light Rail Transit Authority (LRTA) in the Philippines to establish a contract-management function for their PPP program in transport, primarily focusing on the Light Rail Transit Line 1 (LRT 1) concession, which is the first urban-railway PPP and was in the tendering phase. The study recommended the structure and mandates of the contract-management function that can be established within DOTC for monitoring the delivery of the concessionaire's obligations and delivering or coordinating the delivery of the government's obligations specified under the draft concession agreement for LRT 1. Although DOTC had planned to create the contract-management function based on the PPIAF recommendation, they also asked PPIAF to update the study to reflect organizational changes within the DOTC and the fact that the LRT 1 concession had just been awarded. DOTC also sought further technical support to prepare its institutions to establish a transport PPP unit as a long-term solution. In order to respond to the request immediately, PPIAF provided follow-up support through its Rapid Needs Assessment facility.

**PPIAF's contribution:** The objective of the assistance was to conduct a rapid diagnostic and recommend how a contract-management function/office should be established within both DOTC and LRTA for the LRT 1 concession. It also determined what further support was needed to establish the PPP unit within DOTC. PPIAF proposed the following:

- Establish a Project Management Office (PMO) and project groups within it to implement individual PPP projects. A specific recommendation was also made regarding the project group structure and staffing for the LRT 1 concession.
- One possible way to structure the PPP Unit, which will oversee the three distinct stages of the PPP initiatives: i) PPP project development and evaluation; ii) tendering, concession and delivery; and iii) long-term contract management.

**Outcomes:** Following PPIAF's assistance, consensus was built among DOTC and LRTA to urgently establish a proposed project group for contract management of the LRT 1 project. The work also prompted DOTC to begin establishing the PPP unit in order to successfully implement the PPP program in the transport sector.



## EASTERN EUROPE AND CENTRAL ASIA

### Overview

Economic growth in Eastern Europe and Central Asia (ECA) remains the slowest of all developing regions of the world. The region is expected to see almost no growth this year, because much of the region is suffering a marked slowdown, or outright recession, due to the global financial crisis and ongoing geopolitical tensions. The negative effects of these factors are only partially offset by other parts of the region that are expected to see stable to moderately improving growth.<sup>7</sup>

Boosting the regions' economic competitiveness necessitates building and maintaining infrastructure, particularly energy and transport infrastructure. In 2014, driven by activity in Turkey, ECA had 23 new private investments in energy, water, transport and telecommunications infrastructure, totaling \$14.3 billion.<sup>8</sup> While the region received more private investment in infrastructure than East Asia Pacific, South Asia and Sub-Saharan Africa, investment was 19 percent below its 5-year average (2009-2013).<sup>9</sup>

PPIAF approved two new activities in ECA, for a total of \$536,000, which represented four percent of new regional support in fiscal 2015.

### Areas of PPIAF assistance

Resulting from a PPIAF grant in Armenia's water sector that reviewed the levels of water and wastewater tariffs, the Government of Armenia adopted a plan to reform its tariff structure and move the sector towards cost recovery.

<sup>7</sup> <http://www.worldbank.org/en/region/eca/Overview>

<sup>8</sup> <http://ppi.worldbank.org/features/June2015/PPI-Global-Update.pdf?v=3>

<sup>9</sup> *ibid*

This will help the government prepare for a proposed nationwide PPP to manage the delivery of water and wastewater services to the country's 3.1 million residents.

PPIAF also saw some initial outcomes from its regional study, Opportunities for Private Sector Participation in District Heating, which included Croatia, Bosnia Herzegovina, Serbia, Kosovo, Mongolia and Ukraine. The findings, which were shared at the 37th Euroheat and Power Congress in Tallinn, Estonia, generated initial private-sector interest to invest in district heating systems in municipalities in Ukraine, Bosnia Herzegovina and Croatia. The hope is for some of this interest to translate into actual investments in the near future that will contribute to better managed and more efficient district heating systems.

In the Kyrgyz Republic, a country that is working hard to implement much-needed reforms in its energy sector, PPIAF funded an activity designed to help with the establishment of the energy regulator. Provided that a new regulator is established and operating, the country will receive significant additional support for its energy sector from a World Bank Development Policy Operation. In Ukraine, PPIAF is supporting an activity that aims to support the government and Ukrainian State Railways in ongoing railway-sector reforms by highlighting the rewards and opportunities for private-sector involvement in the sector. PPIAF's activity is complementary to planned operations by the European Investment Bank (EIB) and EBRD.

### **Looking forward**

Given PPIAF's priority to focus on lower-income countries, we will continue to be selective and focus support on activities in fragile states such as Kosovo and Bosnia Herzegovina and the DAC 2 country of Tajikistan. PPIAF will have more leeway to support sub-national-level entities in countries such as Armenia, Ukraine and Turkey, where opportunities are increasing.

In fiscal 2016, PPIAF expects its overall support in the region to grow in step with the growth of PPIAF's overall portfolio and will support coverage activities in priority countries and activities aligned with the regional integration thematic priority. Examples of expected support include assistance to reform efforts in Tajikistan's rail sector and support to an energy-ICT infrastructure-sharing activity that will promote regional integration efforts in the Western Balkans. These potential activities will make use of some of PPIAF's knowledge products, including PPIAF's toolkit for improving the rail sector and its shared infrastructure toolkit.



#### Box 4: Turkey—Technical Assistance Program for Sub-National Financing

*PPIAF funding: \$338,000*

**Background:** Turkey's rapid population and economic growth are putting pressure on land, the environment, and existing infrastructure, and are triggering rising energy needs and costs. City livability is strained by increasing demands for services, leading to questions about long-term sustainability. Administrative and financial management challenges also emerged across the 3,200 local government administrations, which over the past two decades have been granted greater fiscal and financial autonomy. As of 2012, local government expenditures accounted for 50 percent of total public expenditure, signaling a dramatic shift in responsibilities for public-service provision since 1990, when the local government share of expenditures was less than 10 percent. Nevertheless, local governments still heavily depend on central government transfers, which account for some 50 percent of local revenues. This combination of increased devolution of responsibilities to local governments and high dependence on central government transfers can have important consequences for the sustainable delivery of local services.

**PPIAF's Contribution:** To help the Government of Turkey and relevant sub-national governments and entities manage the challenges associated with this rapid urbanization, PPIAF's SNTA program supported technical assistance activities in partnership with the IFC and the World Bank. PPIAF support implemented by colleagues from the World Bank focused on guiding the central government in its goal to develop financially sustainable cities. This TA resulted in the development of a credit-rating analysis model for use by Turkey's Department of Treasury, as well as a methodology for rating sub-national entities. The City of Gaziantep, which applied the rating methodology as a pilot case, received a shadow credit rating and implemented a financial action plan, and as a result, is receiving further support from the World Bank's Sustainable Cities Project in Turkey. The tools and methodology developed by the World Bank, using PPIAF funds, will help other Turkish municipalities gain access to more support through the World Bank's Sustainable Cities Project. The IFC portion of the PPIAF grant provided technical support to evaluate sub-national infrastructure projects in Izmir, Izsu and Yeni Foca. PPIAF funds helped evaluate the development of a potential tramway in Izmir; the development of wastewater services in Izsu; and the development of a wastewater treatment plant in Yeni Foca.

**Outcome:** The IFC portion of this grant has led to direct lending operations by the IFC. As a result of the PPIAF-supported TA, the IFC justified a €55 million loan to the Izmir Metropolitan Municipality (IMM) to finance the construction of two new tramway lines in Konak and Karsiyaka, and a €28 million loan to the IMM's water and sewerage administration. The World Bank portion of this PPIAF grant has helped provide key inputs into the ongoing Sustainable Cities Project in Turkey, which aims to help participating metropolitan municipalities to incrementally improve environmental, financial/economic and social sustainability.



## LATIN AMERICA AND THE CARIBBEAN

### Overview

Latin America's economic slowdown started in 2012 and continued through 2015. The end of a commodity boom cycle, combined with the lack of investment in growth-enhancing areas, low credit availability, and outdated institutions, resulted in the region's inability to sustain the economic growth experienced in the past decade.

As a consequence of the economic deceleration in the region, there is a growing interest in PPPs as a financing alternative for the provision of public services. In addition, the existence of successful PPP examples throughout the region has incentivized countries in LAC to put in place a set of institutional reforms to attract private-sector investment and promote PPPs. One good indication of growing interest in PPPs in the region can be seen in the investment made in infrastructure (energy, transport and water). Latin America and the Caribbean attracted private investments amounting to \$69.1 billion, comprising a robust 64 percent of global investment, by far the largest share of any region.<sup>10</sup>

Despite this, many countries still struggle to develop robust PPP projects, for a variety of reasons, such as a lack of skilled labor and institutional capacity. Therefore there remains a need for upstream institutional strengthening in what are relatively advanced PPP markets.

In this context of economic deceleration and limited institutional and labor capacity, PPIAF approved two coverage activities in fiscal 2015—one in finance infrastructure, and the other in transportation and creditworthiness. Another activity, part of a regional technical assistance program, focused on PPP institutional building in the Caribbean. The three activities together correspond to \$1.1 million, or eight percent of technical assistance approved for the regions in fiscal 2015.

<sup>10</sup> <http://ppi.worldbank.org/-/media/GIAWB/PPI/Documents/Global-Notes/Global2014-PPI-Update.pdf>, page 2

### **Areas of PPIAF assistance**

In the past year, PPIAF focused on strategic priorities—activities that support upstream PPP enabling environments in core target countries such as Colombia and Peru, as well as programmatic engagements where there is a very high potential impact and knowledge transfer to the poorest countries. A good example is the \$1.5 million Caribbean regional PPP program, which is being developed in partnership with the IDB and Caribbean Development Bank (CDB), and aims to help countries in the Caribbean make good use of PPPs to deliver resilient infrastructure that supports sustainable economic growth and equitable access to basic services.

Although the LAC region is classified as primarily upper middle income, many of its countries continue to have high levels of inequality, not only in terms of income, but also in terms of the level of access to public infrastructure services, especially at the sub-national level. Ecuador, for example, has been growing steadily since 2009, and yet large segments of its urban and rural populations still lack adequate access to public services, such as public transportation. In order to help mitigate this issue, SNTA developed an activity in partnership with the IDB and EIB. It aims to enable the provision of sustainable infrastructure to the people of Quito by supporting the Metropolitan Municipality of the District of Quito (MDMQ) in the implementation of an integrated transport system (SITP) by helping the municipality to borrow in the market.

These two activities are good examples of PPIAF efforts to continually seek effective partners to deliver a more complete technical assistance product and enhanced impact for our clients.

### **Looking forward**

Going forward, PPIAF will continue to leverage its resources to initiate sustainable PPPs and sub-national financing mechanisms, while staying focused on crucial regional issues, such as inequality, corruption, lack of transparency, climate change, and inclusive infrastructure development that will benefit all citizens by reducing the existing social inequality in the region.

This effort will be translated into the creation of new and innovative activities and programs, which will serve as a model to be replicated in other regions. One of these initiatives will be the Central America PPP Regional Support, a \$1.5 million program that will increase the institutional capacity in the region. PPIAF is also aiming to support poverty-focused activities, such as support to Haiti on water access in rural areas.



## Box 5: Jamaica—Support to the PPP Program

PPIAF funding: \$150,000

**Background:** Improved infrastructure is a key ingredient for growth and competitiveness in Jamaica. The Government of Jamaica (GoJ) recognizes the need to invest in infrastructure—and, in doing so, to leverage the resources, expertise and innovation of the private sector. To that end, the GoJ has recently approved a new PPP policy and intends to use PPPs to develop and improve infrastructure assets and services.

The PPP policy set out a new institutional framework for managing PPPs in Jamaica and assigned to the Development Bank of Jamaica (DBJ) the responsibility for coordinating the implementation of the PPP program. The GoJ also established a PPP strategy committee to give policy-level direction to the PPP program, and a PPP Node in the Ministry of Finance that is responsible for assessing and managing the government's fiscal commitments under PPPs.

While continuing to refine the overall PPP framework, the DBJ PPP unit made progress in identifying PPP opportunities for the GoJ—many of which were already under development or under consideration by the responsible ministries and agencies. PPIAF support contributed to this process, which involved engaging with ministries and agencies to understand how PPPs may factor into sector plans, and gathering initial information on potential PPP projects.

However, a significant amount of upstream work still needs to be done to better develop and assess PPP pipeline project ideas, to the point where they are ready to be approved, prepared in detail, and implemented as PPP transactions. This development of the PPP pipeline is now a key constraint to progress within the PPP program.

At the same time, the GoJ needs ensure its PPP program is embedded in sound overall infrastructure planning and prioritization. Bearing this in mind, a priority for “first-mover” projects will be that they are central to the plans of the GoJ as immediate priorities, and can therefore be implemented confidently under the PPP program, while also working on the overall infrastructure planning process.

**PPIAF's Contribution:** PPIAF provided support to solve the institutional problems listed above by:

- Supporting the “upstream” conceptualization, development, assessment, and prioritization of “first-mover” PPP projects, in the context of the GoJ's overall priorities for improving infrastructure services and enabling growth; and
- Assisting the GoJ to build the capacity of the DBJ PPP unit to manage the PPP program, and of other key GoJ Ministries and Agencies to engage with the PPP program by identifying and initiating promising PPP projects in the course of developing their sector plans.

**Results:** The activity successfully supported the DBJ PPP unit to select and develop PPP projects within the country, and helped GoJ to structure its future Special Economic Zone (SEZ). PPIAF produced two main outputs for this activity: a final report called *Caymanas Special Economic Zone: An Initial Assessment of Options for Private and PPP Development in the Context of Jamaica's Global Logistics Hub Initiative and New SEZ Regime*, and three training sessions, which helped to build the capacity of the DBJ PPP unit. As a result of PPIAF activity, the DBJ PPP unit has become a reference in the Caribbean region, and SEZ should materialize as a PPP project.



## MIDDLE EAST AND NORTH AFRICA

### Overview

The Middle East and North Africa (MENA) region continues to grapple with post-Arab Spring political, security, and economic instability. This instability dampens economic growth even as fiscal deficits and government debt levels have risen. The MENA region is suffering from an acute infrastructure deficit, with the World Bank estimating that the region needs to invest \$100 billion per year in its infrastructure stock to support economic development and job creation for a growing and youthful population. These infrastructure funding needs will require significant private investment to supplement available public funding, but the MENA region historically has the lowest private investment volume in infrastructure of any region globally. In 2014, investment commitments to private infrastructure projects in MENA totaled \$3.3 billion<sup>11</sup>, representing less than three percent of global private investments. Given the pressing infrastructure needs, demand for PPIAF support in the region remains high as governments seek technical assistance and expertise to create the necessary enabling conditions for private-sector participation in infrastructure.

Six PPIAF activities, totaling \$1.6 million, were approved in the MENA region in fiscal 2015.

### Areas of PPIAF assistance

PPIAF support in the MENA region achieved key results in fiscal 2015 in the West Bank and Gaza, where a series of activities were focused on assisting and building capacity of the Joint Service Council of Hebron and Bethlehem (JSC-H&B) to improve its capacity to oversee the Al Minya landfill PPP, the first PPP contract competitively awarded in the West Bank and Gaza ([read the impact story](#)<sup>12</sup>). The landfill is now operational and receiving approximately 500 tons of

11 <http://ppi.worldbank.org/-/media/GIAWB/PPI/Documents/Global-Notes/Global2014-PPI-Update.pdf>

12 [http://www.ppiaf.org/sites/ppiaf.org/files/publication/PPIAF-Impact\\_Stories-West-Bank-Solidwaste.pdf](http://www.ppiaf.org/sites/ppiaf.org/files/publication/PPIAF-Impact_Stories-West-Bank-Solidwaste.pdf)



waste per day, thereby providing sanitary disposal services to more than 840,000 inhabitants in the Southern West Bank. Additionally, PPIAF supported the creation of an appropriate framework for the development and implementation of PPPs in the West Bank and Gaza. It includes recommendations for improvements to the legal and institutional framework, and a pipeline prioritization exercise, and is being implemented in coordination with the IFC, the Portland Trust, and multiple donors, including the AfD, Gesellschaft für Internationale Zusammenarbeit (GIZ), and the U.K.'s Department for International Development (DFID).

In Djibouti, PPIAF is working with other donors, including the African Legal Support Facility (ALF), and Expertise France, to support the development of a robust PPP pipeline of first-mover projects, building on the recommendations of an earlier rapid needs assessment.

Continuing PPIAF's long-term support to the PPP program and PPP unit in Egypt, a pre-feasibility study to develop PPP options for the expansion of the Abu Tartour Port is under way, in coordination with the Ministry of Foreign Trade and Industry.

In Tunisia, PPIAF is providing Phase II support to the national sanitation utility, ONAS, to build its institutional capacity to implement and manage several regional sanitation concessions that are due to be tendered in 2015 and 2016.

This activity builds on an earlier PPIAF activity that recommended the regional concession approach, and is being implemented in coordination with the Arab Financing Facility for Infrastructure and the IFC.

Finally, PPIAF is supporting a regional transport activity in Egypt, Morocco and Tunisia that aims to build capacity in these three countries to identify, develop and implement PPPs in the transport sector, with a particular focus on regional integration projects.

### **Looking forward**

PPIAF expects its support in the region to grow in step with the overall growth of PPIAF's larger portfolio. Support will focus on fragile and select countries in the region, and we expect to develop interventions in Lebanon and to provide additional support in the West Bank and Gaza. As political and security contexts improve in more unstable countries, PPIAF will look to selectively engage on a phased basis. PPIAF will also continue to partner with other development institutions active in the region, including the Arab Financing Facility for Infrastructure and the EIB, to supply additional resources and build political commitment and consensus around private-sector-led approaches to infrastructure service delivery.



## Box 6: Electricity Distribution In Iraq

*PPIAF funding: \$425,000*

**Background:** Iraq's energy sector has suffered from more than a decade of conflict and sanctions that have resulted in under-investment and chronic deterioration in energy infrastructure. Electricity supply lags well behind demand, with a national average of only eight hours of available power per day. This situation impedes private-sector development and negatively affects employment and economic growth, with power shortages estimated to cost the Iraqi economy about \$43 billion per year. In the distribution sector, the poor state of network infrastructure is compounded by the absence of effective metering, billing and customer management systems, which leads to significant technical and non-technical losses. In 2013 the Ministry of Electricity requested PPIAF support to develop a roadmap for distribution sector reform, including potential options for private-sector participation to improve sector performance.

**PPIAF's Contribution:** Between 2013 and 2015, PPIAF partnered with the World Bank's Energy and Extractives team to assist the Ministry of Electricity in the development of a roadmap for reform of Iraq's electricity distribution sector. The comprehensive support comprised: (i) analysis of regional and international best practices and lessons learned in distribution-sector reform in other countries; (ii) design of an infrastructure investment program and institutional and capacity development recommendations to restructure the distribution office within the Ministry of Electricity; (iii) identification of private-sector participation options to support sector performance improvements; and (iv) design of a reform roadmap, based on the findings of the prior components, to be implemented by the Ministry of Electricity.

**Outcomes:** The PPIAF activity closed in June 2015. Following the completion of the reform roadmap, the Ministry of Electricity has accepted its recommendations and is committed to the pursuit of private-sector participation in the sector. To support the implementation of the reform roadmap, the Ministry of Electricity has requested a \$500 million lending operation from the World Bank. The project will support investments in the distribution infrastructure, including a modern metering program, and includes funding for pilot small-scale, private-sector billing and collections contracts, which were identified under the short-term options for private-sector participation in the PPIAF study. It is expected that the World Bank project will begin in early 2016, and that additional PPIAF support for the institutional restructuring and capacity building of the distribution office will be requested by the Ministry of Electricity.



## SOUTH ASIA

### Overview

One of the key elements that will allow South Asia to realize its economic and social development objectives will be overcoming its infrastructure gap, estimated at between \$1.7 and \$2.5 trillion until 2020, and the implementation of supportive reforms<sup>13</sup>. Despite South Asia's projected increase in growth, from seven percent in 2015 to 7.6 percent in 2017, a myriad of challenges lie ahead as governments seek to eliminate poverty in a region that is home to 40 percent of the world's poor (400 million people)<sup>14</sup>.

Investment commitments for infrastructure within the South Asia region declined significantly across primary sectors (energy, transport, water and telecom) from 2010 to 2014. Within this period, the South Asia region attracted private-investment commitments worth approximately \$135.8 billion. The lowest point for private participation in infrastructure was marked in 2014, with approximately \$5.9 billion in investments.

Most governments in this region have under-developed or weak regulatory and legal frameworks, as well as limited technical capacities and low creditworthiness to attract much-needed private investment for infrastructure development. Additionally, the region is also highly vulnerable to climate impacts, with increasing catastrophic climate losses, mostly from severe storms and floods. Collectively, all these factors have contributed to the investment decline of private participation in infrastructure in South Asia.

<sup>13</sup> Andrés, Luis, Biller, Dan and Herrera Dappe, Matías. *Reducing Poverty by Closing South Asia's Infrastructure Gap*. World Bank: 2013. Page 3. Online: <http://documents.worldbank.org/curated/en/2013/12/19330904/reducing-poverty-closing-south-asias-infrastructure-gap>

<sup>14</sup> World Bank. South Asia Region Overview. Online: <http://www.worldbank.org/en/region/sar/Overview> . Updated May 29, 2015.



Nonetheless, due to the early stage in infrastructure development, the region is still well placed to not only build climate-smart infrastructure but also to harness green-growth opportunities using clean technologies that allow it to move forward quickly in simultaneously tackling climate change and rapid urbanization challenges. Thus, PPIAF's engagement in the South Asia region is expected to be more focused on activities that would drive renewable-energy and green-growth efforts by improving overall enabling environments to help governments act as effective counterparties to facilitate private-sector participation and crowd-in investments to climate-smart PPP infrastructure development.

PPIAF funded four TA activities in fiscal 2015, totaling \$1.51 million. This is a significant increase compared to fiscal 2014 and is in line with PPIAF's overall strategic approach to increase TA activities in the South Asia region, focusing on regional prioritization and climate change and energy efficiency.

#### **Areas of PPIAF assistance**

PPIAF support to the Government of Afghanistan (GoA) in 2011 contributed to the creation of a PPP unit within its Ministry of Finance in fiscal 2015. The 2011 PPIAF-funded study recommended the development of a clear policy statement on PPPs; the creation of an implementation capability with sufficient capacity and a clear commitment to transparency; and the identification and development of small pilot projects. PPIAF will continue to support the newly established PPP unit, which has requested follow-on support in four areas: (i) legal and policy advice; (ii) project identification, screening and prioritization; (iii) selection and feasibility analysis for a pilot project; and (iv) PPP capacity building and training. The work is designed to assist in the development of a robust and sustainable PPP program that can support the GoA's national infrastructure development strategy, and complement ongoing support to the PPP program by the DFID-funded Harakat-Afghanistan Investment Climate Facility Organization (Harakat-AICFO).

PPIAF supported other activities in Bangladesh, India and Sri Lanka, primarily focused on multi-sector PPP institution building, but also contributing to climate-change mitigation efforts in the energy sector via the development of policy frameworks, including targeted capacity-building support.

#### **Looking forward**

In fiscal 2016, PPIAF's pipeline in the region includes multi-year technical assistance programs aligned with the energy efficiency/climate change thematic priority. Activities will focus on the development of renewable energy policies and the strengthening of institutional frameworks to build governments' capacities to implement climate-smart infrastructure PPPs. In this context, PPIAF will continue providing technical assistance and capacity-building support, primarily in Nepal, Sri Lanka and India, to not only develop their enabling environments (i.e., to develop renewable energy policy and regulatory frameworks in Nepal and India) but also to build government capacity to develop renewable-energy project pipelines and attract private-sector investments by facilitating climate investments (i.e., building the capacity of the Sri Lanka Climate Fund to promote renewable energy projects on the island). PPIAF will also continue to provide support to the fragile state of Afghanistan.

For much of fiscal 2015, PPIAF has been engaged in the design of a \$2.1 million programmatic initiative, which is the single largest climate-change focused initiative in PPIAF’s funding history. This activity will support Nepal’s energy sector, with the goal of assisting Government of Nepal (GoN) efforts to improve energy-sector performance by setting in place the appropriate institutional regulations/policies and development plans. Additionally, other PPIAF activities foreseen for fiscal 2016 include potential transport-sector support in Nepal and Bangladesh, and technical-assistance support in the water sector to the Government of Pakistan.

**Box 7: Sri Lanka—Facilitating PPPs for Infrastructure Development**

*PPIAF funding: \$290,000*

**Background:** From 2011 to 2013, PPIAF supported the development of capacity within the government of Sri Lanka to ascertain the viability of PPP arrangements and identify the constraints that the government should address in order to attract private-sector participation in the road sector.

**PPIAF’s Contribution:** In early 2011, the Government of Sri Lanka requested support from PPIAF to undertake a comprehensive review of the enabling PPP framework and conduct capacity-building activities. This included:  
A review of gaps in existing laws and regulations, and  
Recommendations for structuring the framework for PPPs in the road sector.

**Results:** At the end of the engagement, there was an increased awareness within both public and private communities of partnership opportunities in the road sector; increased knowledge regarding policy measures that the government may need to take in order to attract private investments in the road sector; and an established foundation for the realization of the first PPP in Sri Lanka’s road sector. In November 2014, the government of Sri Lanka had launched the Colombo-Kandy expressway construction project, with loan assistance from China. Now, the new government is exploring alternative ways of financing the project, relying on project finance.

SECTION THREE



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# Measuring PPIAF's Results

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In June 2014, PPIAF presented to the Program Council a new performance measurement framework that would measure and capture the value and impact of our work through a balanced approach linking results achievement and metrics such as volume of approvals and improving the quality of assistance. The framework also sought to enhance the role of the Technical Advisory Panel (TAP) and incorporate client feedback.

In 2015 we transitioned to the new framework. A review of this process is available in Annex C (Implementing PPIAF's New Performance Measurement Framework). This framework allows PPIAF and its stakeholders to have a more accurate and timely view of the performance of each of the activities in our portfolio, in terms of the rate of usage of assigned funds and the quality and timeliness of the outputs. It provides us with a snapshot of how activities perform when compared to other activities within and among regions. Additionally, we have been able to enhance TAP's third-party monitoring role during the design, implementation and close-out stages of the project cycle. Another important achievement was the development and implementation of the methodology for outcome realization reviews. This year, we reviewed a sample of 47 activities completed in fiscal 2011 (five percent of activities), fiscal 2012 (44 percent of activities) and fiscal 2013 (13 percent of activities). These reviews increase our understanding of what happens after the completion of a PPIAF grant—whether the activities' intended outcomes are achieved; the external factors that promote or delay the expected results; whether PPIAF's activities have unintended negative or positive outcomes; and changes (if any) to client country contexts that might affect the relevance of PPIAF's outputs. The results from the implementation of these new tools are summarized in the balanced scorecard in Figure 7.

## IMPLEMENTING THE BALANCED SCORECARD

The Balanced Scorecard (BSC) summarizes PPIAF's portfolio performance across the design, implementation, close-out and impact phases of the project cycle, using traditional and composite indicators, i.e., moving from a focus on only traditional indicators (such as approval targets and number of outputs and outcomes generated by PPIAF-funded activities) to those that allow PPIAF to identify how to best preserve an activity's potential for achieving its intended results throughout its lifecycle.

Figure 7 shows the cumulative annual performance for each of the indicators and respective targets. Targets for fiscal 2015 were only set for those indicators measuring approval targets based on historical performance along geographic and income-level criteria that PPIAF has been able to track thus far. For the remaining indicators, PPIAF collected baseline data throughout fiscal 2015 in order to set targets for future years. All composite indicators are scored on a scale from 1 to 10, where 10 denotes the highest and 1 the lowest performance.

**FIGURE 7: Balanced Scorecard FY2015—Cumulative Performance**

IMPACT			DESIGN		
Indicator	Cumulative Performance	Bi-annual Target	Indicator	Cumulative Performance	Annual Target FY2015
Outcome Realization Score	5.6	N/A	% of approvals in LIC*	53%	65%
			Number of approvals in fragile countries	7	16
			% of approvals in Sub-Saharan Africa*	50%	60%
			Value of new actives in priority MICs	\$1,922,868	\$600,000
			Number of actives implemented in partnership	21	12
			Contribution to Climate Change mitigation/adaptation**	21%	20%
			Strategic Fitness Score	5.4	N/A
			TAP Strategic Fitness Score	6.5	N/A
Indicator	Cumulative Performance	Annual Target FY2015	Indicator	Cumulative Performance	Annual Target FY2015
PPIAF Closeout Score	7.5	N/A	PPIAF Financial Utilization Score	4	N/A
TAP Closeout Score	8	N/A	PPIAF Quality of Implementation Score	7.4	N/A
Client Satisfaction Score***	N/A	TBD	TAP Quality of Implementation Score	6.7	N/A
<b>CLOSE-OUT</b>			<b>IMPLEMENTATION</b>		

\* relative to the total amount of approved funding in geographically focused technical assistance activities

\*\* of the total number of activities

\*\*\* PPIAF will start rolling out the client satisfaction score in Q2, fiscal 2016.

The primary aim for 2015 was to compile information on the various indicators to establish a baseline, understand the resulting patterns, and use that information to set targets for fiscal 2016. The preliminary targets established based on last year's monitoring exercise are presented in Table 8. These targets will be revisited during the continuing review and refinement of the methodology.



**TABLE 8: Balanced Scorecard Indicators and Design Quadrant Targets for Fiscal 2016**

Indicator	Target Fiscal 2016
<b>Design phase</b>	
Strategic-fitness score	7.5
TAP strategic-fitness score	7.5
<b>Implementation phase</b>	
PPIAF financial-utilization score	6
PPIAF quality-of-implementation score	8
TAP quality-of-implementation score	8
<b>Close-out phase</b>	
PPIAF close-out score	8
TAP close-out score	8
Client satisfaction score	TBD
<b>Impact phase</b>	
Outcome-realization score	7 (FY2018 - biennial target)

The **design phase quadrant** of the BSC reports that in fiscal 2015, we surpassed the annual targets set for three indicators: total value of new activities in middle-income countries (\$1.92 million vs. target of \$0.6 million), number of activities implemented in partnership (21 vs. target of 12), and percentage of approved activities contributing to climate-change mitigation and/or adaptation (21 percent vs. target of 20 percent). We fell short on percentage of approvals in low-income countries (53 percent vs. target of 65 percent), number of activities approved in fragile countries (seven vs. target of 16), and percentage of approvals in Sub-Saharan Africa, (50 percent vs. target of 60 percent). Despite falling short on individual approval targets, when the indicators are considered jointly as part of the annual strategic fitness score, PPIAF activities appear to be in the range of standard fitness. Strategic-fitness scores between four and 7.5 are considered to have a standard fit; 3.5 or fewer are considered low priority; and eight to 10 points are considered an outstanding fit. TAP’s evaluation of the strategic-fitness score using a sample of recently approved activities yielded higher scores than those reported by the PMU on a cumulative basis. More information on TAP’s assessment and role is available in the section about the TAP.

The **implementation quadrant** of the BSC reports the quarterly performance of three indicators. The financial-utilization and quality-of implementation-scores show improvement from Q1 to Q4 (see Figure 8), although the financial-utilization cumulative performance seems to show that disbursements and commitments of ongoing activity are still slow (cumulative score of 4). As for differences between TAP and PPIAF quality-of-implementation scores, they can be explained, in part, by the fact that TAP only evaluates a sample of activities. (for fiscal 2015, TAP produced quality-implementation scores for 10 ongoing activities). Overall, however, for comparable activities, TAP’s score at 6.7 is slightly lower than PPIAF’s average score for the same activities, at 7.4.



**FIGURE 8: Balanced Scorecard Fiscal 2015, Implementation Quadrant—Quarterly and Cumulative Performance**

Indicator	Performance				Cumulative Performance	Annual Target FY2015
	Q1	Q2	Q3	Q4		
PPIAF financial utilization score	3	4.5	4	4.5	4	N/A
PPIAF quality of implementation score	6.2	7.2	8	8	7.4	N/A
TAP quality of implementation score	N/A	N/A	5.6	7.8	6.7	N/A

For the **close-out phase**, the BSC shows improved cumulative performance, both for PMU- and TAP- scored indicators. It is interesting to observe that, on a cumulative basis, PPIAF activities score slightly better at the close-out stage than at the implementation stage. Data collection on the client satisfaction indicator will be rolled out in Q1, 2016. Based on this, a baseline will be established against which a target will be set.

**FIGURE 9: Balanced Scorecard Fiscal 2015, Close-out Quadrant—Quarterly and Cumulative Performance**

Indicator	Performance				Cumulative Performance	Annual Target FY2015
	Q1	Q2	Q3	Q4		
PPIAF Closeout Score	7	6.9	8	8.5	7.6	N/A
TAP Closeout Score	N/A	N/A	7.3	8.8	8	N/A
Stakeholder Satisfaction Score	N/A	N/A	N/A	N/A	N/A	TBD

The **impact quadrant** (see Figure 10) measures the extent to which PPIAF-funded activities have progressed towards achieving their intended outcomes 18 to 24 months after they close. As we continue to perform these evaluations, we hope to be in a better position to test the robustness of the outcome realization scores and refine this methodology.

**Figure 10: Balanced Scorecard Fiscal 2015, Impact Quadrant—Quarterly and Cumulative Performance**

Indicator	Performance				Cumulative Performance	Annual Target FY2015
	Q1	Q2	Q3	Q4		
Outcome realization score	6.7	4.9	6	4.7	5.6	N/A

## ASSESSING THE OUTCOMES OF ACTIVITIES FUNDED IN PREVIOUS FISCAL YEARS

This year PPIAF rolled out the methodology for the outcome-realization reviews. The purpose of this exercise was to establish what happens after the completion of a PPIAF grant, and whether the intended outcomes are achieved. In fiscal 2015, we reviewed a sample of 47 activities out of a total of 234 PPIAF activities completed from fiscal 2011 to fiscal 2013, representing 20 percent of activities. Activities spanned across PPIAF-supported geographic regions, as well as priority sectors and thematic areas (i.e., policy and regulatory reforms, capacity building, sub-national technical assistance, etc.). The sample was representative of the portfolio's sectoral and regional breakdown—for example, close to 40 percent of the reviewed activities had been implemented in Sub-Saharan Africa, and 45 percent were multi-sector vs. 43 percent and 41 percent for all approvals, respectively, for FY 11 - 13.

Overall, the review confirmed that outcomes have materialized or that clients have made significant progress towards achieving the outcome in more than half of the cases (24 out of 47 reviewed activities). PPIAF-funded activities contributed to improved institutional frameworks and the preparation of PPP projects. Some notable achievements include: independent screening and appraisal of PPP projects by the Ministry of Finance of Timor-Leste; implementation of a PPP project in Uganda (Kampala's Jinja road); establishment of a PPP unit within the Ministry of Finance in Afghanistan; a regional transmission company (TRANSCO CLSG) created for the development of the West African Power Pool's Côte d'Ivoire - Liberia - Sierra Leone - Guinea interconnection project; adoption of a PPP law and corresponding decrees in Colombia (Law 1508 of 2012); and the established of an independently functioning PPP unit in Kenya.

For the rest of the sample (23 activities), however, there was no evidence found (as of the time of the review) of progress towards intended outcomes. Overall, common reasons for delays in outcome realization are:

- Lack of client cooperativeness or interest in implementing the new/proposed regulatory model;
- Over-ambitious statement of objectives needing other actions and relying on a chain of results that was neither contemplated nor provided for in the PPIAF activity;
- Lack of clarity in the logical links between outputs of stand-alone workshops or publications and the intended change (outcome) sought; and
- Reasons beyond PPIAF's control, e.g., security considerations in Guinea-Bissau leading to the suspension of the World Bank's activities and potential follow-up engagements.

### Learning

In fiscal 2015, PPIAF enhanced the way it incorporates learning from past activities into the design and implementation of new grants. As a result of learning from both independent evaluations and reviews and PPIAF's internal monitoring, evaluation and learning (ME&L) system, PPIAF seeks to improve the design and implementation processes of its activities by replicating successful experiences. Particularly, in order to increase the likelihood that clients will act on PPIAF's advice (outputs and products), PPIAF has sought to: enhance coordination with upstream/implementation and downstream/handover partners and country management units; design new activities incorporating both institutional and capacity support; improve project screening; and develop activities with a programmatic approach.

# SECTION FOUR



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# PPIAF Administration and Management Updates

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## HUMAN RESOURCE UPDATES

In fiscal 2015, PPIAF added several senior-level staff members and shored up the resources devoted to its SSA portfolio. We re-opened our regional office in Dakar, Senegal to better cover West and Central Africa and hired a regional program leader to lead the office and a consultant. We also reinforced our bureau in Nairobi, Kenya through the recruitment of a regional program leader, who joined in October 2015. At its headquarters, PPIAF hired a senior infrastructure specialist for the water sector.

Conversely, PPIAF saw the departure of two senior-level specialists (including Matt Bull in July 2015, who had served as acting manager in second half of 2014) and one analyst-level staff members. In fiscal 2016, PPIAF hopes to hire additional staff members and re-organize itself to cover these resource gaps.

## PROGRAM COUNCIL MEETING

The Program Council held its annual meeting on May 20-22, 2015 at the World Bank country office in Dakar, Senegal. The meeting's objective was to discuss the fiscal 2015 work program and TAP's most recent report, and to seek the donors' endorsement of the fiscal 2016 work program. The meeting was also used as a forum to review PPIAF's governance mechanisms. As a result of the meeting, it was agreed that PPIAF would:

- Provide more information regarding the decision-making process related to PPIAF's call for proposals;
- Provide increased disclosures of information related to technical assistance programs;
- Launch an impact evaluation of the SNTA program, to be included in the fiscal 2016 work program;
- Better document how PPIAF's measurement and evaluation lessons contributed to the improvement of the design of new activities; and
- Incorporate poverty reduction and gender considerations into the design, implementation and monitoring of activities.

Donor and PPIAF representatives also extensively discussed the issue of PPIAF governance, including a review of a draft version of a revised program charter and core operating procedures. Many ideas and suggestions were discussed, and it was decided that these ideas would be incorporated into the documents to be re-circulated for further discussion in fiscal 2016.

## TAP REPORT

Each year PPIAF's TAP conducts an independent evaluation of PPIAF and its portfolio, and includes detailed reviews of a sample of individual activities in its report to the Program Council. This year, TAP added two experts in the field of PPPs and infrastructure finance. The new TAP has been undertaking reviews of PPIAF activities since Q3, fiscal 2015. The panel reviewed recently approved, ongoing, and nearly completed activities for the last two quarters of 2015 and produced "shadow" scores for the strategic fitness, implementation and close-out components of PPIAF's balanced scorecard.

This year's TAP reviews were based on the following themes (agreed between TAP and PMU) reflecting PPIAF's strategic priorities:

- PPP institution building,
- Fragile states,
- Climate change, and
- Sub-national technical assistance.

TAP evaluated twelve activities across sectors. In addition to reviewing their design and the quality and the potential of PPIAF-funded outputs to contribute to intended outcomes, TAP also tested and provided comments on the scoring methodology that PPIAF introduced in fiscal 2015 for different stages of the activity lifetime.

The review determined that the standard of work is, as in previous years, very high, and that the activities do a good job covering the thematic priorities singled out in the FY15-17 Business Plan. It also determined that a significant share of PPIAF activities do have a climate-change dimension and commended PPIAF on its use of guidelines for monitoring climate adaptation, mitigation and green-growth activities that set out how PPIAF incorporates climate change (including climate resilience and green-growth promotion) into the design of specific activities. The review noted that PPIAF's re-orientation towards upstream activities and programmatic activities continues to be taking effect, as exemplified by the city creditworthiness initiative, which addresses the requirements of PPP institution building, climate change and access to finance and may even take in some elements of regional integration, while falling under the creditworthiness thematic program. In terms of PPIAF's engagement in fragile countries, the TAP panel noted that whereas PPIAF laudably encouraged enabling environments and spawning follow-on investments, TAP would like to see a greater focus on ensuring community involvement in PPP strategy and pipeline development, to prevent the capture of PPP projects in these countries by established elites.

TAP's additional recommendations include giving appropriate guidance to project teams in the case of activities where there has been a wide range of PPIAF work over the years to avoid the risk of reinventing the wheel; introducing early feasibility checks into activities to screen the legal and political environment when embarking on technical and financial- feasibility studies; re-examining the mechanism of viability-gap funding in the context of PPPs in the form of a knowledge product; and revising the scoring system for performance measurement.



# SECTION FIVE





# Program Finances



Table 9 below summarizes the outgoing year's financial inflows and uses. Total inflows reached \$12.4 million, including \$9.95 million in new contributions, while the utilization of funds was \$14.69 million, of which activity disbursements constituted \$11.6 million.

**TABLE 9: Sources and Uses of PPIAF Funds**

Sources of Uses FY 2014 and 2015	FY 2014	FY 2015
<b>Sources</b>		
Contributions	4,773,000	9,952,000
Re-Flows		2,264,000
Investment Income	253,000	204,000
<b>Total Inflows</b>	<b>5,026,000</b>	<b>12,420,000</b>
<b>Uses</b>		
Administration Fees	50,000	178,000
Activity Disbursements	10,161,000	11,608,000
PMU Expenses	2,712,000	2,902,000
<b>Total Disbursements</b>	<b>12,923,000</b>	<b>14,688,000</b>

## CONTRIBUTIONS

In fiscal 2015, PPIAF received \$9.95 million worth of new donor contributions, almost double what it received in fiscal 2014. Of this, the contribution for PPIAF core activities received through its Multi-Donor Trust Fund II amounted to \$4.61 million. Non-Core Trust Funds for i) Integrating the Climate Change Agenda with Public-Private Partnerships Program, ii) Middle-Income Countries, iii) Water, Sanitation and Hygiene in Sub-Saharan Africa, and iv) the SNTA received \$5.35 million during the fiscal year (see Table 10).

**TABLE 10: Member Contribution Receipts for Fiscal 2015, 2014 and 2013**

	Fiscal 2015 (\$)	Fiscal 2014 (\$)	Fiscal 2013 (\$)
<b>PPIAF core fund</b>			
Austria	-	-	N/A
Australia	3,856,000	1,879,000	4,925,000
France	-	-	N/A
Germany	-	657,000	616,000
International Finance Corporation	-	-	250,000
Italy	-	-	N/A
Millennium Challenge Corporation	-	250,000	250,000
Norway	-	488,000	533,000
Netherlands	-	-	N/A
Sweden	-	-	N/A
Switzerland	750,000	-	-
United Kingdom	-	-	N/A
World Bank	-	-	N/A
<b>Sub-total</b>	<b>4,606,000</b>	<b>3,292,000</b>	<b>6,574,000</b>
<b>Non-core funds</b>			
Norway: Climate Change	-	-	N/A
Netherlands: Climate Change	-	-	286,000
Switzerland: for Climate Change	1,000,000		
Switzerland: for Middle-Income Countries	2,250,000	-	2,159,000
United Kingdom: for Global Financial Crisis		-	N/A
USAID: Water fir Sub-Saharan Africa	597,000	651,000	740,000
Japan		830,000	
<b>Sub-total</b>	<b>3,847,000</b>	<b>1,481,000</b>	<b>3,186,000</b>
<b>SNTA program</b>			
Australia	-	N/A	1,048,000
France	-	N/A	N/A
Switzerland	1,500,000	N/A	1,400,000
United Kingdom	-	N/A	N/A
World Bank	-	N/A	N/A
<b>Sub-total</b>	<b>1,500,000</b>	<b>N/A</b>	<b>2,448,000</b>
<b>Total contribution receipts</b>	<b>9,952,000</b>	<b>4,773,000</b>	<b>12,207,000</b>
<b>Net investment income</b>	<b>204,000</b>	<b>253,000</b>	<b>318,000</b>
<b>Total funding</b>	<b>10,157,000</b>	<b>5,026,000</b>	<b>12,526,000</b>

## DISBURSEMENTS

PPIAF increased disbursements from \$12.9 million in fiscal 2014 to \$14.68 million in fiscal 2015. Disbursements were made for activities approved in fiscal 2015, as well as for activities that were approved in prior years and are being implemented over multiple years. In accordance with the administration agreements entered into by the World Bank and PPIAF donors, \$178,000 (1.5 percent) was collected as an administration fee. PMU costs totaled \$2.9 million. This includes expenses such as staff salaries, benefits and travel; evaluation of proposals; governance; coordination of donor relations; and other expenditures.

## FUND BALANCE POSITION

**TABLE 11: Balance Position in Fiscal 2015**

Balance Position	Changes in FY2015
<b>Opening balance</b>	<b>35,036,000</b>
<b>Inflows</b>	
Contributions	9,952,000
Investment income	204,000
Re-flows	2,264,000
<b>Total inflows</b>	<b>12,420,000</b>
<b>Uses</b>	
Administrative fees	178,000
Direct activity disbursements	11,608,000
PMU expenses	2,902,000
<b>Sub-total disbursements</b>	<b>14,688,000</b>
<b>Provisions</b>	
Activity commitments	(385,000)
Activity grants in process	2,776,000
PMU commitments	(92,000)
PMU provisions	(1,473,000)
<b>Sub-total provisions</b>	<b>826,000</b>
<b>Total uses</b>	<b>15,514,000</b>
<b>Fund balance</b>	<b>(3,093,000)</b>
<b>Ending balance</b>	<b>31,943,000</b>

The balance position of total PPIAF resources in Table 11 presents the remaining available resources that can be deployed to support activities and PMU operations in the coming financial year. In contrast to the sources and uses table, the balance position takes into account all funds available in the PPIAF trust funds at the beginning of the year (opening balance) and expenses, as well as commitments and provisions as of 30 June of the current year. The balance position at the end of the financial year stood at \$31.94 million, compared to \$35 million in fiscal 2014. Table 12 lists the balance positions of the individual core and non-core trust funds.

**TABLE 12: Balance Position in Fiscal 2015 for PPIAF's Trust Funds**

<b>Trust Fund</b>	<b>Balance (\$)</b>
<b>Multi-donor Trust Fund II</b>	16,496,000
<b>SNTA</b>	6,018,000
<b>Japan</b>	196,000
<b>Climate Change</b>	1,652,000
<b>SECO</b>	4,117,000
<b>USAID</b>	67,000
<b>ADB</b>	31,000
<b>Financial Crisis</b>	3,366,000
<b>Total</b>	<b>31,943,000</b>



## ANNEX A: OVERVIEW OF ACTIVITIES APPROVED IN FISCAL 2015

**TABLE A.1:** Summary of Activities Approved in Fiscal 2015, by Region and Source of Fund

Region	MDTF II*		SNTA		Non-Core Funds (Asian Development Bank )		Integrating Climate Change with PPPs (Norway and Netherlands)		Japan Trust Fund for East and South East Asia Regions		Middle-Income Countries Fund (SECO)		Water, Sanitation, and Hygiene in Sub-Saharan Africa Fund (USAID)		Total	
	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (US\$)
Africa	12	3,481,000	6	2,291,000	-	-	-	-	-	-	1	260,000	2	497,000	21	6,528,000
Cross Regional	-	-	2	697,000	-	-	-	-	-	-	-	-	-	-	2	697,000
East Asia Pacific	-	-	1	117,000	2	750,000	-	-	1	400,000	3	591,000	-	-	7	1,858,000
Europe and Central Asia	2	536,000	-	-	-	-	-	-	-	-	-	-	-	-	2	536,000
Global	12	2,830,000	2	266,000	-	-	1	58,000	-	-	-	-	-	-	15	3,154,000
Latin America and Caribbean	1	500,000	2	604,000	-	-	-	-	-	-	-	-	-	-	3	1,103,000
Middle East and North Africa	3	733,000	-	-	-	-	-	-	-	-	3	843,000	-	-	6	1,576,000
South Asia	2	900,000	-	-	-	-	2	601,000	-	-	-	-	-	-	4	1,501,000
<b>Total</b>	<b>32</b>	<b>8,979,000</b>	<b>13</b>	<b>3,975,000</b>	<b>2</b>	<b>750,000</b>	<b>3</b>	<b>659,000</b>	<b>1</b>	<b>400,000</b>	<b>7</b>	<b>1,693,000</b>	<b>2</b>	<b>497,000</b>	<b>60</b>	<b>16,953,000</b>

**TABLE A.2:** Summary of Activities Approved in Fiscal 2015, by Sector and Source of Fund

Region	MDTF II*		SNTA		Non-Core Funds (Asian Development Bank )		Integrating Climate Change with PPPs (Norway and Netherlands)		Japan Trust Fund for East and South East Asia Regions		Middle-Income Countries Fund (SECO)		Water, Sanitation, and Hygiene in Sub-Saharan Africa Fund (USAID)		Total	
	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	Value (US\$)
Multi-Sector	23	6,912,000	12	3,295,000	1	350,000	1	58,000	-	-	2	335,000	-	-	39	10,949,000
Energy	2	568,000	1	680,000	-	-	2	601,000	-	-	-	-	-	-	5	1,849,000
Water and Sanitation	2	211,000	-	-	-	-	-	-	-	-	1	350,000	2	497,000	5	1,058,000
Transport	4	949,000	-	-	1	400,000	-	-	1	400,000	4	1,008,000	-	-	10	2,758,000
Telecommunications	1	339,000	-	-	-	-	-	-	-	-	-	-	-	-	1	339,000
<b>Total</b>	<b>32</b>	<b>8,979,000</b>	<b>13</b>	<b>3,975,000</b>	<b>2</b>	<b>750,000</b>	<b>3</b>	<b>659,000</b>	<b>1</b>	<b>400,000</b>	<b>7</b>	<b>1,693,000</b>	<b>2</b>	<b>497,000</b>	<b>60</b>	<b>16,953,000</b>

## ANNEX B: DETAIL OF ACTIVITIES APPROVED IN FISCAL 2015

All activities approved from PPIAF core and non-core funds in fiscal 2015 are listed below by source of funds.

**TABLE B.1: PPIAF Activities Approved From MDTF II Funds**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>AFGHANISTAN:</b> Supporting the Development of a PPP Program	This is bringing together the Government of Afghanistan (GoA) and major donors to build consensus on priority projects for the country. The scope of work takes into account the ongoing Harakat AICFO support to the PPP program. The successful implementation of this program will require significant and regular coordination and communication between the World Bank Group and Harakat AICFO to ensure that the PPP unit is receiving effective and efficient support. Because donor financing is a critical component for any pilot projects selected, donor feedback and an assessment of donor programs will inform pipeline prioritization. PPIAF's role will be catalytic in nature.	\$500,000	Multi-sector	Infrastructure development strategies
<b>AFRICA:</b> PPP Pipeline Development and Institutional Framework Support for SADC Member States	This activity is exploring options to develop trans-boundary infrastructure to facilitate trade and deepen the process of regional integration and cooperation in the Southern African Development Community (SADC). The SADC PPP Network (SADC3P) is tasked with assisting the SADC member states to identify potential PPP projects, based on the infrastructure priorities set forth in the SADC Regional Infrastructure Development Master Plan (RIDMP).	\$345,000	Multi-sector	Infrastructure development strategies
<b>BANGLADESH:</b> PPP Program	This is creating the enabling policy and regulatory environment to help develop a shelf of PPP infrastructure projects across sectors that support sustainable economic growth and equitable access to basic services. Increasing the capacity of the government to enable it to implement this on its own over a period of time. This is part of the PPIAF programmatic support for Bangladesh.	\$400,000	Multi-sector	Infrastructure development strategies
<b>CHAD:</b> Institutional, process and capacity review to facilitate PPPs	This activity is strengthening the current institutional framework and processes for the development of PPP projects; assessing potential infrastructure projects to develop a pipeline of feasible PPP projects; and starting to build the capacity of key government officials in charge of PPPs. This study is also expected to provide a better understanding of the type of support required by different stakeholders within the government over the next two to three years, to allow a potential PPP unit or other entity to develop and implement a comprehensive PPP program.	\$257,971	Multi-sector	Infrastructure development strategies

**TABLE B.1: PPIAF Activities Approved From MDTF II Funds (cont.)**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>DJIBOUTI:</b> PPP Program Support	Following PPIAF's Rapid Needs Assessment (RNA) to assess Djibouti's readiness to implement PPPs, the RNA provided recommendations to support the development of a more robust PPP framework and prioritized projects that could be implemented as PPPs. The activities will provide support to the government to develop a robust PPP framework that enables it to deliver sustainable and resilient infrastructure that supports sustainable economic growth and equitable access to basic services.	\$500,000	Multi-sector	Infrastructure development strategies
<b>GHANA:</b> Developing a Regional PPP Specialist Center	Working in partnership with UNECE's International PPP Centre of Excellence (ICoE), this activity tries to develop a Center of Excellence for PPPs in Sub-Saharan Africa. Ghana has been selected as a pilot country to launch this initiative. To begin developing the COE, this activity will focus on collecting international best practice standards.	\$166,680	Multi-sector	Emerging best practice
<b>GLOBAL:</b> Development of a Model Policy for Unsolicited Proposals and Tools for its Operationalization and Institutionalization	This is supporting governments in making good use of unsolicited proposals to deliver resilient infrastructure that supports sustainable economic growth and equitable access to basic services. The specific objective is to lay the foundation for countries to professionalize decision-making around USPs.	\$484,000	Multi-sector	Policy, regulatory and institutional reforms
<b>Global:</b> Improving Infrastructure Regulation for Low-Income, Fragile and Low-Capacity Countries: Phase 1 and 2	This application is the first activity in the Improving Infrastructure Regulation Program. It covers phases 1 and 2, which include the following components: updating the Body of Knowledge (BOK) on Infrastructure regulation; developing maturity taxonomy; developing a web-based self-assessment tool; organizing a strategic advisory committee and technical expert panel; and dissemination of the BOK.	\$480,000	Multi-sector	Policy, regulatory and institutional reforms
<b>GLOBAL:</b> State of PPPs Report	This is assessing progress developing countries have made in developing PPP programs and projects; identifying main challenges and looking at steps needed to take PPPs forward; and developing more sustainable and robust approaches to support them. The Infrascope Africa assessment will also provide a benchmark for African countries and can be repeated to measure future performance and improvements to the PPP enabling environment.	\$400,000	Multi-sector	Infrastructure development strategies
<b>GLOBAL:</b> Supporting the International Infrastructure Support System	Building on an ADB pilot project that offered governments a secure platform for preparing infrastructure projects and sharing project information, as well as standardized project preparation documents and templates, this activity is improving the platform to make it more user friendly and more secure.	\$279,400	Multi-sector	Pioneering transactions



**TABLE B.1: PPIAF Activities Approved From MDTF II Funds (cont.)**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>GLOBAL:</b> Development and Dissemination of a Green Bond Knowledge Product for Policy Makers	This is preparing a primer using non-technical language to make the topic more accessible for the target audience. This primer will discuss the broader picture of climate finance, and deepen understanding of green bonds in particular.	\$39,500	Multi-sector	Emerging best practice
<b>GLOBAL:</b> PPP Short Stories Competition	This activity was launched to identify innovative solutions and best practices for PPPs in developing countries and to raise awareness among students, practitioners, policymakers and anyone else interested in PPPs on a global scale. The initiative attracted a number of entries, and after the winners were announced, their submissions were widely disseminated. Winning submissions can be seen on the PPIAF website. <a href="http://www.ppiaf.org/feature-story/winners-ppp-short-stories-competition-announced">http://www.ppiaf.org/feature-story/winners-ppp-short-stories-competition-announced</a>	\$48,000	Multi-sector	Emerging best practice
<b>GLOBAL:</b> Strategic Partnership with Public-Private Partnership in Infrastructure Resource Center (PPPIRC)	This is developing new resources on legal topics concerning PPPs, to address gaps in the materials available on the PPPIRC website. It also aims to increase the accessibility of new and existing materials by preparing videos on key legal issues concerning PPPs and through translation of materials for non-English-speaking audiences.	\$290,500	Multi-sector	Emerging best practice
<b>GLOBAL:</b> PPP Simulation (Part of Knowledge Call for Proposals)	This is providing an active-management style of experiential learning that can accommodate more complexity and realism than conventional case studies. The objective is to adapt the existing PPP simulation game to make it directly relevant to PPIAF client countries. This will include adapting the simulation game for the needs and constraints of developing countries.	\$119,000	Multi-sector	Emerging best practice
<b>GLOBAL:</b> Benchmarking PPP Procurement (Part of Knowledge Call for Proposals)	This is designed to help evaluate the effectiveness of PPP institutional and regulatory frameworks and procurement processes in developing countries, and to enhance and promote indicators of country readiness for conducting PPPs.	\$200,000	Multi-sector	Emerging best practice
<b>GLOBAL:</b> Capacity Building for Leaders in Urban Transport (Part of Knowledge Call for Proposals)	This is increasing the capacity of policymakers and municipal officials to design and implement PPP projects as part of broader urban transport-sector plans. It seeks to improve the accessibility of urban transport services and reduce congestion through improved transport planning and increased private-sector participation in the urban-transport sector.	\$190,000	Transport	Emerging best practice

**TABLE B.1: PPIAF Activities Approved From MDTF II Funds (cont.)**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>GLOBAL:</b> Regulating Water Services Provision in MENA (Part of Knowledge Call for Proposals)	This activity is providing MENA government officials and other stakeholders (including citizens/civil society, service providers, potential financiers/investors, and development practitioners) with tools to increase knowledge, awareness and capacity building related to regulating water services and understanding the benefits and challenges in that sector.	\$140,000	Water	Emerging best practice
<b>GLOBAL:</b> Guidebook for Metro Development with Private Participation (Part of Knowledge Call for Proposals)	This builds on and complements a wide variety of private-participation advisory work, specifically for metro and urban-rail systems. The final product will be a manual/guidebook aimed at metro and other government agencies in charge of developing or implementing urban rail projects in the developing world. The guide will fill a knowledge gap in a practical way, by concentrating on the technical, institutional and financial aspects that government officials have to take into account when embarking on new metro projects.	\$160,000	Transport	Emerging best practice
<b>GUINEA:</b> Institutional and Policy Support for the Development of the PPP Program	This activity is assisting the government in setting up and strengthening the institutional capacity of its new PPP unit. The support will help increase the capacity of government officials in order to enable them to take on more active roles in taking PPPs to market.	\$295,944	Multi-sector	Policy, regulatory and institutional reforms
<b>GUINEA:</b> Mining Ancillary Infrastructure Legal, Regulatory and Institutional Reforms support (Phase II)	This is supporting the government to develop the institutional and regulatory framework to engage in the reforms necessary for the sustainable management and shared usage of these mining-related infrastructure projects. This builds on previous PPIAF assistance to create the enabling environment for the realization of PPPs in mining ancillary infrastructure development.	\$445,000	Transport	Policy, regulatory and institutional reforms
<b>KYRGYZ REPUBLIC:</b> Capacity Building Support to the New Energy Regulator	This activity is assisting with the establishment of the energy regulator and helping the agency become operational. The activity will also support the establishment of the regulatory framework and its enforcement, in order to increase the capacity of the newly formed energy regulator.	\$381,495	Energy	Policy, regulatory and institutional reforms
<b>LATIN AMERICA AND CARIBBEAN:</b> Caribbean Regional PPP Support	This is supporting the governments of the Caribbean region to make better use of PPPs to develop and deploy infrastructure projects for sustainable economic growth and equitable access to basic services. This is a follow-up engagement from previous PPIAF activities in the Caribbean region.	\$499,625	Multi-sector	Infrastructure development strategies
<b>MALI:</b> Support for PPP Framework Design and Project Pipeline Development (part of a program)	This activity is supporting the Government of Mali with the upstream strategic work needed at a sector and project level to move the PPP program forward in a way that will contribute to sustainable development to benefit the regional PPP agenda, given that the country depends largely on regional projects.	\$299,950	Multi-sector	Policy, regulatory and institutional reforms

**TABLE B.1: PPIAF Activities Approved From MDTF II Funds (cont.)**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>MAURITANIA:</b> Assessment of the PPP Enabling Environment and Development of PPP Pipeline	This activity is supporting the development of an enabling environment for PPPs and strengthening the Government of Mauritania's capacity to identify and implement PPPs.	\$305,750	Multi-sector	Infrastructure development strategies
<b>SENEGAL:</b> PPP Program Support - PPP Institutional Building and Pipeline Development (Phase I)	The first phase of this activity focuses on providing PPP institutional building support and pipeline development. If the first phase is successfully implemented, a separate funding request will be made for the second phase.	\$407,490	Multi-sector	Capacity building
<b>SOMALIA:</b> Supporting ICT Sector and Broadband Connectivity	This is supporting the Government of Somalia to develop a medium-term strategy for the ICT sector. The study will carry out a preliminary assessment of the legal and regulatory issues involved in developing a fiber-optic backbone network to connect Somalia to neighboring countries.	\$338,800	Telecom	Infrastructure development strategies
<b>TANZANIA:</b> Building PPP Institutional Support (Phase 1)	This activity is improving the legislative, institutional, financial and technical framework to enable private investment and accelerate the PPP program in Tanzania.	\$356,000	Multi-sector	Infrastructure development strategies
<b>UGANDA:</b> Drafting and Developing PPP Regulations	This is reviewing the existing PPP policy and operating procedures to ensure a comprehensive and harmonized environment is in place to support development and implementation of PPP projects.	\$75,000	Multi-sector	Policy, regulatory and institutional reforms
<b>UKRAINE:</b> Supporting Reform in the Rail Sector for Private Sector Participation	This is supporting the government and Ukrzaliznytsia (Ukrainian State Railways) in the ongoing railway-sector reforms, highlighting the rewards and opportunities for private-sector involvement in the sector. It is also helping increase policymakers' understanding of the value, appropriate pace and sequencing of the reforms to increase sector efficiency.	\$154,420	Transport	Policy, regulatory and institutional reforms
<b>WEST BANK AND GAZA:</b> PPP Framework Review and Development of PPP Pipeline and Strategy	This is supporting the Deputy Prime Minister's Office for Economic Affairs (DPOMEA) in the development of a PPP program that will promote and sustain private-sector participation in the delivery of infrastructure services in the West Bank and Gaza.	\$162,000	Multi-sector	Infrastructure development strategies
<b>WEST BANK AND GAZA:</b> Solid Waste Management Capacity Building and Institutional Strengthening Support (Phase II)	This is providing the second phase of capacity building and institutional strengthening support to the Joint Services Council for Hebron and Bethlehem (JSC-H&B). The activity supports the customization, use and management of the management information system during the pilot implementation period.	\$71,000	Water and sanitation	Capacity building

**TABLE B.2: PPIAF Activities Approved From SNTA Funds**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>COLOMBIA:</b> Financing Infrastructure for Urban Redevelopment	This is supporting sub-national governments in Colombia to structure and take to market innovative "land value capture" financial instruments that will leverage private finance for public infrastructure for urban redevelopment projects. Specifically, this support will focus on the development of a tax increment financing (TIF) style instrument in the context of urban development projects.	\$74,800	Multi-sector	Financing
<b>CROSS REGIONAL:</b> City Creditworthiness Initiative: Program I	The City Creditworthiness Initiative is one of the strategic initiatives outlined in the three-year business plan and discussed during the Program Council meeting in Zurich. The Initiative is designed to systematically identify and reach reform-minded cities with customized technical assistance, and to engage with them on a programmatic basis.	\$510,000	Multi-sector	Specific performance improvement
<b>CROSS REGIONAL:</b> Municipal Pooled Financing for Developing Countries	Municipal pooled financing is deemed to: Improve access to capital markets of municipalities, enhance the ability of institutional investors to finance local infrastructure investments, and reinforce fiscal decentralization and inter-municipal cooperation. This activity is a coordinated effort between IFC and PPIAF-SNTA to promote municipal pooled financing mechanisms in developing countries.	\$187,134	Multi-sector	Financing
<b>ECUADOR:</b> Supporting the Municipality of Quito to Access Market Based Financing to Implement its Integrated Transport System (SITP)	This is enabling the Metropolitan Municipality of the District of Quito (MDMQ) to borrow in the domestic capital market to partly finance the Metro and to improve the efficiency of transport services provision through increased private-sector participation in operations.	\$529,000	Multi-sector	Financing
<b>GLOBAL:</b> Land-Based Financing for Urban Regeneration PPPs (Phase 2)	This follow-on support is comprehensively disseminating the toolkit and case studies, including translation into two languages, to broaden outreach to client governments.	\$75,000	Multi-sector	Financing
<b>GLOBAL:</b> Promoting Municipal Finance Markets through Strengthening of Knowledge and Capacity Building (Part of Knowledge Call for Proposals)	This activity aims to strengthen the national investment funds in Africa's least developed countries, to improve their understanding of municipal finance and their capacity to increase their creditworthiness and access to finance. This activity will provide knowledge products and capacity building services to local authorities and municipalities, to generate the technical and operational know-how to engage with credit markets to secure finance for municipal infrastructure projects.	\$191,000	Multi-sector	Emerging best practice

**TABLE B.2: PPIAF Activities Approved From SNTA Funds (cont.)**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>KENYA:</b> National Housing Corporation (NHC) Creditworthiness and Bond Issuance Support	This is assisting NHC to raise local currency debt finance and providing specific transaction support for the bond issuance. The project also aims to review NHC's corporate governance practices and to provide recommendations for improvement in order to improve its credibility and ensure that it can become a seasoned issuer, as opposed to a one-time issuer.	\$375,000	Multi-sector	Credit rating
<b>MALAWI:</b> Financial Strengthening and Creditworthiness Support for ESCOM	This is supporting ESCOM's financial governance and transparency, which is key to accessing private capital markets and enhancing the enabling environment for Independent Power Producers (IPPs). Moreover, increasing ESCOM's access to funding while adhering to its Sustainable Debt Management Plan would also allow the company to diversify away from reliance on government funding for the TAF. The credit rating, which would ideally be regularly reviewed, would serve as a progress benchmark for ESCOM's performance in operational, financial and governance areas.	\$680,000	Energy	Financing
<b>MONGOLIA:</b> Strengthening City Finances and Service Delivery in Ulaanbaatar	This is providing follow-up assistance to the capacity-building program in Ulaanbaatar for preparing a municipal-debt-management system and further strengthening the city's process and capacity for capital investment planning (CIP).	\$117,000	Multi-sector	Specific performance improvement
<b>SENEGAL:</b> Credit Rating for the Dakar Municipal Bond	This is helping the City of Dakar prepare a credit rating for the bond to be issued by the city. By funding the bond rating, PPIAF-SNTA will facilitate the issuance of the bond, provide improved credit risk information to West African private investors, and establish bond rating as a best practice in the new municipal bond market in Abidjan.	\$50,000	Water	Credit Rating
<b>SOUTH AFRICA:</b> Financing Catalytic Local Urban Development Projects	This is supporting the national government of South Africa and participating metropolitan municipalities in strengthening the municipalities' capacity to advance catalytic urban land redevelopment projects.	\$375,000	Multi-sector	Financing
<b>SOUTH AFRICA:</b> Study on the PPP Framework Applicable for South African Cities	This a study that is responding to municipalities' interest in various types of arrangements with the private sector to achieve value creation and risk transfer.	\$60,880	Multi-sector	Financing
<b>TANZANIA:</b> Strengthening Financial Performance of Tanzanian Municipalities	This is providing selected Tanzanian municipalities with on-going, hands-on technical assistance to strengthen their financial performance and to pursue financing for infrastructure projects.	\$750,000	Multi-sector	Specific performance improvement

**TABLE B.3: PPIAF Activities Approved From Austria Climate Change Window**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>GLOBAL:</b> Development and Dissemination of a Green Bond Knowledge Product for Policy Makers	This is preparing a primer in non-technical language to make the topic more accessible for the target audience. This primer will discuss the broader picture of climate finance, and to deepen their understanding about Green Bonds in particular.	\$39,500	Multi-sector	Emerging best practice
<b>RWANDA:</b> Preparation of Action Plans for the Development of Hydropower, Solar Energy and Dissolved Methane for Electricity Generation	This is supporting the Ministry for Infrastructure (MININFRA), which oversees Rwanda's energy sector. The activity supports the systematic planning of the energy sector through the preparation of action plans for assessment and development of hydropower, solar energy and dissolved methane for electricity generation in Rwanda's power plants, which will be predominantly built, owned and operated by the private sector.	\$186,969	Multi-sector	Infrastructure development strategies

**TABLE B.4: PPIAF Activities Approved From The Norway, Netherlands And SECO Integrating Climate Change Agenda With PPPs**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>GLOBAL:</b> Emerging Trends in Mainstreaming Climate Resilience in Large Scale, Multi-sector Infrastructure PPPs	This is developing a global knowledge product that provides practical information on how to mainstream climate resilience into PPP frameworks in the context of multi-sector investment planning and implementation in developing countries.	\$57,650	Multi-sector	Emerging best practices
<b>INDIA:</b> Renewable Energy Development in Odisha	This is creating an enabling environment for private-sector investment in renewable energy in Odisha. It will do so by supporting the Green Energy Development Corporation (GEDCOL)/Department of Energy.	\$291,000	Energy	Infrastructure development strategies
<b>SRI LANKA:</b> Scaling up Climate Action Through the Sri Lanka Carbon Fund	This is supporting the Sri Lanka Carbon Fund (SLCF) with the tools to screen and prioritize renewable energy/energy efficiency projects eligible to be PPPs. This activity complements work supported by the Carbon Partnership Facility that aims to build capacity in the SLCF so that it has the tools to monitor carbon emissions and reductions and the proper procedures/policies in place to attract carbon financing.	\$310,000	Energy	Capacity building

**TABLE B.5: PPIAF Activities Approved From Asian Development Bank (ADB) Non-Core Funds**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>CHINA:</b> Local PPP Reforms	This is helping the local government provide a demonstration of good PPP practices for local governments. Chongqing in central PRC is one of the four largest municipalities and is representative of a large city that is well advanced in achieving a market-oriented economy. It has projects within the Ministry of Finance's initial batch of pilot PPPs.	\$350,000	Multi-sector	Infrastructure development strategies
<b>MONGOLIA:</b> Public-Private Partnership in Urban Public Transport Sector of Ulaanbaatar	This is supporting the Government of Mongolia with PPPs in Ulaanbaatar's public transport sector.	\$400,000	Transport	Policy, regulatory and institutional reforms

**TABLE B.6: PPIAF Activities Approved From Japan Non-Core Funds**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>PHILIPPINES:</b> Building Institutional Support for PPPs in Urban Railway Sector	This activity is supporting the development and placing into operation of the Light Rail Transport (LRT1) project and developing the regulation procedures manual to regulate the concession to support the LRTA in its new role as a regulator.	\$399,950	Transport	Capacity building

**TABLE B.7: PPIAF Activities Approved From SECO Middle-Income Non-Core Trust Fund**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>GHANA:</b> Establishment and Preparation of Business Plan for Ghana Infrastructure Investment Fund (Increased Scope)	This is helping the Government of Ghana establish an Infrastructure Investment Fund to enable it to facilitate access to long-term financing by crowding-in private-sector sources to support infrastructure and PPP projects. This funding is approved to increase the scope of the initial activity approved in fiscal 2014.	\$259,608	Multi-sector	Infrastructure development strategies
<b>EGYPT:</b> Private Sector Participation Options for the Abu Tartour Port	This activity is supporting the PPP Central Unit of the Ministry of Finance (PPPCU), in concert with the Ministry of Foreign Trade and Industry (MTI), to develop the Abu Tartour Port (ATP), as Egypt's first industrial port achieved with private-sector participation.	\$167,200	Transport	Infrastructure development strategies
<b>INDONESIA:</b> Port Development Options Study and Financing Strategy	This is supporting the Government of Indonesia to identify required improvements and extensions; assess the investment and operational improvement needs in the main ports of the Pendulum Service Concept; and develop financing strategies to enhance private-sector participation in ports facilities development and operations.	\$285,574	Transport	Infrastructure development strategies

**TABLE B.7: PPIAF Activities Approved From SECO Middle-Income Non-Core Trust Fund (cont.)**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>INDONESIA:</b> Conducting Preliminary Feasibility for the Use of Land Value Capture Instruments - Surabaya Urban Transport Corridor Program	This pre-feasibility work is supporting the City Government of Surabaya, Indonesia to select and structure the most appropriate land-value-capture instruments that will leverage private finance for public infrastructure investment.	\$75,000	Multi-sector	Pioneering transactions
<b>Middle East and North Africa:</b> Strengthening institutions to identify and Prepare Viable PPP Transport Projects in Morocco, Tunisia and Egypt	This is strengthening the PPP institutional framework in the transport sector in Egypt, Morocco and Tunisia. It is building capacity for the identification and pre-assessment of potential transport PPP projects, and the prioritization of investment decisions to build an optimized and coordinated portfolio of projects.	\$325,600	Transport	Capacity Building
<b>TUNISIA:</b> Support to ONAS to Develop a Sewerage PPP Program, Phase II	This is supporting the Office National de l'Assainissement (ONAS) in the implementation of its PPP program. This is the second phase of PPIAF support to the sewerage PPP reform in Tunisia, following the successful preparation of the scoping report in 2013, and will combine institutional strengthening and targeted PPP transaction-support activities.	\$350,000	Water and sanitation	Pioneering transactions
<b>VIETNAM:</b> Strengthening Sector Performance for Rail Transport	This is supporting strategic review for the railway subsector and business reform. The activity will conduct a diagnostic assessment to identify possible options for reforms, and will assist the Ministry of Transport to develop a strategic business plan to implement the preferred option, incorporating private-sector participation in the sector.	\$230,000	Transport	Infrastructure development strategies

**TABLE B.8: PPIAF Activities Approved From The USAID Water Non-Core Trust Fund**

Country/Title	Activity Description	Approved Funding	Sector	Action Area
<b>KENYA:</b> PPP Options Study for Accelerated and Sustainable Non-Revenue Water (NRW) Reduction for Mombasa and Nairobi	This study is exploring PPP options for sustainable Non-Revenue Water (NRW) reduction involving significant risk transfer to the private sector. The analysis will include a financial assessment; the pros and cons of each PPP option; and a recommendation for each of the utilities in Mombasa and Nairobi.	\$387,000	Water	Infrastructure development strategies
<b>MOZAMBIQUE:</b> Greater Maputo Water Supply - Demand and Willingness to Pay Assessment	This is conducting household surveys to better understand current water demand, which improve forecasts of future demand. It includes an investigation of capacity and clients' willingness to pay.	\$110,100	Water	Infrastructure development strategies



## ANNEX C: IMPLEMENTING PPIAF'S NEW PERFORMANCE MEASUREMENT FRAMEWORK

In the FY15 – FY17 Business Plan presented to donors in June 2014, we note our intention to implement a new performance measurement framework that would efficiently capture and measure the value and impact of our work, by assessing performance in a balanced way across all phases of the activity cycle. The new system was designed to balance the focus on results against typical metrics such as volume of approvals; improve the quality and value of our reporting to the donor group; deepen the independent assessment of PPIAF's performance by enhancing the role of the Technical Advisory Panel (TAP), third party evaluators and stakeholders; and better capture learning and knowledge from our technical assistance activities and programs.

During fiscal 2015, we transitioned to the updated monitoring, evaluation and learning (ME&L) system and implemented, for the most part, the new performance measurement framework described in the year's work plan. This transition has allowed a more accurate and timely view of the performance of each activity in our portfolio, in terms of the rate of usage of funds and the quality and timeliness of outputs. It has also provided us with a snapshot of how activities perform compared to other activities within and among the regions. Additionally, we have been able to enhance TAP's third-party monitoring role. Another important achievement was the development and implementation of the methodology for outcome realization reviews, which allowed us to review a sample of 47 activities completed in fiscal 2011 (four percent of the sample), fiscal 2012 (44 percent of the sample) and fiscal 2013 (13 percent of sample). These outcome realization reviews informed our understanding of what happens after the completion of a PPIAF grant—whether the activities' intended outcomes are achieved; what are the potential external factors that promote or delay the expected results; whether PPIAF's activities have unintended negative or positive outcomes; and what the changes (if any) are to the client country contexts that might affect the relevance of PPIAF's outputs. All of these new indicators and measures are summarized in the newly implemented balanced scorecard.

This year PPIAF enhanced the way it incorporates learning from past activities into the design and implementation of the new grants by: i) adopting key recommendations of independent evaluations; ii) using its internal monitoring and evaluation processes to improve future activity design and enhance knowledge of local contexts and private-sector infrastructure investment requirements in PPIAF's priority client countries; and iii) documenting, analyzing and sharing lessons learned related to the activity implementation and outcome achievement through internal quarterly review processes and learning sessions.

Furthermore, using PPIAF's theory of change as a basis, we developed a logical framework (logframe) that showcases an ascending results chain from the client-facing technical assistance activities funded by PPIAF to the goal-level objectives of improving infrastructure to help eradicate poverty and boost shared prosperity. The logframe is used to track our results, using both internal and external information sources, in terms of indicators and targets set for each of the intended changes contemplated at each of the four levels included in this pyramidal structure.

Finally, we also worked closely with the World Bank Group’s information and technology team to implement necessary changes to our project activity database (PATS), in order to match our current monitoring and evaluation needs. Table C1 below contains information on the progress achieved toward the milestones set for the ME&L system work plan for fiscal 2015.

**TABLE C.1: Progress Achieved Toward Monitoring, Evaluation and Learning Milestones For Fiscal 2015**

<b>Monitoring, Evaluation and Learning System Work Plan Fiscal 2015 – End-of-Year Status</b>			
<b>Tasks to be developed:</b>	<b>Delivered in FY15?</b>		
	<b>Yes</b>	<b>No</b>	<b>Comments</b>
1. Create scoring methodology for:			
▪ Contribution toward mitigation and/or adaptation to climate change	✓		
▪ Average PMU strategic-fit score and average TAP strategic-fit score (out of 10)	✓		
▪ PPIAF quality-of-implementation score (average score) and TAP quality-of-implementation score (average score)	✓		
▪ PPIAF closure score (average score) and TAP closure score	✓		
▪ Stakeholder satisfaction score		✓	To be delivered in Q1, FY2016
▪ Outcome-realization score	✓		
2. Phase in use of scoring methodology and above-mentioned indicators	✓		
3. Develop product, test, and phase in quality checklist for products sponsored by PPIAF (priority products are those most often commissioned first)		✓	To be developed in FY2016
4. Review and refine application forms and PIR and TRP evaluation forms, and clarify process diagram for different evaluation processes, including for the storing and processing of information	✓		
5. Design GFR, GRM and/or other bank tools to be consistent with our ME&L needs		✓	To be developed in FY2016
6. Ensure compatibility and inclusion of required changes to PATS	✓		First phase completed in FY2015. To be finalized by the end of FY16
7. Solicit feedback from staff, donors and appropriate bank staff members on different tools and processes	✓		
8. Implement all tools and processes contemplated in ME&L system	✓		
9. Design TORs for retainer firm, and procure retainer firm to undertake evaluation at the outcome and program levels		✓	Evaluations at outcome levels are done in house by PPIAF staff through the outcome realization evaluation. Program-level evaluation to be designed in FY2016-FY2017. SNTA program evaluation to be procured in Q1, FY2016.
10. Establish timeframes and required working hours to process survey information from workshops and design format/process to produce summary reports and/or lessons learned	✓		To be further developed in FY2016
11. Define form and process to gather, systematize and share lessons learned from operations	✓		

## TRANSITION TO THE UPDATED MONITORING, EVALUATION AND LEARNING SYSTEM

As part of the new ME&L system, we developed and rolled out for the first time the newly adopted balanced scorecard (BSC), which summarizes PPIAF's portfolio performance across the design, implementation, close-out and impact phases of the project cycle, using traditional and composite indicators. The BSC represents the transition from measuring results and performance based solely on input indicators, outputs and outcomes, to measuring results and performance based on the value generated throughout the project cycle. This means going from focusing only on traditional indicators such as approval targets and number of outputs and outcomes generated by PPIAF-funded activities, to focusing on how to best preserve an activity's potential for achieving its intended results throughout its lifetime by accessing timely information that can influence its design and implementation, and facilitating the capture and application of lessons learned.

The BSC reporting the cumulative performance for each of the indicators and the respective targets. Targets for fiscal 2015 were only set for those indicators measuring approval targets based on the typical geographic and income-level criteria that we have commonly tracked so far. For the remaining indicators, we collected baseline data throughout fiscal 2015 in order to set targets for fiscal 2016. All composite indicators are scored on a scale from 1 to 10, where 10 denotes the highest performance and 1 the lowest. Based on the information collected throughout fiscal 2015, PPIAF has been able to set targets for fiscal 2016.

## MONITORING PORTFOLIO PERFORMANCE

In fiscal 2015, we carried out quarterly project-implementation review meetings for each of our regional portfolios and for the global-knowledge portfolio. The information provided at these meetings, plus the indicators generated based on the information collected, greatly enhanced our understanding of the overall performance of each of the activities in our portfolio. Tools such as the performance evaluation matrix and the decision matrix were used to classify PPIAF's portfolio of ongoing activities in different categories that allowed us to track, for the first time, the overall performance at the activity level from one quarter to the next. Summary findings and key performance information were shared with all PPIAF donors on a quarterly basis.

## ASSESSING THE OUTCOMES OF ACTIVITIES FUNDED IN PREVIOUS FISCAL YEARS

In fiscal 2015, we developed and rolled out the methodology for the outcome-realization reviews. The purpose of this exercise was to establish what happens after the completion of a PPIAF grant: whether the activities' intended outcomes were achieved; what are the potential external factors that promote or delay the expected results; whether PPIAF's activities have unintended negative or positive outcomes; and what are the changes (if any) to the client country contexts that might affect the relevance of PPIAF's outputs.

The outcome realization reviews are internal and are implemented on a sample basis, given the volume of PPIAF's overall portfolio. PPIAF's ME&L team designed the data collection tool and scoring methodology. PPIAF team members implement the evaluations 18 to 24 months after activity completion through i) desk reviews of PPIAF's existing documentation on the progress after activity completion (i.e., PPIAF impact stories) and ii) communication with the

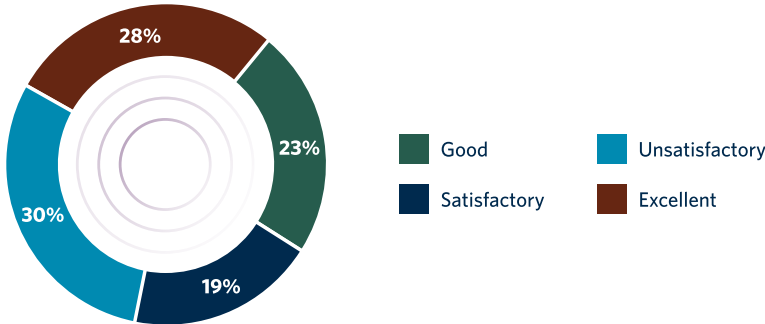
activity task-team leaders (TTLs) or members. After completing the data collection, each activity is scored using a 10-point scale, in accordance with the following criteria:

- **Excellent (8-10 points)** – the outcome was fully achieved
- **Good (6-7 points)** – the client and/or TTL are working on the outcome achievement and there is good visibility on when it is anticipated
- **Satisfactory (4-5 points)** – the client and/or TTL are still working on the outcome achievement, but there is uncertainty on when the outcome is anticipated and/or the efforts for outcome achievement are insufficient
- **Unsatisfactory (1-3 points)** – no progress has been registered toward the achievement of the outcome

In fiscal 2015, PPIAF reviewed a sample of 47 activities out of a total of 234 PPIAF activities completed from fiscal 2011 to fiscal 2013, representing 20 percent of the total activities during that period. The number of activities per fiscal year was determined by the availability of information in PPIAF’s Activity Tracking System (PATS) as well as the responsiveness of task teams to PPIAF’s queries.

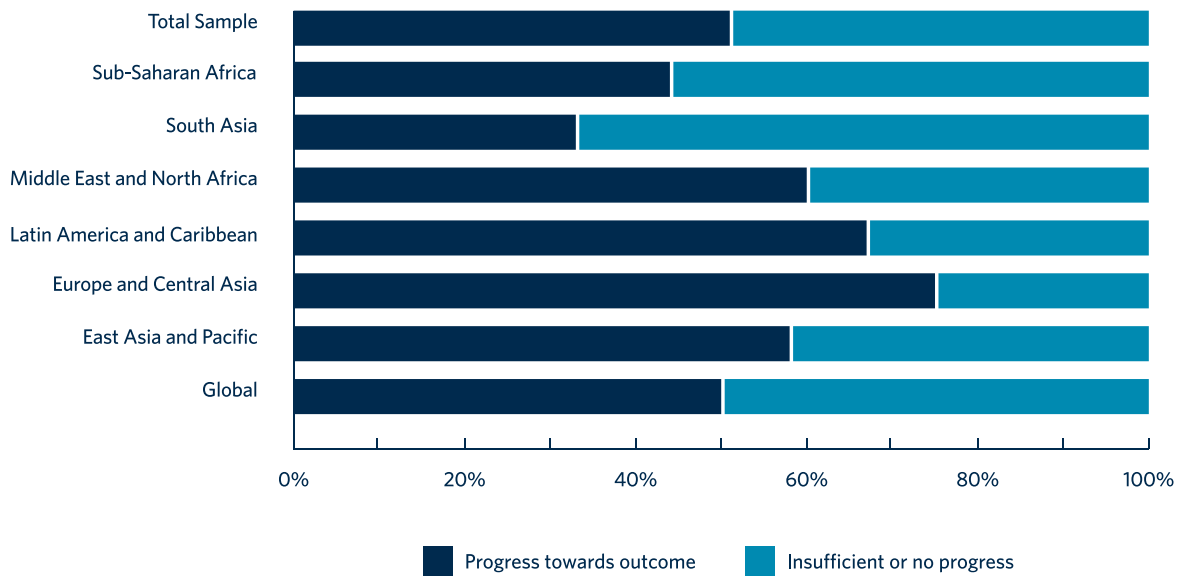
Overall the review has shown that the outcomes have materialized or the clients have made significant progress toward achieving the outcome in more than half of the cases (24 out of 47 reviewed activities). This is represented by activities that were scored excellent or good. In such cases, PPIAF-funded activities contributed to the improvement of institutional frameworks and the preparation of PPP projects that support the PPP agenda in developing countries. For the rest of the sample (23 activities), however, either the progress toward achieving the outcome is very slow, or there was no evidence found of progress toward intended outcomes. These activities correspond to those scored as satisfactory or unsatisfactory. Figure C1 summarizes the results of the outcome realization research for fiscal 2015.

**FIGURE C.1: Breakdown of Reviewed Activities by Outcome Realization Categories**

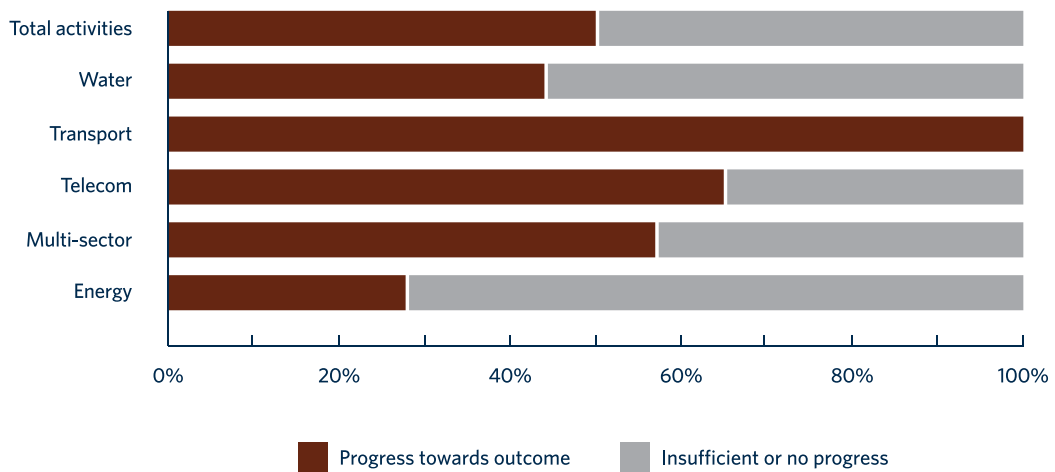


This same trend of about half of the activities demonstrating success in terms of outcome achievement can be observed when the activities are broken down by region, sector or other measures, such as the volume of funding (less than or equal to \$75,000, or over \$75,000). Figures C2, C3 and C4 demonstrate the thematic breakdown of the activities reviewed.

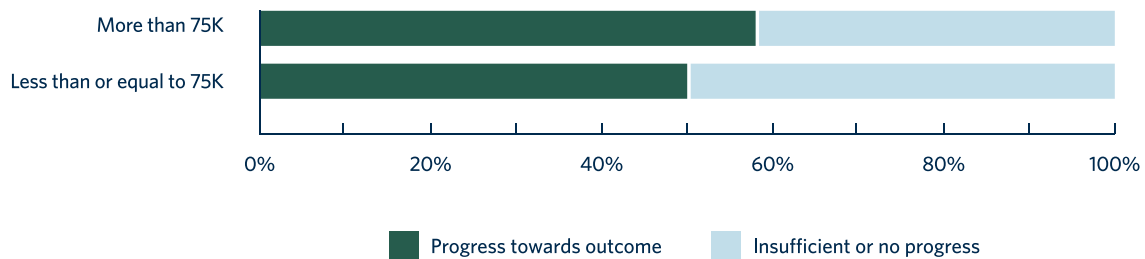
**FIGURE C.2: Breakdown of Progress by Region**



**FIGURE C.3: Breakdown of Progress by Sector**



**FIGURE C.4: Breakdown of Progress by Size of Grant**



## Learning

In fiscal 2015, we also formalized the way we learn from both completed and ongoing activities. First, we use the recommendations of the independent evaluations or reviews, such as the 2013 PPIAF evaluation conducted by the Cambridge Economic Policy Associates (CEPA), the 2014 World Bank Independent Evaluation Group's (IEG) review of the Bank's assistance to PPPs, and the quarterly TAP reviews.

PPIAF then also uses its internal monitoring and evaluation processes to improve future activity design and enhance the knowledge about the local contexts and private-sector infrastructure investment requirements in PPIAF's priority client countries. During the quarterly Portfolio Implementation Reviews (PIRs) and the outcome realization reviews, PPIAF staff members document lessons learned related to the activity implementation and outcome achievement. PPIAF monitoring and evaluation staff members then summarize the collected information and deliver it to the entire team through formal learning sessions, fostering the culture of reflection and organizational learning in PPIAF's operations. Table C2 summarizes PPIAF's actions informed by fiscal 2015 learning at the activity-design and implementation stages.

**TABLE C.2: Learning at PPIAF Activity Implementation Stages**

Stage	Actions
<b>Design</b>	1. Adopt a programmatic approach or design activities as a follow up to previous PPIAF support
	2. Consult with World Bank Country Management Units (CMUs) on activity selection to ensure appropriateness of support
	3. Design institutional and capacity building alongside pilot project(s) screening and development
	4. Design activities by sharing/replicating experiences from other successful activities, from one sector/country/region to another
	5. Identify and involve implementation support (handover partners), both upstream and/or downstream
	6. Introduce interim outcomes and relevant indicators directly resulting from the outputs of PPIAF's activities, as well as clear contextual and causal assumptions to link the outputs to intended outcomes
	7. Adopt a top-down approach, whereby the design logic starts with the intended outcomes/impacts and cascades down to the tasks that will most likely contribute to the intended changes
<b>Implementation</b>	8. Provide support and expertise to TTLs lacking PPP expertise (requires balancing fiduciary responsibility and implementation responsibility)
	9. Maintain a consultant database to provide support in the consultant procurement process to ensure value for money
	10. Introduce a detailed monitoring plan whereby PMU assesses the quality and timeliness of the delivery of the intended outputs, as well as any potential external factors that need to be addressed to ensure that the outputs have a strong likelihood of translating into the intended outcomes

## ANNEX D: LIST OF KNOWLEDGE PRODUCTS DISSEMINATED BY PPIAF IN FISCAL 2015

In fiscal 2015, PPIAF disseminated a number of knowledge products through its website, newsletter, Twitter feed and blogs. The products listed below include impact stories, issue briefs and longer publications.

### Impact stories:

1. PPIAF Supports Institutional and Policy Environment for PPPs in Jordan
2. PPIAF Supports the Enabling Environment in Guinea's Key Infrastructure Sectors
3. PPIAF Support Helps Kenyan Water Utility Access Commercial Financing
4. PPIAF Helps Peruvian Sub-Nationals Tap Financial Markets
5. PPIAF Helps the Government of Rwanda Manage Private Sector Participation
6. PPIAF Supports Private Sector Participation in Green Infrastructure Investment in Da Nang, Vietnam
7. PPIAF Helps Kampala Capital City Authority Improve its Creditworthiness
8. PPIAF Supports the Dakar-Diamniadio Toll Road in Senegal
9. PPIAF Helps the City of Dakar Improve its Creditworthiness

### Issue briefs:

1. Infrastructure Regulation: Developing Countries
2. Telecom Infrastructure Sharing

### Other publications:

1. Contrato de mejoras integrales de los servicios de agua potable en el Distrito de Colón, Panamá: A case study highlighting the lessons learned in structuring and designing bidding documents for a performance-based contract with a private operator in the water sector in the city of Colón, Panama
2. Creating a Framework for Public-Private Partnership (PPP) Program
3. Programmes de Partenariat Public-Privé: Créer un Cadre pour les Investissements du Secteur Privé dans les Infrastructures
4. Financing Transit-Oriented Development with Land Values
5. Exploring "Value for Money" Analysis in Low-Income Countries
6. Armenia Water Sector Tariff Study

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PPIAF, a multi-donor trust fund housed in the World Bank Group, provides technical assistance to governments in developing countries. PPIAF's main goal is to create enabling environments through high-impact partnerships that facilitate private investment in infrastructure.