

Managing advisors

Even though advisors are generally essential, governments face a significant challenge in managing advisors in order to obtain the best service from them. Managing advisors involves a number of steps.

- **First**, the government must identify the individuals or companies best placed to undertake the project.
- **Second**, the government must sign contracts that provide the advisors with incentives to use their expertise for the benefit of the government.
- **Third**, the expertise must be channeled into designing and implementing a PPP program that meets the government's objectives.

Managing a large and expensive group of advisors from differing disciplines is challenging in any country. It can be more challenging in a low-income country. The gap between host country officials and advisors may be large in terms of income, experience and understanding of the local culture.

Capable management of the advisory team is essential for three reasons:

- It is vital to the successful design and implementation of the reforms;
- Good management of advisors will reduce the need for senior officials to intervene as problem solvers; and
- Effective management of the advisory team will convey the government's competence and conviction to potential bidders for a PPP project, and may lead to greater market interest.

PPPs are complex projects, so is their procurement: hiring a team of specialized consultants is usually required to assist Government officials in conducting the selection process.

Cultural and legal differences between countries require a "case-to-case" approach to PPP projects. The general structure of PPP projects, particularly those involving private financing, is dictated largely by the international markets. Using advisors with international experience helps to understand these requirements.

If a government authority has experience in implementing similar PPP projects and if it has suitably qualified people on its staff, it may be able to handle all the work required to tender out the project. In other cases, however, and especially if the authority has little or no prior experience in PPP procurement, it is much wiser to hire consultants.