Procuring Infrastructure Public-Private Partnerships

Fernanda Ruiz Nuñez
Senior Economist
Infrastructure, PPPs and Guarantees Group
The World Bank

Mikel Tejada
Consultant. Topic Leader
Procuring Infrastructure PPPs
The World Bank

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GENESIS AND TIMELINE

2014
PPP CCSA REQUEST AND KICK-OFF

2015
PILOT DATA COLLECTION: 10 ECONOMIES

2016
SCALE UP TO: 82 ECONOMIES

2018
SCALE UP TO: 135 ECONOMIES
THEMATIC COVERAGE

- Regulatory Framework and Institutional Arrangements for PPPs
- Preparation of PPPs
- Procurement of PPPs
- PPP Contract Management
- Unsolicited Proposals
2018 GEOGRAPHICAL COVERAGE: 135 ECONOMIES

EAST ASIA
AND PACIFIC (15 ECONOMIES)
Cambodia China Indonesia Lao PDR Malaysia Mongolia Myanmar Papua New Guinea Philippines Singapore Solomon Islands Thailand Timor-Leste Tonga Vietnam

EUROPE AND CENTRAL ASIA (21 ECONOMIES)
Albania Armenia Azerbaijan Belarus Bosnia and Herzegovina Bulgaria Croatia Georgia Kazakhstan Kosovo Kyrgyz Rep. Lithuania Macedonia FYR Moldova Montenegro Romania Russian Federation Serbia Tajikistan Turkey Ukraine

LATIN AMERICA AND THE CARIBBEAN (18 ECONOMIES)
Argentina Brazil Colombia Costa Rica Dominican Rep. Ecuador El Salvador Guatemala Haiti Honduras Jamaica Mexico Nicaragua Panama Paraguay Peru Trinidad & Tobago Uruguay

MIDDLE EAST AND NORTH AFRICA (12 ECONOMIES)
Algeria Djibouti Egypt, Arab Rep. Iraq Jordan Kuwait Lebanon Morocco Qatar Saudi Arabia Tunisia United Arab Emirates

SUB-SAHARAN AFRICA (34 ECONOMIES)

OECD HIGH-INCOME (29 ECONOMIES)
Australia Austria Belgium Canada Chile Czech Rep. Denmark Estonia Finland France Germany Greece Hungary Ireland Israel Japan Korea, Rep. Latvia Netherlands New Zealand Norway Portugal Slovak Republic Slovenia Spain Sweden Switzerland United Kingdom United States
DEFINITIONS

Public-Private Partnership (PPP): refers to any contractual arrangement between a public entity or authority and a private entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility.

Regulatory framework: Encompasses all laws, regulations, policies, binding guidelines or instructions, standard PPP contracts, other legal texts of general application, judicial decisions, and administrative rulings governing or setting precedent in connection with PPPs.
2018 REPORT FINDINGS
The lower the income level of a group, the lower the performance across the four scored areas.
EAP AND SSA REGIONS PRESENT SIGNIFICANT ROOM FOR IMPROVEMENT

### Preparation of PPPs

<table>
<thead>
<tr>
<th>Region</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD high-income</td>
<td>65</td>
</tr>
<tr>
<td>SAR</td>
<td>57</td>
</tr>
<tr>
<td>LAC</td>
<td>50</td>
</tr>
<tr>
<td>ECA</td>
<td>50</td>
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<tr>
<td>MENA</td>
<td>42</td>
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<tr>
<td>SSA</td>
<td>41</td>
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<tr>
<td>EAP</td>
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### Procurement of PPPs

<table>
<thead>
<tr>
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<th>Score</th>
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<td>OECD high-income</td>
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</tr>
<tr>
<td>ECA</td>
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<tr>
<td>LAC</td>
<td>66</td>
</tr>
<tr>
<td>SAR</td>
<td>65</td>
</tr>
<tr>
<td>MENA</td>
<td>57</td>
</tr>
<tr>
<td>SSA</td>
<td>54</td>
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<tr>
<td>EAP</td>
<td>53</td>
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</table>

### PPP Contract Management

<table>
<thead>
<tr>
<th>Region</th>
<th>Score</th>
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</thead>
<tbody>
<tr>
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<tr>
<td>OECD high-income</td>
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</tr>
<tr>
<td>MENA</td>
<td>54</td>
</tr>
<tr>
<td>ECA</td>
<td>52</td>
</tr>
<tr>
<td>SSA</td>
<td>50</td>
</tr>
<tr>
<td>SAR</td>
<td>50</td>
</tr>
<tr>
<td>EAP</td>
<td>46</td>
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### Unsolicited Proposals

<table>
<thead>
<tr>
<th>Region</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD high-income</td>
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<tr>
<td>SAR</td>
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<tr>
<td>LAC</td>
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<tr>
<td>MENA</td>
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</tr>
<tr>
<td>ECA</td>
<td>53</td>
</tr>
<tr>
<td>SSA</td>
<td>49</td>
</tr>
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<td>EAP</td>
<td>46</td>
</tr>
</tbody>
</table>
REGULATORY FRAMEWORKS AND INSTITUTIONAL ARRANGEMENTS FOR PPPS
OECD HIGH-INCOME ECONOMIES ARE LESS LIKELY TO HAVE STANDALONE PPP LAWS

Note: ECA = Europe and Central Asia; EAP = East Asia and Pacific; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; PPP = public-private partnership; OECD = Organisation for Economic Co-operation and Development; SAR = South Asia; SSA = Sub-Saharan Africa.
THE MAJORITY OF THE ECONOMIES (81%) HAVE A PPP UNIT

- PPP unit with procuring authority role: 77%
- PPP unit with advisory role: 4%
- No PPP unit: 19%

PREPARATION OF PPPS
## PREPARATION OF PPPs: GOOD PRACTICES ASSESSED AND SCORED

| Approval by the Ministry of Finance or central budgetary authority. | Inclusion of assessments in the request for proposal and/or in the tender documents. |
| Fiscal treatment of PPPs (budgetary, accounting, and reporting treatment of PPPs). | Inclusion of the draft PPP contract in the request for proposal. |
| Consistency of PPP within other public investment priorities. | Publication of assessments and tender documents online. |
MOST ECONOMIES CONDUCT ASSESSMENTS
BUT MARKET SOUNDING IS ONLY DONE BY HALF OF THE ECONOMIES

Note: Some numbers in the figure may not add up due to rounding.
LESS THAN A FOURTH OF THE ECONOMIES PUBLISH ASSESSMENTS ONLINE

- Assessments provided to bidders:
  - Yes (regulatory requirement): 22%
  - Yes (no regulatory basis): 17%
  - Not provided: 61%
  - Total: 39%

- Assessments published online:
  - Yes (regulatory requirement): 17%
  - Yes (no regulatory basis): 5%
  - Not published: 78%
  - Total: 22%

FISCAL TREATMENT OF PPPS DIFFER BETWEEN OECD HIGH-INCOME ECONOMIES (ACCOUNTING/REPORTING) AND NON-OECD HIGH-INCOME ECONOMIES (MoF APPROVALS)

Note: MoF = Ministry of Finance; OECD = Organisation for Economic Co-operation and Development; PPPs = public-private partnerships.
PROCUREMENT OF PPPS
<table>
<thead>
<tr>
<th>Procurement of PPPs: Good Practices Assessed and Scored</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPP evaluation committee meets specific qualifications.</td>
</tr>
<tr>
<td>Publication of the PPP procurement notice, award notice, and PPP contract (including subsequent amendments).</td>
</tr>
<tr>
<td>No prohibition of foreign companies participating in the PPP bidding process.</td>
</tr>
<tr>
<td>Legal minimum of time granted to prepare PPP bids.</td>
</tr>
<tr>
<td>Procurement procedures available when procuring PPPs.</td>
</tr>
<tr>
<td>Inclusion in the tender documents of details of the PPP procurement process.</td>
</tr>
<tr>
<td>Inclusion in the tender documents of prequalification/short-listing criteria (when applicable).</td>
</tr>
</tbody>
</table>
PRE-BID CONFERENCES ARE NOT AS COMMON AS QUESTIONS AND CLARIFICATIONS DURING PPP PROCUREMENT PROCESS

SSA AND SAR REGION LAG BEHIND IN PROVIDING INFORMATION FOR THE GROUNDS FOR AWARDING TO THE WINNING BIDDER

Source: Procuring Infrastructure Public-Private Partnership 2018
Note: OECD = Organization for Economic Co-operation and Development; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; SSA = Sub-Saharan Africa; MENA = Middle East and North Africa; EAP = East Asia and Pacific; SAR = South Asia.
MOST OF OECD HIGH-INCOME ECONOMIES PROVIDE A STANDBSTILL PERIOD OF MORE THAN 10 DAYS

Source: Procuring Infrastructure Public-Private Partnership 2018
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CONTRACT MANAGEMENT
### PPPs CONTRACT MANAGEMENT: GOOD PRACTICES ASSESSED AND SCORED

<table>
<thead>
<tr>
<th>PPP contract management system.</th>
<th>Modification or renegotiation of PPPs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>System for tracking progress and completion of construction works under a PPP contract.</td>
<td>Force majeure, material adverse government change, change in the law, refinancing, and subcontracting.</td>
</tr>
<tr>
<td>PPP contract monitoring and evaluation system of the PPP contract implementation after construction.</td>
<td>Dispute resolution mechanisms.</td>
</tr>
<tr>
<td>No prohibition of foreign companies from repatriating the income resulting from the operation if PPPs.</td>
<td>Lenders’ step-in rights.</td>
</tr>
<tr>
<td>Change in the structure of the special purpose vehicle (SPV).</td>
<td>Grounds for and consequences of PPP contract termination.</td>
</tr>
</tbody>
</table>
MOST OF THE ECONOMIES (85%) REGULATE CONTRACT RENEGOTIATION BUT THEIR APPROACH VARIES

Note: PPP = public-private partnership.
UNILATERAL MODIFICATION OF CONTRACTS IS NOT PERMITTED IN ANY OF THE ECONOMIES IN THE EAP AND SAR REGIONS

Source: Procuring Infrastructure Public-Private Partnership 2018
Note: OECD = Organization for Economic Co-operation and Development; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; SSA = Sub-Saharan Africa; MENA = Middle East and North Africa; EAP = East Asia and Pacific; SAR = South Asia.
WHILE MOST OF THE ECONOMIES REGULATE PPP CONTRACT TERMINATION, FEWER ECONOMIES REGULATE THEIR CONSEQUENCES

Source: Procuring Infrastructure Public-Private Partnership 2018
Note: OECD = Organization for Economic Co-operation and Development; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; SSA = Sub-Saharan Africa; MENA = Middle East and North Africa; EAP = East Asia and Pacific; SAR = South Asia.
<table>
<thead>
<tr>
<th>Regulation or prohibition of PPPs.</th>
<th>Consistency of USPs with other government priorities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation of USPs.</td>
<td>Requirement for competitive procedure when to awards USPs.</td>
</tr>
<tr>
<td>Vetting procedure and/or pre-feasibility analysis.</td>
<td>Legal minimum period of time granted to prepare alternate proposals.</td>
</tr>
</tbody>
</table>
IN 10% OF THE ECONOMIES USPS ARE NOT REGULATED BUT STILL HAPPEN IN PRACTICE AND THIS IS THE HIGHEST IN EAP REGION.


Note: Some numbers in the figure may not add up due to rounding. ECA = Europe and Central Asia; EAP = East Asia and Pacific; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; OECD = Organisation for Economic Co-operation and Development; SAR = South Asia; SSA = Sub-Saharan Africa; USP = unsolicited proposal.
48% OF THE ECONOMIES PROVIDE LESS MINIMUM TIME TO SUBMIT BIDS FOR USPS THAN FOR PROJECTS ORIGINATED BY THE GOV.

Note: The category “Same USP minimum time as the regular procedure” also includes the economies that specify a minimum time for both a regular and competitive procedure in their regulations, but do not specify the actual amount of time for either. The category “More USP minimum time than the regular procedure” also includes economies that mandate a minimum time for a USP procedure, but do not mandate it for a project initiated by the government. USP = unsolicited proposal.
TRANSPARENCY THROUGHOUT THE PPP LIFE CYCLE
MOST ECONOMIES GOOD PRACTICES OF TRANSPARENCY AT PROCUREMENT STAGE BUT FALL BEHIND IN CONTRACT MANAGEMENT

Note: PPP = public-private partnership.
Transparency is common practice during the procurement process. Good transparency practices are yet to be widely adopted in preparation and contract management.

### Preparation stage
- Assessments published online: 72%
- Tender documents published online: 60%
- Standardized PPP contract available: 35%

### Procurement stage
- Publish PPP procurement notice: 99%
- PPP procurement notice published online: 88%
- Publish PPP award notice: 93%
- PPP award notice published online: 82%
- Publish the PPP contract: 48%
- PPP contract published online: 38%
- Publish PPP contract amendments: 30%

### Contract management stage
- Publish PPP construction information: 13%
- PPP construction information published online: 10%
- Publish PPP performance information: 14%
- PPP performance information published online: 14%

CONCLUSIONS AND NEXT STEPS

- PPP Preparation and Contract Management are the areas that require further improvement.
- Disclosure of performance information during contract management lag behind.
- Further analysis in the key areas of improvement identified.
- Development of thematic and regional notes
- Continue dissemination
QUESTIONS AND ANSWERS?

THANK YOU!

Website: www.bpp.worldbank.org
Email: procuringinfrastructureppps@worldbank.org