

Public-Private Infrastructure Advisory Facility (PPIAF)



**PPIAF Supports Private Sector
Investment in Infrastructure**

Kigali—February 15, 2011

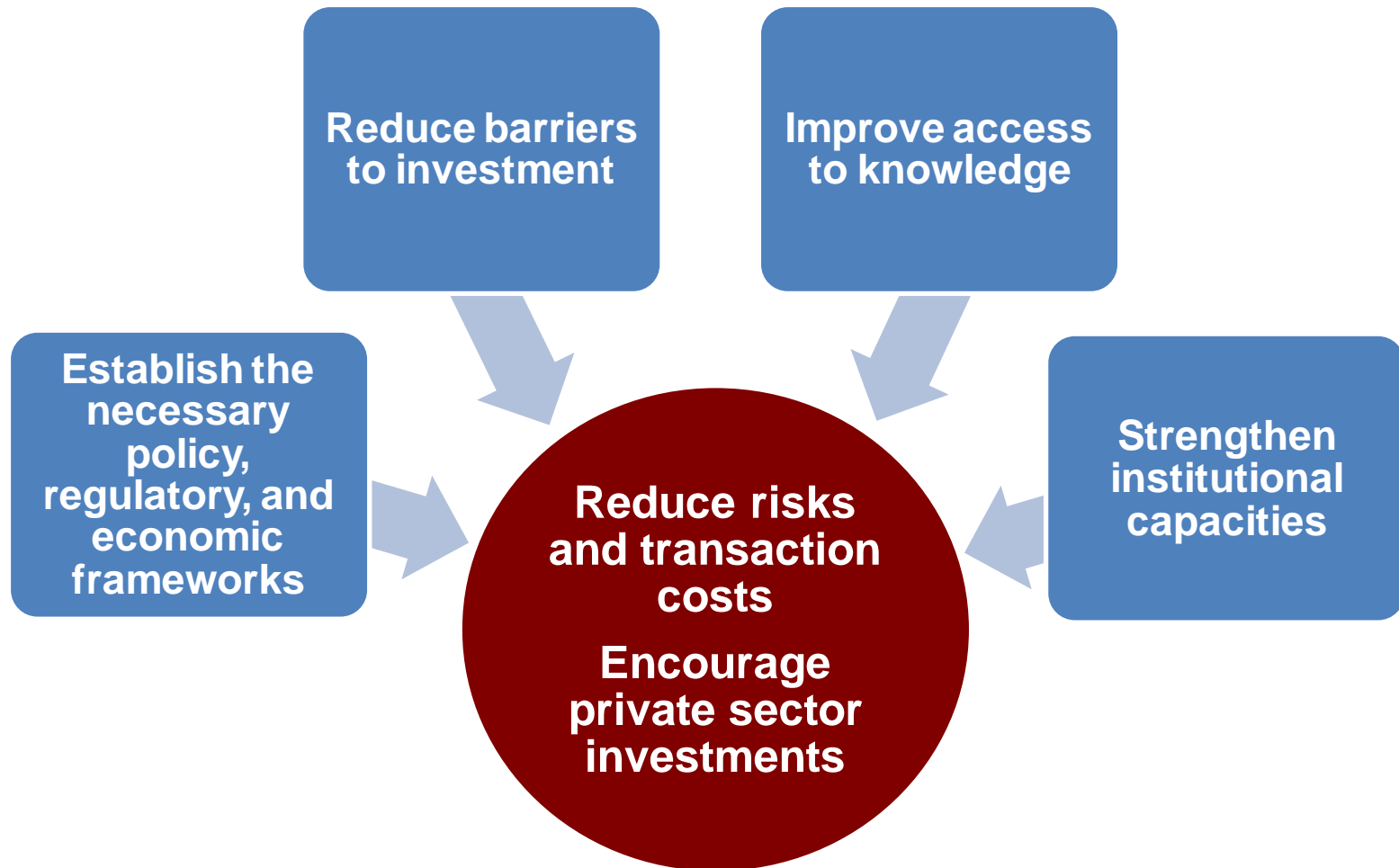
What is required to generate a pipeline of infrastructure projects?

PPPs Require:

- **Political will sustained over time**
- Ongoing **political stability**
- Clear **enabling environment – PPIAF!**
- **Technical capacity** to develop and deliver projects
- **Transparent procurement** processes
- **Bankable project** structures
- Investor interest
- **Availability of financing**



Creating an Enabling Environment



PPIAF Provides Support to Scale-up PSI

Technical Assistance to Governments to Structure PPPs

Enabling Environment Reform

- Policy development
- Legal and regulatory reforms
- PPP options
- Tariff regimes

Project Preparation

- Business plan development
- Pre-feasibility studies
- Preparation of concessions and PPAs
- Negotiations of contracts

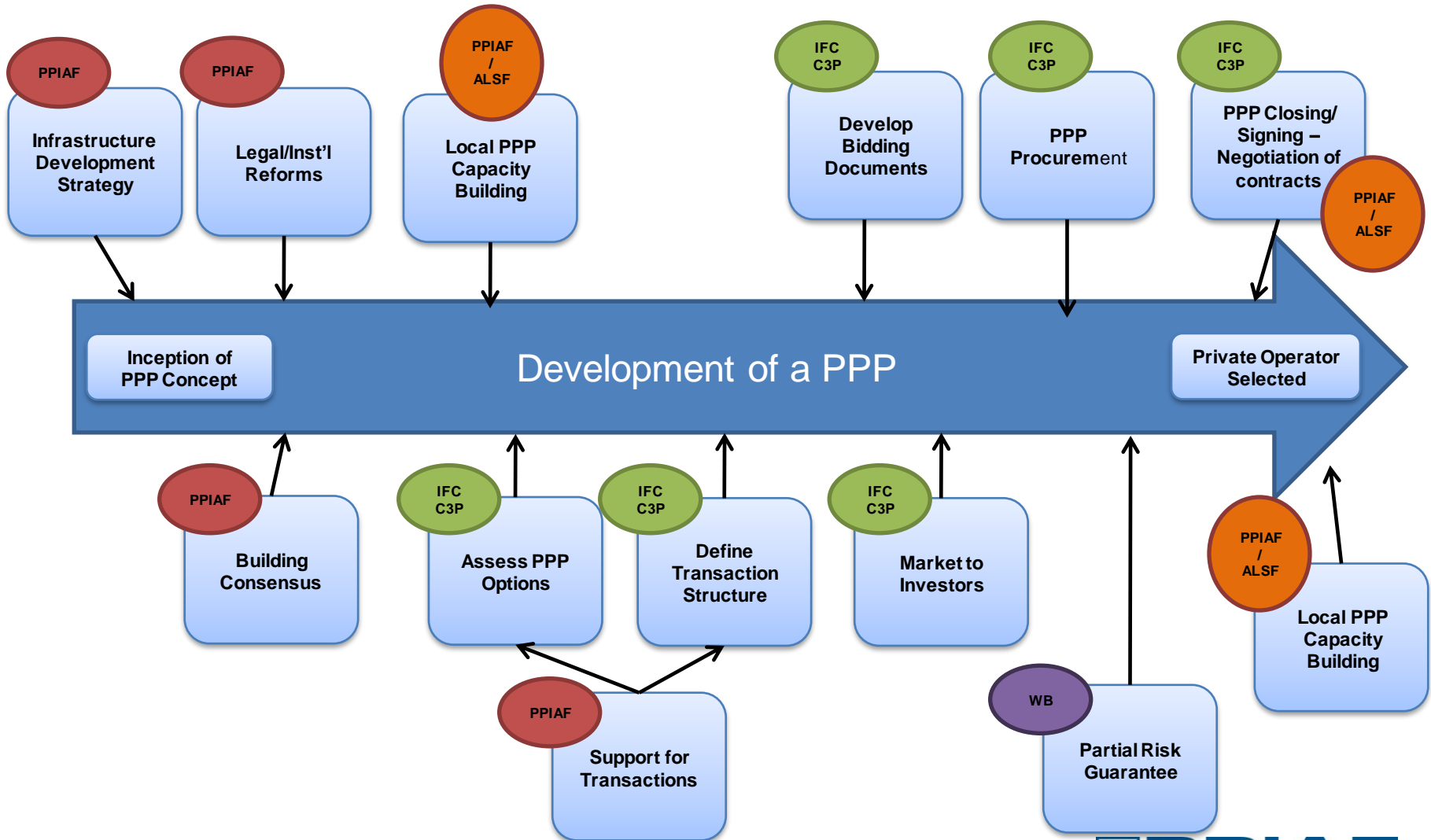
Dissemination and Capacity Building

- Awareness building
- Training
- Rapid diagnosis for PPPs

Sub-National Technical Assistance

Capacity creation in local utilities and municipalities to help them access financing on commercial terms

PPP Development Process: Inception to Implementation



Our Priorities



November 2010

PPIAF Work Program 2011–2013

Overarching Goal: Eliminate Poverty and Achieve Sustainable Development

PPIAF's ultimate objective is to support poverty reduction by facilitating private ownership and management and/or financing of infrastructure service delivery, which plays a critical role in economic growth. However, effective private sector participation in infrastructure poses considerable challenges for governments in developing countries, which usually face limits on their administrative capacity and other resources, and often face greater hurdles in addressing investor perceptions regarding the credibility of their transaction processes and regulatory frameworks. PPIAF was created to assist governments in removing these hurdles to private investment.

PPIAF Work Program 2011–2013

To better target its technical assistance, PPIAF has developed a work program to be implemented over the 2011–2013 period, structured around three strategic pillars and cross-cutting themes. These strategic pillars logically group several key development priorities identified by PPIAF's donors, reflect the "special themes" identified for IDA 16, and organize by themes the technical assistance that has been provided by PPIAF to date and its priorities for future work.

	Pillar #1	Pillar #2	Pillar #3
Sectors	Universal Access	Climate Change	Urbanization
Power	Meeting the rural electrification challenge with PPPs	Using PPPs to promote energy efficiency and renewable energy	Helping power utilities access finance and expertise to improve urban services
Water	Helping public and private operators improve access to water in peri-urban and rural areas	Structuring dedicated adaptation and mitigation PPPs in water and wastewater	Helping water utilities access finance and expertise for service expansion and rehabilitation
Transport	Using performance-based PPP contracts to design, build, and maintain highways and roads, particularly rural and peri-urban roads	Reducing, controlling, or recovering costs from vehicle use via toll roads, light rail, and bus systems	Facilitating PPPs and access to financing by municipal transport agencies and authorities
Telecom	Supporting regulators in promoting telecom service extensions in rural areas	Ensuring that private provision of telecom services is fully prepared for harsh weather problems	Working with regulators to promote broadband services in urban areas
Irrigation	Facilitating irrigation PPPs in areas with high potential for agricultural output improvement	Using PPPs to "climate-proof" irrigation facilities to guard against harsh weather availability	Exploring the role of SMEs in management of small-scale peri-urban irrigation
Cross-cutting Themes	Sub-National Technical Assistance		
	Fragile States		
	Regional Integration		
	Capacity Building		

Three strategic pillars:

- Universal Access
- Climate Change
- Urbanization

Four cross-cutting themes:

- Sub-National Technical Assistance
- Fragile States
- Regional Integration
- Capacity Building

PPIAF Assistance in Burkina Faso

2002: Power sector

- Analysis of institutional and regulatory reforms for the power sector, including creation of regulatory agency
- Draft Decree for the regulatory agency
- November 20, 2007: Law n 027-2007/AN for the Regulation of the Electricity Subsector provides for the creation and functions of the regulatory agency

OUTCOMES:

June 24, 2008: Decree no. 2008-369/PRES/PM/MCE/MCPEA related to the functions, organization, and functioning of the regulatory entity

April 16, 2010: Creation of Autorité de Régulation du Sous-Secteur de l'Electricité



PPIAF Assistance in Rwanda

2010: **Kigali bus terminal debt feasibility study** for Kigali municipality to find **options for the financing of a new bus terminal**, either with sub-national financing, a bond, commercial financing, or through PPPs



PPIAF Assistance in Egypt

- 2008–2010 Diagnostic and Institutional Development Plan for Egypt’s Central PPP Unit and review of draft PPP Law
- 2005–2007 PPP options study and transaction model for **West Delta Irrigation Project**
- 2007–2009 PPP options and transaction support for the **New Cairo Waste Water Treatment Plant (WWTP)** and **6th of October WWTP**



OUTCOMES

- **PPP Law enacted:** Law No. 67 of May 2010, “Promulgating the Law Regulating Partnership with the Private Sector in Infrastructure Projects, Services and Public Utilities”
- **West Delta Irrigation at bidding stage** to select a private operator for PPP (BOO/BOT concession). The Egyptian government will support initial financing of the project through \$175m loan facility (\$145m from World Bank, \$30m from AfD).
- **A 20-year concession contract**, worth \$482m, was awarded to Orasqualia in June 2009 for the New Cairo WWTP; project reached financial close in February 2010.
- **6th of October WWTP**, currently at prequalification stage

PPIAF Offers Assistance to Governments to Develop a Pipeline of PPPs

Technical assistance grants

- Preparation of a pre-feasibility or feasibility study for a specific project
- Support to strengthen the regulator
- Amendments to the tariff regime (for electricity discos, water utilities)
- Capacity building to governments [with ALSF]
- Payment for legal counsel to assist governments to negotiate PPAs, concession contracts and other legal contracts [with ALSF]
- Preparation of legal contracts required pre or post award: Minimum Revenue Guarantee Agreements, etc.
- Quick screening of potential projects

PPP Infrastructure Resource Center

A web-based knowledge management tool, jointly funded by the WB and PPIAF, designed to provide guidance on legal and contractual issues relating to infrastructure projects

The screenshot shows the homepage of the PPP Infrastructure Resource Center (PPPIRC). The header includes the site title, a search bar with 'PPPIRC' entered, and a 'GO' button. Below the header is a navigation breadcrumb: Home > Topics > Law and Development > PPP in Infrastructure Resource Center. A sidebar on the left contains a menu with categories like 'Home', 'About the Website and Development Team', 'Government Objectives', 'Legislative / Regulatory', 'Agreements', 'By Sector', 'Land / Environmental', 'Good Governance / Anti-Corruption', 'Checklists / Clauses', 'Procurement / Standard Documents', and 'Sample Terms of Reference'. The main content area features a title 'PPP in Infrastructure Resource Center for Contracts, Laws and Regulation (PPPIRC)' with the URL 'http://www.worldbank.org/pppiresource'. Below the title is a photograph of a woman in a white lab coat working with equipment. The text describes the site's purpose for government officials, project managers, and lawyers. A diagram shows three interconnected boxes: 'Government Objectives', 'Legislative and Regulatory Framework', and 'Agreements'. Below the diagram, a paragraph explains the site's utility for addressing contractual and legal issues. A 'Disclaimer and Terms and Conditions' link is provided. The right sidebar contains sections for 'A Product Of' (World Bank and PPIAF), 'What is New' (Electricity and Water Theft - Legislative and Practical Solutions), and 'World Bank Group Links' (Rapid Response Unit, Energy, GICT, Transport, Water and Sanitation, Regulation Body of Knowledge, Urban Development, Governance and Anticorruption Council).

PPP in Infrastructure Resource Center (PPPIRC)
for Contracts, Laws and Regulation

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- Sample Terms of Reference

Resources

- Useful Links
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PPP in Infrastructure Resource Center for Contracts, Laws and Regulation (PPPIRC)

<http://www.worldbank.org/pppiresource>

The PPP in Infrastructure Resource Center for Contracts, Laws and Regulation (PPPIRC) (formerly Infrastructure and Law web site) is designed for government officials, project managers and lawyers involved in the planning, design and legal structuring of infrastructure projects, especially projects with private sector participation (PPP projects).

Government Objectives — **Legislative and Regulatory Framework** — **Agreements**

It will help you address contractual and legal issues related to infrastructure reform and PPP projects, with reference materials drawn from reform initiatives around the world. [Overview](#).

Please read the [Disclaimer and Terms and Conditions](#) before you use this site.

A Product Of

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What is New

Electricity and Water Theft - Legislative and Practical Solutions

World Bank Group Links

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