

PPIAF Support to Capacity Building Initiatives

A key area of PPIAF support is building government capacity in the design and execution of private infrastructure arrangements and in the regulation of private sector providers. While significant support has been provided to creating an enabling environment for public-private partnerships (PPPs), for countries that are about to embark on PPP projects, the key challenge still remains the capacity to implement a successful PPP program.

Although PPPs are not new, they have largely remained a conceptual topic for many stakeholders in the public (and to a lesser extent in the private) sector. As a result, the skills required to guarantee a minimum level of expertise in PPP development are still beyond the reach of even the most central stakeholders. Training in basic concepts and fundamentals of PPPs are also essential for non-core stakeholders, whose contributions can serve to influence the outcomes of a PPP program.

PPIAF's capacity building assistance can: 1) improve government knowledge on the priorities for embarking on successful PPP programs; 2) help governments assess their readiness to develop successful PPPs; 3) identify potential pilot projects that have the best chance for success; and 4) build the technical capacity of the units charged with implementing PPPs.



In partnership with the African Legal Support Facility (ALSF), PPIAF funded a three-day conference in Rwanda in February 2011. The conference was designed to build the capacity of East African regional lawyers in order to assist them in negotiating complex commercial transactions with a particular emphasis on infrastructure and infrastructure finance agreements. The event also allowed lawyers across the region to share best practices.

Training and capacity building are critical components of any national PPP program because the skills required to carry out PPPs are very different from those required to conduct traditional procurement. A successful PPP depends in large part on the capacity of the government to keep the contract on track. This entails setting clear requirements of the partnership, monitoring the performance, reporting on results, and enforcing contract provisions that are not met.

Many developing countries have widely accepted that PPPs are essential to the further development of a country's infrastructure. To this end some governments have approved policy frameworks for the implementation of PPPs. However, lack of stakeholder awareness continues to undermine the level of successful identification, development, and implementation of PPPs in most of these countries.

One key focus area for this initiative is **awareness and sensitization campaigns**, which target ministerial-level and high-level decision makers. These campaigns include training in basic concepts and fundamentals of PPPs and are essential for decision makers whose contributions can serve to influence the outcomes of a PPP program in any country. A sensitization and initial consultation phase should be carried out concurrently with a **PPP scoping exercise**, which would identify, prioritize, and build consensus for a PPP project pipeline.

For countries where no pipeline has been identified, an **initial assessment of potential PPP projects** is suggested. This involves conceptualizing potential projects based on the information available, and ranking them based on their priority and probability of implementation. This assistance could also include an identification of the required necessary next steps to successfully implement the identified projects. These next steps could include an additional technical and economical appraisal, a feasibility analysis, or an assessment of legal and financing gaps.



PPIAF has also supported the development of a wealth of knowledge products on PPP-related issues, which include toolkits and publications that can be found on PPIAF's website (<http://www.ppiaf.org>).

Creating enabling environments for private sector participation—through enacting laws to provide a PPP framework or setting up PPP units to provide expertise and support to staff of line departments that are embarking on PPP projects—is critical to a successful PPP. However, the staff of these PPP units and line departments requires a broad range of skills and expertise to perform their tasks adequately. PPP projects require careful design, preparation, appraisal, procurement, contracting, and oversight if they are to succeed in bringing net benefits to all stakeholders.

Consequently, another key focus area of the PPIAF capacity building program is **knowledge transfer** to strengthen the institutional capacity and competence of these units to handle various aspects of the PPP process.

People working in line ministry units also need to be sensitized to the PPP program so that they are able to identify PPP opportunities. They require **conceptual training** to enable them to develop PPP concepts in response to increased need for service delivery, and then to develop those concepts into initial PPP project designs. From that point, they also need to build **technical capacity** to help them prioritize their lists of potential PPP projects for presentation within their government bodies, screen projects, and develop the highest ranking potential projects into business cases for submission.

Teams dealing with actual projects require more specific training, and PPIAF assistance is tailored to each case. PPIAF supports **sector-specific training** that focuses on various areas as identified by a project team and could include: how to legally structure a project, funding and security arrangements, inherent project risks, and monitoring.

PPIAF's **help desk** project is providing technical assistance through a help desk, staffed by experts, to PPP units to build capacity to develop, implement, and manage PPP projects. The help desk provides "quick responses" to specific questions related to both program- and transaction-related PPP issues, as well as guidance on application of international best practice. The first pilot help desk is providing support to the PPP unit of Uganda.



Experience

PPIAF has supported the training of over 24,344 participants through conferences and training activities. Capacity building components have also formed part of other larger activities.

Box 1: Examples of PPIAF activities in support of capacity building

Afghanistan: assessment of constraints to increased private participation in infrastructure
Africa: PPP workshop—best practices and lessons learned from recent African case studies
Africa: Development Bank of Southern Africa advanced training in private participation in infrastructure project appraisal
Bhutan: strengthening PPP capacity
Cape Verde: PPP strategy and capacity building
East Asia and the Pacific: capacity building and training for the application of performance-based contracting in the Philippines, Indonesia, and Cambodia
Egypt: PPP unit capacity building
Global: capacity building in urban transport
Global: PPPs in airports: best practical steps and application
India: conclave on “capacity building for PPPs”
Latin America and the Caribbean: best practices in PPP financing in LAC after the crisis
Senegal: institutional capacity building support to the National Agency for the Promotion of Investment in Infrastructure (APIX)
South Asia: workshop on leveraging PPPs for development
Uganda: PPP pipeline capacity building
Vietnam: toolkit and workshop for PPPs in roads and highways

Principal Project Partners

PPIAF’s capacity building project partners include the International Finance Corporation, World Bank Institute, and Agence Française de Développement. PPIAF has also partnered with institutions like the Public Utility Research Center (University of Florida) to deliver training on infrastructure regulation.

Together with the Southern African Development Community-Development Finance Resource Center and the Development Bank of Southern Africa, PPIAF helped develop a state-of-the-art training program aimed at developing advanced skills for carrying out the quantitative analysis needed in the development, appraisal, contracting, and renegotiation of projects involving private participation in infrastructure, such as long-term concessions and leases.