

**Evaluation of the  
Public-Private Partnership Alliance Programme  
for Capacity Building in  
Infrastructure Development  
and Provision of Basic Services, 2006-09**

**March 2010**

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Finally, it is stressed that the report and possible mistakes, omissions, misquotations or otherwise are the sole responsibility of the evaluator.

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## List of acronyms

ADB	Asian Development Bank
ADBI	Asian Development Bank Institute
AITD	Asian Institute of Transport Development
BAB	Business Advisory Board
CECI	Committee on Economic Cooperation and Integration of ECE
EA	Expected Accomplishment
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECA	UN Economic Commission for Africa
ECE	UN Economic Commission for Europe
ECID	Economic Cooperation and Integration Division
EIB	European Investment Bank
EGM	Expert Group Meeting
EPEC	European PPP Expertise Centre
EQ	Evaluation Questionnaire
ESCAP	UN Economic and Social Commission for Asia and the Pacific
EU	European Union
HSE	Higher School of Economics
IEP	CECI Information Exchange Platform
IEG	Interregional Expert Group
IIFC	Infrastructure Investment Facilitation Center (Bangladesh)
IFC	International Finance Corporation
IoA	Indicators of Achievement
KMS	Knowledge Management System Memoranda of Understanding
MP3IC	Multilateral PPPI Capacity Building Initiative
MoU	Memoranda of Understanding
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
PPIAF	Public-Private Infrastructure Advisory Facility of the World Bank
PPP	Public-Private Partnership(s)
REC	Regional Economic Communities
SADC	Southern African Development Community
SDP	Corridors/Spatial Development Program

SSATP	Sub Saharan African Transport Policy
TA	Technical Assistance
TOS-PPP	Team of Specialists on Public-Private Partnerships
UN	United Nations
UNTACDA	United Nations Transport and Communications Decade in Africa
UNDP	United Nations Development Programme
VI	Verifiable Indicators
WB	World Bank
WBI	World Bank Institute
WSSD	World Summit on Sustainable Development

## **Executive Summary**

This Evaluation concerns the United Nations Development Account Project (UNDA - 06/07/D) entitled “Public-Private Partnership (PPP) Alliance Programme for Capacity Building in Infrastructure Development and Provision of Basic Services”. The Project was interregional and undertaken jointly by the three Regional Commissions of ESCAP, ECE and ECA over 39 months commencing January 2006. The Project set out to enhance the sustainable capacity of Governments at the national, sub-national and municipal/local levels to promote, develop, operate and manage PPP projects for infrastructure development and the provision of basic services.

The main purpose of the Evaluation is to provide a broad analysis of the effectiveness and sustainability of the project outcomes, and to put forward recommendations concerning the Project’s achievements made and lessons learned from its implementation.

The methodology for the Evaluation was designed to assess the extent to which the Objectives and their associated Expected Accomplishments (EAs), as set out in the original Project document have been achieved in quantitative and qualitative terms. The quantitative assessment comprised of a simple count of the unit values that were actually realised for each EA and a comparison of these with the target values. An Evaluation Questionnaire (EQ) was devised and used to both support the quantification of the achievements and provide an input into the qualitative assessment of the relevance, effectiveness and sustainability of the Project’s activities and outcomes.

The Project has been managed broadly in accordance with the requirement for results-based management and has employed the log-frame method of planning and monitoring. The results of the Project, in terms of capacity building and the improved performance of stakeholders, will become clearer in the longer term and in consequence annual monitoring to date, has focused primarily on the outputs delivered by the secretariats.

Partly for reasons of expediency, the respective regional commissions prepared their separate but related programmes of work. There were however, major similarities in the PPP developmental needs of the regions and consequently a joint programme of work with shared activities, may have enhanced the effectiveness and efficiency of the Project.

The evaluation revealed that planned outputs have been achieved or exceeded in most areas of activity. Specifically:

- i. Special PPP units have been created in many countries particularly those with economies in transition and those just starting PPP programmes.
- ii. Networks at regional and national levels have been established to forge cooperation between governments, academic and training institutions and the private sector.
- iii. Training institutions and special PPP units have access to training materials and information to support capacity-building of public officials in undertaking and operating PPP projects at different levels (national, sub-national and municipal/local).
- iv. Governments are increasingly aware of the state of their PPP-readiness and should be able to develop, albeit with external support and advice, action plans and strategies to increase their preparedness and improve the governance and strategic management of PPP programmes.
- v. Governments, training institutions, private sector and other stakeholders have access, through web-sites and other media, to up-to-date information on good practices, policies and new developments in PPP.
- vi. Important policy and institutional changes have been implemented in some countries.

The Project has demonstrated that promoting PPPs through regional co-operation is appropriate and that countries can learn much from each other's PPP successes and failures. Further, the Project has shown that the regional commissions can add significant value to PPP capacity building in member countries, in the following modalities:

- Policy advocacy and dialogue
- Dissemination of best practice
- Regional knowledge networking
- Training
- Advisory services and other technical assistance

The challenge however lies in how to create and sustain synergy between the modalities to ensure that the activities and outcomes are coherent and remain relevant to stakeholders.

The Project did not establish a Global Alliance, of PPP stakeholders, as expected. To some extent this was because the need, rationale and purpose of the alliance had not been fully articulated at the outset. Further, the plethora of organisations with PPP related remit at global, regional and sub-regional levels has meant that the need for a Global Alliance is now less clear to the Regional Commissions. Inter-regional and regional meetings, organized under the Project did however, endorse the development of internet-based regional and national PPP networks, decide their modalities of operation to support national capacity-building, assess capacity-building needs of national facilities and review technical resources. The project has demonstrated the role and potential of an interactive web portal and virtual platform in both network development and knowledge sharing.

It is clear, from the information gathered during project implementation, that the private sector has vast accumulated experience that can be of immense use to countries embarking on PPP programmes. Subject to certain safeguards, working with the private sector in policy analysis and capacity building is both desirable and potentially beneficial to both the public and private sectors.

What is also clear, to the evaluator, is that the regional commissions do serve a distinct and important niche in terms of meeting the specific PPP needs of transitional economies and developing countries. However, the strategic positioning and marketing of their efforts in supporting global, regional and sub-regional knowledge sharing is still in need of clarification both individually and collectively, and vis-à-vis other international stakeholders.

The efficiency, sustainability and longer term impact of the ECA's and ESCAP's PPP work will be limited as long as they continue to support member states by operating in a project mode. It is necessary for them to develop longer term strategies for their higher level involvement in the PPP development process on a programme rather than project basis. The evaluation found that the ECE's approach was already programmatic with positive effects on the sustainability of interventions.

Much has been achieved since the Project commenced in 2006 but significant new challenges have also emerged. Specifically, the growing scarcity of public funds, as a result of the global

financial crisis, has significantly increased the level of government interest in PPPs as a means of financing infrastructure development and the provision of services, and of securing the required management skills and technology transfer. In addition, PPP projects are now expanding into new areas, such as local-level infrastructure and not-for-profit projects, particularly in the area of culture and education. This, in turn, has resulted in the creation of innovative financing solutions between banks and institutional investors. Further, it has become increasingly important to ensure support, when implementing PPPs, from all stakeholders, including direct beneficiaries, as well as local communities and public interest groups that may be either directly or indirectly affected.

The evaluation indicates that many countries will continue to need the support of the three regional commissions if they are to create and sustain an environment that is conducive to PPPs.

It is therefore strongly recommended that the regional commissions, subject to funding being available, continue to support PPP capacity building through knowledge sharing, advisory services and training. In support of this recommendation the secretariats should consider the following:

**Strategic Positioning** - in the light of the growth of other global, regional and sub-regional organisations, in PPP capacity building, the regional commissions should now clearly define their 'niche' role and function.

**Adopting a Programme Approach and Working through Teams** - ESCAP and the ECA should evaluate the merits of adopting a programme based approach to capacity building for PPPs as adopted by the ECE. In dialogue with the ECE the applicability of creating and working through a TOS-PPP should also be given serious consideration.

**Collaboration between the Regional Commissions** - the collaborating commissions should share knowledge of lessons learned from their respective PPP activities; consult each other in PPP policy dialogue and programming where feasible and appropriate; explore the potential for resource sharing particularly in KMS; co-financing programmes and projects; and, consider the possibility of staff exchanges and secondments.

**Strategic Partnerships** - the regional commissions should convene meetings with likely UN and other potential partners to assess the scope for cooperation and synergizing building on each others niches and strengths. The aim should be to strengthen their strategic partnerships to allow

them to broaden and deepen their support for regional PPP capacity building in each mode of operation; avoid duplication of effort and support; and, improve the service provided to stakeholders.

**Improving the Performance of PPP Units** – private sector investment and participation in infrastructure needs to accelerate and targets and timescales for this need to be specified.

**Training and MP3IC** - specifically, in the area of training the regional commissions should, at an early stage, have a dialogue with the WBI and ADBI with regard to the Multilateral PPPI Capacity Building Initiative (MP3IC) and the scope for cooperation.

**Developing a Knowledge Portal and Unity Exchange** - the existing PPP websites, IEP and PPP networks need to be developed into PPP Knowledge Portals.

**Network Development and Engaging the Membership** - to strengthen the embryonic PPP networks that have been established ways need to be found to engage members in expanding their use and the functionality of the platforms created. Guidance needs to be given on how members may participate effectively in supporting the virtual communities; how they may participate in discussions and make contributions; how sub-groups can be created for specific purposes; how smart partnerships can be created and sustained; and, how social networking systems can be used to good effect. The aim should be to encourage peer-to-peer interaction and increase the nature and frequency of contacts between members perhaps using focal or nodal points in countries initially.

**Strengthening Technical Support and Advice** - the regional commissions and donors should consider ways of offering governments getting started in PPPs more comprehensive and tailored expert support for up to 3 years on such matters as: establishing a PPP strategy and strategic framework; formulating the necessary internal policies and procedures; coordinating between government departments; planning the roll out of the programme nationally and locally; and on ways of involving the private sector. In undertaking such technical cooperation the EAs should focus on improving government's performance in implementing PPP programmes and projects in terms of quantity and quality.

**'Learning by Doing'** - internships and staff secondments could be used as part of a technical assistance programme as a means of transferring the skills required to launch a PPP programme and to develop and implement a pipeline of PPP projects. This 'learning by doing' approach

would extend and deepen the skills acquired through courses and workshops and promote knowledge transfer to other regions and/or sectors within the country.

**Involving the Private Sector** - the regional commissions should explore further ways of working with the private sector, for legitimate mutual benefit, in policy development, analysis and capacity building activities.

**Embracing New PPP Applications** - PPP projects are now expanding into new areas, such as local-level infrastructure and not-for-profit projects, particularly in the area of culture and education. Knowledge gained in the Project needs transferring as appropriate to the new PPP applications.

PPP development is a process of societal transformation, and successful transformation must come from within the country itself. Many countries have introduced legislative and regulatory measures and created institutional mechanisms to facilitate PPPs. However, implementation remains a challenge, mostly due to the lack of capacity of public authorities to deal with these types of projects. Continuing support, from the regional commissions, will be necessary to support the governments of many developing countries to take stronger leadership of their own PPP development policies, and engage with their parliaments, ministries and citizens in shaping those policies.

Overall, the Project's outcomes have been rated as highly relevant and, for the most part, effective. The project's outcomes are however unlikely to be sustainable, without the continuing support of the regional commissions and donors.

# 1. INTRODUCTION

## 1.1 Background

This Evaluation concerns the United Nations Development Account Project (UNDA - 06/07/D) entitled “Public-Private Partnership (PPP) Alliance Programme for Capacity Building in Infrastructure Development and Provision of Basic Services”.

PPPs are agreements between governments and private entities under which the private sector finances, designs and operates public infrastructure, assets and services on behalf of the state, in return for a fee or payment. They offer potential benefits in technology transfer, management skills and financing for infrastructure development and the provision of services.

The Project was interregional and undertaken jointly by the three Regional Commissions of ESCAP, ECE and ECA over 39 months commencing January 2006.

The Project set out to enhance the sustainable capacity of Governments at the national, sub-national and municipal/local levels to promote, develop, operate and manage PPP projects for infrastructure development and the provision of basic services.

The specific objectives were to:

- (1) Establish a global PPP Alliance and networks at regional and national levels to forge cooperation between governments, academic and training institutions and the private sector;
- (2) Develop training materials and make available necessary information to support capacity-building of public officials in undertaking and operating PPP projects at different levels;
- (3) Assess PPP-readiness and develop action plans to improve PPP-readiness in participating countries; and
- (4) Create an Internet-based training and resource facility.

ESCAP was the executing agency with collaboration from ECA and ECE. The project was built on available expertise, resources, institutions and networks within the three collaborating regional commissions and UN entities and other agencies with an interest in capacity-building for PPPs. It relied on the active participation of special PPP units and PPP programmes in Governments, national training institutions and existing Public-Private Partnership Alliances and networks in the regions. The main activities and Expected Accomplishments (EAs) were set out in the original Project document (see Annex II).

## **1.2 Purpose, Objectives and Outputs of the Evaluation**

The main purpose of the Evaluation is to provide a broad analysis of the effectiveness and sustainability of the project outcomes, and to put forward related recommendations considering the Project's achievements made and lessons learned from its implementation.

Specifically, the objectives of the evaluative review are to:

- Assess the relevance, effectiveness, impact and sustainability of the Project outputs;
- Assess the effectiveness of the delivery mechanisms;
- Formulate concrete, action-oriented recommendations relating to the evaluation's findings, focusing on sustainability and strengthening capacity of the staff in PPP project planning, design and execution.

The outputs of the evaluative review include:

- This Evaluation report; and,
- A power point presentation focussing on main findings and recommendations

The full terms of reference for the Evaluation are set out in Annex III.

### 1.3 Scope (including evaluation questions)

Although the Project is inter-regional, due to the financial and time constraints, the evaluation focuses primarily on the activities undertaken and outputs produced by the ESCAP and ECE secretariats.

The scope of the evaluation is defined primarily as, but is not limited to:

**Relevance:** The appropriateness of the results of the Project in terms of regional commissions' priorities, Governments' development strategies and priorities and requirements of the target groups.

**Effectiveness:** The extent to which the expected outcomes of the Project have been achieved, and have resulted in changes and effects with respect to the target groups and other affected stakeholders.

**Sustainability:** Likelihood that the benefits of the Project will continue in the future.

## 2 METHODOLOGY

### 2.1 Description of the Methodology

The methodology for the Evaluation was designed to assess the extent to which the Overall and Specific Objectives and their associated EAs, as set out in the original Project document (see Annex II), have been achieved in quantitative and qualitative terms.

In respect of the overall objective to enhance the sustainable capacity of Governments to promote, develop, operate and manage PPP projects for infrastructure development and provision of basic services the Indicators of Achievement (IoA) and sources of verification are set out in Table 1 below:

<b>Table 1 - OVERALL OBJECTIVE</b>			
<b>Objective</b>	<b>Indicators of Achievement (IoA)</b>	<b>Unit and Target Values</b>	<b>Source of Verification</b>
To enhance the sustainable capacity of Governments to promote, develop, operate and manage PPP projects for infrastructure development and provision of basic services	<p>Increased number of, and investment in PPP projects</p> <p>Special PPP units/ programmes/facilities established in countries</p>	Not specified in the Project document	<p>PPI database of the World Bank</p> <p>Governments</p>

The Project document also contained 4 EAs, relating to network development; the development and provision of training resources; capacity building; and, good practices and policy dissemination, such that on completion of the Project:

#### **EA1 – NETWORK DEVELOPMENT**

A global PPP Alliance and networks at regional and national levels should have been established to forge cooperation between governments, academic and training institutions and the private sector;

#### **EA2 – DEVELOPMENT AND PROVISION OF TRAINING RESOURCES**

Training institutions and special PPP units should have the necessary training materials and information to support capacity-building of public officials in undertaking and operating PPP projects at different levels (national, sub-national and municipal/local);

#### **EA3 – CAPACITY BUILDING**

Governments should be aware of the state of their PPP-readiness and be able to develop action plans and strategies to increase their preparedness and improve governance including strategic management of PPP programmes; and,

## EA4 – GOOD PRACTICES AND POLICY DISSEMINATION

Governments, training institutions, private sector and other stakeholders should have easy access to up-to-date information on potential PPP projects, good practices, policies and new developments in PPP

Each of the EA’s had one or more Indicators of Achievement (IoA) for which target or unit values had been assigned. In total there were 9 verifiable IoAs which are set out in the Table 2 below together with an indication of how these were to be verified.

The **quantitative assessment** comprised of a simple count of the unit values that were actually realised for each IoA and a comparison of these with the target values in the original Project document. An Evaluation Questionnaire (EQ) was devised and used to both support the quantification of the achievements and provide an input into the **qualitative assessment** of the relevance, effectiveness and sustainability of the Project’s activities and outcomes. [The EQ was sent to government staff members who were potential beneficiaries of the Project and 14 responses were received.](#) The EQ is to be found in Annex IV.

<b>Table 2 - INDICATORS OF ACHIEVEMENT AND THEIR VERIFICATION</b>	
<b>Verifiable Indicators (VI)</b>	<b>Source of Verification</b>
VI 1 Agreements between stakeholders to establish a global PPP Alliance and networks at other levels: <b>2</b>	Meeting reports  EQ responses from participating PPP units in governments and national training institutions
VI 2 Advisory services and resource persons offered by the Alliance have been used: <b>6 &amp; 3</b>	Meeting reports  EQ responses from participating PPP units in governments and national training institutions
VI 3 At least 3 study tours and 3 internships have been organized: <b>3 &amp; 3</b>	Meeting reports  EQ responses from participating PPP units in governments and national training institutions

**Table 2 - INDICATORS OF ACHIEVEMENT AND THEIR VERIFICATION  
(continued)**

<b>Verifiable Indicators (VI)</b>	<b>Source of Verification</b>
<p>VI 4 Manuals and training materials developed by the Project have been used in training courses: <b>5</b></p>	<p>Developed manuals and training materials</p> <p>Course and workshop reports and evaluations</p> <p>EQ responses from participating PPP units, agencies and national training institutions</p>
<p>VI 5 PPP Units and implementing agencies are using manuals and other resource materials produced by the Project: <b>at least 5</b></p>	<p>Course and workshop reports and evaluations</p> <p>EQ responses from participating PPP units, agencies and national training institutions</p>
<p>VI 6 Countries have taken initiatives to prepare action plans: <b>at least 3</b></p>	<p>Readiness assessment reports</p> <p>EQ responses from beneficiary government agencies/PPP units</p> <p>Meeting reports</p>
<p>VI 7 Countries have initiated actions to develop a strategic management framework for their PPP projects/ programmes: <b>at least 2</b></p>	<p>EQ responses from beneficiary government agencies/PPP units</p> <p>Meeting reports</p>
<p>VI 8 Databases for potential PPP projects are being used by concerned stakeholders: <b>100</b></p>	<p>Existence of website(s) and PPP project database</p> <p>Available statistics on accessing the database from ECE and ESCAP</p> <p>EQ responses from beneficiary government agencies/PPP units</p>
<p>VI 9 Stakeholders are accessing information and have used it in developing/initiating projects: <b>15</b></p>	<p>EQ responses from beneficiary government agencies/PPP units</p>

The above sources of verification were supplemented by evidence contained in the ESCAP Annual Project Reports; the ECE CECI Performance Evaluation for 2008-09; responses to questions from the three Regional Commissions; and, interviews with selected beneficiaries.

## **2.2 Limitations of the Evaluation**

The major limitations of the evaluation included:

- The limited interaction with the stakeholders due to the very wide geographical coverage and the lack of funding for visits by the consultant evaluator as originally envisaged.
- Difficulties in considering the diverse nature of the activities undertaken by the three regional commissions; and,
- The short time-lag between completion of the project activities and the evaluation.

## **2.3 Other Considerations**

The Project was conducted jointly by the three Regional Commissions and it has been important to recognise the significant differences in their respective overall levels of PPP related activity and funding. Further, some of the Project's activities have been planned as an integral part of the wider PPP programmes of work that have been conducted independently by the Regional Commissions.

In this evaluation therefore it has been necessary to:

- a) recognise the context within which the Project activities have been undertaken, in terms of the scope and aims of the PPP-related work of each of the Regional Commissions; and then,
- b) identify and focus on those activities that can be attributed, in whole or in part, to the Project and its associated funding.

The following sub-sections identify the PPP activities of ESCAP, ECE and ECA over the period of the Project from January 2006 to March 2009. The meeting reports, course materials, workshop documents, evaluation results, case studies and web-sites highlighted in bold in the following tables were attributed to the Project for the purposes of this evaluation.

### **2.3.1 ESCAP PPP Project Activities**

ESCAP had previously implemented a project entitled “Providing basic services to the poor through public-private partnerships: ESCAP follow-up to the World Summit on Sustainable Development (WSSD)”. Key recommendations of the WSSD project included the need to compile “good practices” in the provision of basic services and the need to focus on capacity building.

The first Expert Group Meeting (EGM) organized on capacity building and attended by, inter alia, the Chief Executive Officers of Special PPP units in Bangladesh, the Philippines and the Republic of Korea, observed that despite the existence of a large number of potential PPP projects, significant numbers of project deals were not being made in most countries due mainly to capacity constraints and the lack of knowledge and skills of their public sectors. The meeting identified areas in which the public sector urgently needed capacity development, including financial structuring, legal/procurement documents and risk analysis and allocation. The meeting also reiterated the need and desirability of experience sharing and networking between special PPP units in governments and other implementing agencies as a useful means to facilitate capacity building and also agreed to establish such a network.

In response to the recommendations of the above-mentioned EGM, the ESCAP secretariat developed manuals and guidelines and training-of-trainer materials on financing and on legal/contracting aspects of PPP projects. The State Government of Victoria in Australia additionally agreed to make their resource material Partnerships Victoria Guidance Partnerships Victoria Guidance Material: Risk Allocation and contractual issues – a guide available to ESCAP. The Government of India has also granted permission for using materials from model concession agreements for small road projects. The ESCAP secretariat had also developed a PPP-readiness self assessment framework to provide a diagnostic tool for identifying the key areas that governments need to address in order to involve the private sector more actively in the infrastructure development process.

The current Project provided ESCAP with the opportunity to develop training resources, distance learning materials and tools based on these manuals and to disseminate these materials through the national nodal points of the envisaged PPP network and the ESCAP PPP website that were to be developed. The Project formed the primary impetus and funding for ESCAP's PPP support activities over period 2006 to 2009.

Table 3 below sets out the PPP activities, implemented by the Transport Policy and Development Section of the Transport Division of ESCAP, during the period 2006 to March 2009, all of which have been attributed, in whole or in part, to the Project:

<b>Table 3 - ESCAP PPP ACTIVITIES - 2006 to March 2009</b>
<p><b><u>Inter-regional Meeting:</u></b></p> <p><b>Interregional Expert Group Meeting on Public-Private Partnerships in Infrastructure Development, Bangkok, Thailand, 17-19 February 2009</b></p> <p><b><u>Regional Meetings:</u></b></p> <p><b>A Ministerial Conference on PPPs for Infrastructure Development was hosted by the Government of the Republic of Korea with the technical support of ESCAP, Seoul, Republic of Korea, 5 October 2007.</b></p> <p><b>A High-level Expert Group Meeting on Public-Private Partnerships for Infrastructure Development. Seoul, Republic of Korea 2-4 October 2007,</b></p> <p><b>A Business Forum including regional experiences on innovative practices and new developments in PPPs. Seoul, Republic of Korea , 4 October 2007.</b></p> <p><b><u>Regional &amp; Country Level Workshops &amp; Study Tours:</u></b></p> <p><b>A Regional Workshop and Study Visit on Developing Bankable PPP Projects for Infrastructure Development. Vadodara and New Delhi, India, 24-30 November 2008</b></p> <p><b>National Workshop on PPPs for Infrastructure Projects. Dhaka, Bangladesh, 27-29 January 2009.</b></p> <p><b><u>PPP Alliances and Networks:</u></b></p> <p><b>PPP Network &amp; PPP Network blog &amp; Wiki</b></p>

**Table 3 - ESCAP PPP PROGRAMME OF WORK - 2006 to March 2009  
(continued)**

**Resource Materials:**

**Training Manual on Public Private Partnerships Model Concession Contracts**

**PPP in Infrastructure Development: A Primer**

**PPP Process Flow Study in Bangladesh, Infrastructure Investment Facilitation Center (IIFC), November 2008-May 2009**

**PPP Process Flow Study in the State of Maharashtra, India, Maharashtra State Road Development Corporation, November 2008-May 2009**

**PPP Process Flow Study in the Philippines, N Bonifacio Technology Center, Manila, Philippines November 2008-May 2009**

**On-line Training Courses:**

**On line course on Model Concession Contracts in the Roads Sector**

**Case Studies:**

**Jaipur-Kishaugarh Road, Asian Institute of Transport Development (AITD), November 2008**

**Pipavav Railway, AITD, November 2008**

**Mandaluyong Market Place**

**PPP Websites & Databases on PPP Activities**

**UNESCAP PPP Website**

### **2.3.2 ECE PPP Programme of Work**

As a result of the UNECE Reform Process adopted in December 2005, a new programme on Economic Cooperation and Integration was introduced. This programme is implemented by the Committee on Economic Cooperation and Integration (CECI).

The CECI promotes a policy, financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness in the ECE region, focusing mainly on countries with economies in transition. During its First Session in 2006 the CECI undertook a thorough consideration of a paper entitled "Competitiveness in the Modern Economy: Challenges for the UNECE Region" (ECE/CECI/2006/3), which provided a clear policy rationale for focusing on certain thematic areas including the promotion of PPPs and established the principles of furthering cooperation and partnerships with international and regional organizations and the building of a network of experts in support of the programme of work.

The main objective of the CECI in the area of PPPs is to increase the expertise of governments to identify, negotiate, manage and implement successful PPP projects. This is attempted through the exchange of knowledge and experiences of PPPs by member States, including experts from the public and private sectors, particularly in the identification and testing of best practice. The activities of the CECI are intended to result in guides on best practice, studies and innovative tools that can be used in capacity-building programmes and training. To achieve its objectives, CECI organizes meetings and conferences, drawing on the expertise of an international network of experts in the area of Public-Private Partnerships. It incorporates the work of the former PPP Alliance and is supported and serviced by the Economic Cooperation and Integration Division (ECID) of the ECE Secretariat.

The ECE has utilized funding and resources from the Project to support its ongoing PPP programme of work where its aims are consistent with those of the Project. Table 4 below sets out the PPP Programme of Work of the ECE, during the period 2006 to March 2009, and identifies in bold those activities which have been attributed, in whole or in part, to the Project. It has been necessary to recognise however, that the outputs of one activity often become inputs into subsequent activities.

**Table 4 - ECE PPP PROGRAMME OF WORK - 2006 to March 2009**

**Regional Meetings:**

**The International Conference on Knowledge Sharing and Capacity-Building on Promoting Successful Public-Private Partnerships in the UNECE region took place on 5-8 June 2007 in Tel Aviv, Israel.**

**Country Level Conferences, Workshops & Study Tours:**

**International Northern Dimension Forum, Saint-Petersburg, Russian Federation, 13-14 May 2008.**

Pilot Training Course on Public-Private Partnerships (PPPs), Moscow, Russian Federation, 16 to 21 June 2008.

**International Conference on Taking Public-Private Partnerships forward: New Opportunities for Infrastructure Development in Transition Economies. Moscow, Russian Federation , 21-22 October 2008**

Consultative Meeting between the Government of the Republic of Kazakhstan and the UNECE Business Advisory Board on Public-Private Partnerships, Astana, Kazakhstan, 13 March 2009.

**PPP Alliances and Networks:**

First session of the Team of Specialists on Public-Private Partnerships (TOS-PPPs), Geneva, Switzerland. 28 and 29 February 2008.

PPP Information Exchange Platform (IEP)

**Resource Materials:**

Guide to Promoting Good Governance in Public-Private Partnerships

**Expert Meeting on the Preparation of a Toolkit “How to do PPPs”, Antwerp, Belgium, 10-11 June 2008.**

**On-line Training Courses:**

**Institutional contract with the Partnership UK to prepare a training module on ‘How to write a Public-Private-Partnership business case for PPPs’.**

**PPP Websites & Databases on PPP Activities:**

ECID PPP Web-site

**PPP Toolkit:**

Toolkit on How to do Public-Private Partnerships (PPPs).

### 2.3.3 ECA PPP Activities

Whilst the ECA has not previously had a formal PPP programme of work it has had a continuous commitment to promote the involvement of the private sector, including through PPPs, in infrastructure development in Africa. In addition, the ECA had prepared a report documenting best practices in Africa of private sector participation in transport infrastructure and services developments.

In recent years, the ECA has been committed to the development of infrastructure in Africa. For example, it has been the lead institution for the implementation of the First and Second United Nations Transport and Communications Decades in Africa (UNTACDA I & UNTACDA II), between 1978 and 2000. Further, ECA and the World Bank jointly established the Sub Saharan African Transport Policy (SSATP) Programme in 1987 as an outcome of the Second Decade (UNTACDA II). ECA has also been at the forefront of efforts to promote the development of the Trans African Highways network, which was part of the Decade programme. Similar efforts have been made in the areas of water, energy and mineral resources development. This Project allowed the ECA the opportunity to build on its PPP experience. Table 5 sets out the PPP activities of ECA, from 2006 to March 2009, all of which has been attributed to the Project.

**Table 5 - ECA PPP ACTIVITIES - 2006 to March 2009**

**Resource Materials:**

**Study on PPP's and the New Partnership for Africa's Development (NEPAD), Corridors/Spatial Development Program (SDP): South African Experience, 2008**

**Regional Meetings & Study Tours:**

**The African Regional Capacity Building Workshop on the Management of PPP programmes in infrastructure development and on the NEPAD Spatial Development Programme in Randburg, South Africa, 23-25 July 2008.**

**A study tour to PPP projects in South Africa, July 2008**

**PPP Websites & Databases on PPP Activities:**

**The project to develop a GIS on PPP projects in Africa, 2008 onwards.**

The activities were implemented by the ECA's Infrastructure and Natural Resources Development Section of the NEPAD and Regional Integration Division.

In summary, all three Commissions had some previous activities in supporting governments develop, operate and manage PPPs but only the ECE had an established PPP programme of work with recurrent funding. Annex V lists the documents associated with the above activities that have been examined in this evaluation.

### **3. FINDINGS**

This section presents the findings of the evaluation and comprises:

- (1) information on the activities conducted under the Project which are relevant to the evaluation;
- (2) an assessment of the actual achievements of the Project compared with the 9 Verifiable Indicators; and,
- (3) the performance assessment itself against the relevant evaluation criteria (relevance, effectiveness and sustainability).

#### **3.1 Project Activities**

At the outset the three regional secretariats decided that joint activities were not feasible for a number of reasons including: the long term commitments of the 3 secretariats; differences in the levels of PPP development in the three regions; differences in the capacity of the governments concerned; the varying regional opportunities to involve training institutions; language differences; and, the limited Project budget. Instead, and partly for reasons of expediency, the respective regional commissions prepared their separate but related programmes of work.

In broad terms the following nine types of activity were undertaken during the Project:

### **3.1.1 Inter-Regional and Regional Meetings**

Three regional meetings were held in Tel Aviv, Israel; Randburg, South Africa; and, Seoul, Republic of Korea and one inter-regional meeting was held in Bangkok, Thailand.

#### **3.1.1.1 ECE Regional Meeting, Tel Aviv, June 2007**

The International Conference on Knowledge Sharing and Capacity-Building on Promoting Successful Public-Private Partnerships in the ECE region took place on 5-8 June 2007 in Tel Aviv, Israel. The Conference attracted over 300 participants representing public and private sectors from around 30 countries in the ECE region, representatives from ESCAP and the ECA, as well as the European Bank for Reconstruction and Development (EBRD).

Participants were made aware of and recognised:

- i. The importance of international cooperation in capacity-building;
- ii. The usefulness of the ECE work on the Guidelines on Good Governance in PPPs and of the forthcoming Comparative Review on the Performance of PPPs in the ECE region;
- iii. The work of other international organizations in the areas of developing guidelines and capacity-building, and the benefits of coordination and cooperation between these organizations and ECE;
- iv. The new initiative in PPP capacity-building of the European PPP Expertise Centre (EPEC), a joint project of the European Commission (EC) and the European Investment Bank (EIB) to help develop PPP policies for the benefit of EU Member States; and,
- v. The work of the EBRD in financing infrastructure PPPs, in improving the legal environment for concessions, and in building trust between the public sector and private investors by promoting and adopting best practice PPP methods and products.

In order to strengthen capacity building the Conference agreed to:

- i. To launch a PPP capacity-building programme, within the next two years, with the aim of training at least 200 officials from public and private sectors from countries with economies in transition in the UNECE region, and to develop foundation skills and better understanding of PPPs;
- ii. To sustain this with the preparation of training modules for use in the region, and accrediting personnel to provide PPP training, and creating complementary synergies among UNECE, EBRD and EPEC. In this connection, to finalize the UNECE Guidelines on Good Governance in PPPs as a "setting the scene" resource document that would facilitate development of such training modules;
- iii. To invite governments:
  - (a) To select specific areas for training;
  - (b) To mobilize their PPP Units to share experience amongst themselves and to cooperate in PPP foundation training in various sectors;
  - (c) To host high level consultations between their ministers in PPP areas and top level private sector representatives with a focus on PPP policymaking and implementation; and
  - (d) To host further PPP site visits for government officials and other interested parties that represent good practice in PPPs
- iv. To invite investors to share their experiences and expectations in the area of PPPs; and,
- v. To invite international and national training bodies to support the development of the training programme.

Importantly, in terms of network development the Conference invited the CECI to:

- i. Strengthen its network of experts on PPPs and to consider establishing a Team of Specialists on PPPs at its second session in December 2007; and,

- ii. To continue developing the Virtual Platform for exchange of information on PPPs as a cost effective tool to disseminate best practices in PPP policies and experiences and an opportunity for governments to find potential partners.

### **3.1.1.2 ESCAP Regional Meeting, Seoul, October 2007**

In furtherance of the objectives of the Project, ESCAP provided support for a Ministerial Conference on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific which was organized and hosted by the Government of the Republic of Korea, through the Ministry of Planning and Budget, in Seoul on 5 October 2007.

The Conference was attended by representatives of the following members and associate members of ESCAP: Bangladesh, Cambodia, China, Fiji, Indonesia, Islamic Republic of Iran, Japan, Kazakhstan, Lao People's Democratic Republic, Mongolia, Myanmar, Nepal, Pakistan, Republic of Korea, Russian Federation, Singapore, Sri Lanka, Thailand, Uzbekistan, and Viet Nam.

Over the course of the meeting, participants claimed to have benefited greatly from the sharing of information and views on recent trends of PPP for infrastructure development. Member countries agreed that the importance of inducing public-private partnerships had acquired new urgency. There was also consensus that the accelerated development of economic and social infrastructure will benefit the people of the ESCAP region and help achieve the Millennium Development Goals.

At the conclusion of our Conference, member countries unanimously adopted the Seoul Declaration on Public Private Partnerships for Infrastructure Development in Asia and the Pacific (see Annex VI), thereby affirming their commitment to promote PPPs in sustainable infrastructure development. The Seoul Declaration was an important achievement of the Project since it invited countries to review and assess their:

- i. PPP, sectoral and other relevant policy frameworks and action plans for infrastructure development;

- ii. PPP-Readiness and to identify the key issues that governments need to address in order to promote PPPs in infrastructure development;
- iii. Processes and procedures for implementing PPPs, including effective management over their whole life cycle;
- iv. Legislative, regulatory and institutional environment for PPPs at the general and sectoral levels that may impede effective PPPs; and
- v. Capacity to implement PPPs and evaluate their impact on development.

It also encouraged countries in the region to actively engage in regional cooperation initiatives including:

- i. Participation in regional networking arrangements;
- ii. Development and delivery of educational and training programmes;
- iii. Development and sharing of databases on PPP projects, statistics, laws, guidelines, model agreements, etc; and,
- iv. Standardization of terminology, contracts, processes and procedures; and  
Provision of technical assistance.

The Ministerial Conference was held in conjunction with a regional High-level Expert Group Meeting and the Asia-Pacific Business Forum on PPPs. The former included presentations by the ECE on the Guidebook on Promoting Good Governance in PPPs and discussions on the concept of a Global Alliance and developing networks to support training and capacity building. After considering alternative models it was agreed to develop an internet-based PPP network with membership open to PPP Units, government departments involved with PPP projects, relevant training institutes, and PPP experts.

### **3.1.1.3 ECA Regional Meeting, Randburg, July 2009**

As part of the Project, ECA organized the African regional meeting and capacity building workshop on the management of PPP programmes in infrastructure development and on the NEPAD Spatial Development Programme in Randburg, South Africa, from 23-25 July 2008. The workshop included a study tour to PPP projects in South Africa and was attended by over 50 participants, including senior officials representing African ministries responsible for infrastructure development (transport, energy, water resources), and finance. The workshop also benefited from the participation of representatives of regional institutions including Regional Economic Communities (RECs), development banks; private sector; and the academic community.

The event in South Africa enhanced the understanding of stakeholders of the role of PPPs in boosting the links between natural resources and infrastructure development projects. The event also contributed in improving the capacity of the public sector in the strategic management of PPP programmes, and provided a platform for participants to exchange views and share experiences on new developments in PPPs. It also provided an opportunity to establish PPP alliances and networks at the African regional level.

The meeting identified the following key issues:

- i. The domestic (local) private sector in Africa remains weak and as a result is marginalized in PPP projects;
- ii. Early PPP experiences in Africa did not meet expected results because governments were ill prepared and several PPP initiatives were simply part of the conditionalities imposed by financial institutions without proper planning and preparation;
- iii. Overall the poor do not benefit from PPP initiatives in most African countries;
- iv. In some African countries, PPPs resulted in the creation of new monopolies, with a few companies controlling services previously controlled by the State;

- v. Misunderstanding or different understanding of the PPP concept contributes to the lack of consensus in the general public of its merits. Some stakeholders confuse PPPs with privatization;
- vi. Strong political will, stable political and economic environments as well as sound legal and regulatory frameworks are essential for successful PPPs; and,
- vii. Governments cannot effectively play the role of regulators if they have weak capacities vis a vis concessionaires.

As a result of the regional meeting there is a growing consensus in Africa that lack of experience should not deter countries from implementing PPP projects and that, promoters of PPP projects on the continent need to scale up efforts to identify reputable sponsors. Moreover, Governments need sustained efforts to build their capacity to manage the PPP process. Governments also need to ensure that small and medium enterprises (SMEs) and the national private sector/ indigenous people play important roles in PPPs. In this regard, efforts need to be made to strengthen the capacity of the local private sector.

#### **3.1.1.4 Inter-Regional Meeting**

The ESCAP secretariat in collaboration with the secretariats of ECA and ECE organized an IEG Meeting on PPPs in Infrastructure Development at the UN Conference Centre in Bangkok on 17-19 February 2009. (See [http://www.unescap.org/ttdw/ppp/pppid\\_bkk09.asp](http://www.unescap.org/ttdw/ppp/pppid_bkk09.asp))

The Meeting was attended by senior government officials from the three regions, experts from the public and private sectors including representatives of PPP Units in governments, representatives of international and donor organizations and NGOs.

Individual country representatives made presentations on their policies and experiences in implementing PPP programmes and projects as well as outlining their current pipeline of projects. A number of papers on specific issues related to PPP development and implementation including ESCAP commissioned case studies on streamlining the PPP management processes in Bangladesh, the Philippines and Maharashtra in India were also presented. Representatives of international and donor organizations and NGOs made presentations on their experience in PPP

development and how they could support countries in their commitment to promote development through PPPs. In a separate set of presentations, representatives of PPP Units in government described the structures and functions of their units as well as the processes which they were using to facilitate PPPs in their countries. The meeting was also apprised of the PPP-readiness assessment tool and training materials developed by ESCAP and ECE and their planned future PPP activities

The participants were informed of the work of other international agencies, United Nations Development Programme (UNDP) and the International Finance Corporation (IFC) and Public-Private Infrastructure Advisory Facility (PPIAF) of the World Bank in PPPs. It was proposed that greater dialogue was undertaken between these bodies and the United Nations regional commissions to ensure a greater cooperation and coordination, impact of their respective efforts and the avoidance of duplication.

The Meeting concluded that PPPs, by bringing together the public sector's financial resources and the private sector's management and technical expertise in providing infrastructure facilities, were even more important in the prevailing financial and economic environment. Further, the Meeting held the view that the creation of project preparation funds, special financing institutions and availability of innovative financing tools by these institutions could go a long way to addressing the problem of financing PPP projects.

The Meeting emphasized the continuing need for developing the capacity of public officials as this was considered one of the key elements in implementing a successful PPP programme in a country. Besides project identification, development and management, there was also a need for the training of public officials in managing government liabilities within PPP programmes. It was felt that countries needed a comprehensive capacity building framework for their public officials.

It was expected that the Interregional EGM would lead to the establishment of a Global PPP Alliance, but it was unclear how this was to be achieved. Both ESCAP and ECE representatives identified alternative models for creating such an Alliance. Participants supported the initiatives to create internet-based PPP networks and welcomed the proposal by the ECE to establish a PPP research, education and training centre to provide support to the initiatives of the regional commissions in order to keep PPP capacity building up-to-date. The

Centre it was proposed would work with an academic network to conduct research and develop and disseminate case studies in order to improve PPP education and training worldwide.

Specifically, the Meeting encouraged the regional commissions, donor countries, the participating PPP units, development partners and the member countries as appropriate:

- (a) To work towards the establishment of networking arrangements to promote exchange of information and experiences on PPP development;
- (b) To provide assistance as requested by member countries in assessing their readiness for public-private partnerships and developing action plans to improve such readiness;
- (c) To create an Internet-based training facility and conduct online training courses on different aspects of PPP development across various sectors to produce sectoral specialists and to finalize the PPP “training the trainer” modules, and adapt them for national use and to share these among the regional commissions; and,
- (d) To undertake further studies on managing and streamlining the PPP processes including their impact on the efficiency of PPPs.

**In summary, the Inter-regional and Regional meetings whilst not establishing a formal global PPP alliance did endorse the development of internet-based regional and national PPP networks, decide their modalities of operation to support national capacity-building, assess capacity-building needs of national facilities and review technical resources. It was envisaged that assistance to capacity-building at the country level would be provided through support from the networks and become available on the web site(s).**

### **3.1.2 Establishing a Global PPP Alliance and Networks**

Based on the mandates and guidance received from the Inter-regional and Regional Meetings both ESCAP and the ECE undertook to develop PPP networks.

### 3.1.2.1 ECE PPP Network Development

PPP Network development under the auspices of the ECE has involved two thrusts:

1. the establishment of a Team of Specialists on Public-Private Partnerships (TOS-PPP) to provide a network of experts on PPPs; and,
2. the development a Virtual Platform for the exchange of information on PPPs

At its second session held in Geneva on 5-7 December 2007, the CECI established a new TOS-PPP. The first session of the TOS-PPP was held at the Palais des Nations, Geneva on 28-29 February 2008. Its main task was to facilitate information sharing and exchange of practical experience of PPPs among UNECE Member States and to contribute to the preparation, implementation and evaluation of a capacity-building programme for public and private sectors officials from catching-up economies on this topic. The TOS-PPP has acted as a regional network and prepared policy recommendations for consideration and possible adoption by CECI.

The TOS-PPP was established for a period of two years with a possibility of extension and now comprises around 1500 government experts, in particular those working in national PPP units, as well as experts from the business community, relevant research and academic institutions and NGOs. National experts are nominated through the respective government authorities responsible for cooperation with CECI. In accordance with United Nations procedures, the TOS-PPP is open for participation by other experts from intergovernmental organizations, national and international business and research institutions and associations, who wish to contribute to the implementation of its work plan.

The TOS-PPP engaged in the following activities:

- (a) Preparation of training materials to be used in future capacity-building activities, based on the Guidelines on Good Governance in PPPs prepared in 2007;

- (b) Defining a structure and format for a toolkit of training modules on the institutional, financial, legal and policy requirements for good governance in PPPs, as well as sector-specific topics and contractual and negotiation issues;
- (c) Identifying experts and institutions who will be involved in the preparation and implementation of capacity-building activities;
- (d) Preparation of a comparative review on the legal background for PPPs, with the view to identifying where new legislation needs to be adopted to make these PPPs more efficient;
- (e) Preparation of a synopsis of policy recommendations on improving the legal background for PPPs, which will be submitted for consideration and possible adoption by the CECI; and
- (f) Facilitating broad dissemination of good practices and policy options in the area of PPPs subject to the availability of extrabudgetary resources, facilitating and contributing to the organization of a capacity-building event in conjunction with an international conference on sharing of national experiences on PPPs.

In its work, the TOS-PPP has responded to the needs of governments, and taken into account the needs of the private sector, consumers, the academic and business communities, and civil society. It has also facilitated cooperation with various international bodies working in this field. This UNDA Project has provided support for some capacity building activities undertaken by the TOS-PPP.

The ECE has also developed and implemented the **UNECE - CECI Information Exchange Platform (IEP)** which is a Virtual Platform or Network for the exchange of information on PPPs between network members. There are now over 1500 registered users of the IEP including PPP Units, government departments, academic and training institutes. This is discussed further in the section 3.1.8 on web-sites below.

In 2009, ECE introduced a PPP on-line newsletter to facilitate communication with network members.

### 3.1.2.2 ESCAP PPP Network Development

The Interregional EGM on PPPs in Infrastructure Development Bangkok, 17-19 February 2009 agreed upon the need for networking arrangements to promote an exchange of information on, and experience in PPP development. Further, it was agreed that such networking should be primarily internet based in the first instance.

A significant problem was that the IT infrastructure at ESCAP could not facilitate active/ direct interaction between network members which is essential for the creation of an active and vibrant virtual community. It would have been far easier and more user-friendly had it been possible to provide the network under the auspices of the ESCAP website. The UN banner would also have added credibility to the network.

Given this limitation ESCAP subsequently launched a members-only pilot network through Google Groups entitled "PPP Network"; a linked PPP blog and a Wiki. There are 51 registered members of the network including PPP Units, government departments, academic and training institutes. The PPP Network has five sections: Home, Discussions, Pages, Files and Members.

**Home** is the main entry page. It includes the name of the Group (PPP Network), the purpose of the Group, links to sites that members may use frequently including the PPP Blog, Wiki and Calendar, and other important announcements.

**Discussions** provides members with the opportunity to ask questions or to discuss an issue. The two the main differences between an ordinary email and a group discussion are firstly that with the group one only needs to post one question to many people whereas with an email one sends a number of emails to only the smaller number of people that one knows. Secondly, with social networking, people in the group may not know the answer, but they may know somebody who does.

**Pages** provide the opportunity to share documents and jointly develop a knowledge base. They can be likened to a mini-version of Wikipedia. Any member can view, contribute to, and comment on any of the pages. An example of the use of Pages would be the development by members of an annotated bibliography of published resources on PPPs in the region. Another example would be the development of country reports that provide members with the

opportunity to describe the environment for PPPs in their country as well as showcase potential projects.

**Files** provide the opportunity to share files amongst members or provide web links to them.

**Members** provides the opportunity for members to provide information about themselves.

The linked PPP Network Wiki is a space for informal sharing of unverified information on infrastructure development and PPPs in Asia and the Pacific. Original reports submitted by governments are posted on the main ESCAP PPP web-site whilst the Wiki is intended for informal updates of the originally submitted information.

**In summary, the PPP Network and the CECI IEP both support the dissemination of best practice through information sharing, advocacy of PPP development and awareness raising on the benefits of PPPs. The networks also facilitate interaction between practising PPP professionals, policy-makers and educators.**

### **3.1.3 Support to Networking Activities: Study tours, Advisory Services and Internships**

Study tours have been held in all three regions.

The regional workshop and study tour held at Randburg, South Africa, from 23-25 July 2008, included participants from the private sector, academic and training institutions and governments. In this regard, 50 participants were encouraged, by the organizers, to take advantage of training opportunities and advisory services offered by various institutions such as the National Treasury of the Republic of South Africa and institutions such as the Southern African Development Community (SADC) Banking Association and the ESCAP and ECE.

On the third and fourth days of the the International Conference on Knowledge Sharing and Capacity-Building on Promoting Successful Public-Private Partnerships in the ECE region took place on 5-8 June 2007 in Tel Aviv, Israel, comprised a study tour to 5 PPP schemes. Over 300 participants had an opportunity to visit examples of PPPs in the transport, water and innovative sectors of the economy and benefited from Israel's practical experience in this area. The following site visits took place:

- (a) Weizmann Institute of Science
- (b) Ashkelon Desalination Plant
- (c) Ashkelon Technological Industries
- (d) The Cross-Israel Highway (Highway 6)
- (e) Light Train of Tel Aviv.

The site visits provided the participants with the opportunity to talk directly with the senior officials and project managers of fully operational PPP projects and see for themselves first-hand how PPPs are contributing to economic prosperity. Not only were each of the projects from different industries, they were also at different stages in their development, which provided further key insights. The study tour demonstrated the value of site visits and provided a framework for the organization of further PPP study tours elsewhere in the region.

A Regional Workshop and Study Visit on Developing Bankable PPP projects for Infrastructure Development was held at Vadodara and New Delhi, India, 24-30 November 2008. Nineteen senior officials and experts of different ministries and government departments/agencies and PPP units in governments from 13 countries in the ESCAP region participated at the workshop and study tour. The study tours were to the Vadodara-Halol Toll Road where participants expressed interest in the financial structure of the project, how it was meeting its debt obligations and the innovative solution the project had in meeting the travel needs of the adjacent local communities through a segregated access road without payment of any toll. Study tours were also made to PPP road schemes in New Delhi.

Internships have not occurred to date but respondents to the EQ suggest there is a continuing real requirement for structured secondments.

It has been recognized that, given the scale of the challenge in identifying projects, governments may also need support in the form of advisory services in developing PPPs and to this end the interested governments and organizations with expertise may consider sending experts to help governments, especially in the start-up phase of the PPP programme. Mongolia has availed itself of support in this way. The TOS-PPP determined that this should be promoted following the development of basic resource materials and policy guidance. The TOS-PPP at its second session decided that it would inform member governments of the intention to provide policy

advice and project support and invite requests from relevant parties. To support this it planned to establish a roster of experts to provide support in start up and developing PPPs to interested governments.

On a similar theme the International Conference on Taking Public-Private Partnerships forward: New Opportunities for Infrastructure Development in Transition Economies held in Moscow, Russian Federation , 21-22 October 2008 encouraged the TOS-PPP to explore the creation of a PPP Unity Exchange to support capacity-building for public servants in countries getting started in PPPs. It was proposed that the Unity Exchange would provide a platform for the systematic sharing of best practices and the elaboration PPP experiences as practical and operational guidance, to establish fruitful and mutually beneficial contacts between PPP Units from countries with a track record of PPPs and those countries whose PPP programmes are just starting and to develop a dialogue between private sector and PPP Units on key issues of common interest.

Finally, during the period of the Project, the ECE recognised that one of the key requirements for implementing an effective PPP programme is the achievement of high-level political support for the Programme from the government. To this end it established a Business Advisory Board (BAB) on PPPs, comprising high level business leaders with broad experience in PPPs. The purpose of the BAB is to exchange experiences with senior government officials on setting the basic policy parameters for a PPP programme, as well as to road test potential projects before they are presented to the market, in order to determine their attractiveness to the private sector. The first initiative of the BAB was to provide advice to the Government of the Republic of Kazakhstan at a Consultative Meeting held in Astana, Kazakhstan, 13 March 2009.

**In summary, study tours have been undertaken and a limited number of advisory services have been provided. Internships, work shadowing and staff secondments have not as yet been planned.**

#### **3.1.4 Preparation of Resource Materials**

All three Regional Commissions produced resource materials to support PPP capacity building and training. These included a Primer on the role of PPPs in infrastructure development and a Guidebook on best practice in governance of PPPs. In addition, a training manual on PPP model

concession contracts was updated and a self-assessment tool for PPP readiness was developed and made available on-line.

ESCAP developed the document entitled 'PPP in Infrastructure Development: A Primer' whilst the ECE produced the 'Guide to Promoting Good Governance in Public-Private Partnerships'. The documents were discussed by experts in their respective regions and made available for download on their web-sites.

These documents are basic learning resources on PPPs and provide both a sound introduction to the subject and a source of reference for those undertaking on-line courses and training workshops. They have also been used as a basis to elaborate further training materials. The Primer provides an overall picture of the PPP development process from various perspectives. It considers the benefits and limitations of PPPs and identifies the type of expert knowledge that is required to successfully develop and implement PPP projects. The Primer also provided a basis for ESCAP'S 'Guidebook on PPP in Infrastructure', June 2009. The ECE Guidebook demonstrates how governments and the private sector can improve governance in PPPs and is the most frequently downloaded document. The latter has also been translated into Russian.

The evaluator found both documents, which included appropriate short case studies, to be substantive, practical and highly relevant. They have been widely disseminated and well received. Whilst the documents are complementary there is however a degree of overlap and duplication.

In preparation for the Regional Meeting held in Randburg, the ECA prepared a substantive paper which outlined the role that PPP's can play in the financing of the New Partnership for Africa's Development (NEPAD) infrastructure development program. The study showed that PPP's are effective in realizing governments' service delivery needs but there are not universal remedies. A majority of African governments are still faced with the responsibility to develop sound regulatory regimes, strengthen regulatory capacity, improve efficiency and accountability of service delivery, ensure transparency of privatization or contract award processes, develop local financial markets and develop mechanisms that will reduce the time associated with the negotiating process and bidding costs for infrastructure projects. It stressed the need to develop consensus for PPP's coupled with the need to improve government's capacity to plan, negotiate, design, implement and monitor PPP projects.

In partnership with several member countries, the ESCAP Secretariat has developed a self-assessment tool for determining a country's PPP readiness and identifying the key areas that governments need to address in order to involve the private sector more actively in the infrastructure development process. The tool in excel format is easy to use and comprises a series of questions relating to both the general investment climate in a country and specific PPP concerns such as:

- i. Legal and regulatory provision
- ii. Policy framework
- iii. Capacity
- iv. Project selection and contracting process
- v. Post-selection process
- vi. Social dimension

Ideally, the assessment should be undertaken over a half-day by groups comprising of stakeholders from the public and private sectors with common interests. Having filled out the questionnaire, it is intended that the groups discuss the commonality and difference in their perceptions of the PPP environment. Based on their assessment, action plans can be prepared.

The PPP readiness tool has been widely used and also adapted for inclusion in the ECE 'Toolkit on How to do PPPs' which illustrates well the level of interregional cooperation which has been achieved through the Programme.

**In summary, high quality resource materials, in support of PPP training and capacity building, including primers; guidebooks; study reports; and, self assessment tools have been prepared and widely disseminated through training events and the various PPP websites.**

### **3.1.5 Preparation of Case Studies and Good Practice**

ESCAP has developed a form of template for the purpose of documenting PPP case studies to be used as a part of a training course or as reference material. ESCAP commissioned 3 PPP case studies which were prepared with the support of partner academic and training organizations, such as the Asian Institute of Transport Development (AITD).

These were the Jaipur-Kishaugarh Road and the Pipavav Railway Projects both in India and the Mandaluyong Market Place Project in Manila, The Philippines. These are available for download on the ESCAP PPP website by registered users and have been used in conjunction with the on-line courses and national/regional workshops. The studies describe the schemes and highlight important lessons to be learned by analysing their strengths and weaknesses. The case studies have been well received by users who confirm their relevance and usefulness in terms of capacity-building. There is a widely held view that case studies are valuable and more should be documented and disseminated.

In addition to case studies and to support specific national training needs and events, ESCAP commissioned 3 PPP Flow-process studies. In Bangladesh in conjunction with Infrastructure Investment Facilitation Center (IIFC) the PPP flow-process was documented and discussed at a country level workshop described in section 3.1.7. It produced high level recognition of the need for a national PPP legislative framework; for the inclusion of PPPs in the national planning framework; and, for the creation of a national PPP unit and a central PPP Technical Assistance (TA) fund.

**In summary, relevant PPP process-flow and case studies have been prepared and used in training courses to provide valuable insights into the practicalities and problems of PPP implementation and possible solutions.**

### **3.1.6 On-line Training Courses**

Under the Project ESCAP has designed, developed and conducted an on-line training course on Model Concession Contracts in the Roads Sector. The course is aimed at providing PPP practitioners with a possible template for preparing concession contracts, using standard contract terms and conditions, for small road projects.

The model text is based on model contracts developed by the National Roads and Highway Authority of India (NHAI) which are felt to be transferable to other types of PPP projects.

Following an introductory chapter, the course has been divided between 7 modules each with clear and consistent pedagogy as follows:

- i. An introduction which broadly explains the topics to be covered in the module.
- ii. Details of the session structure.
- iii. The Learning Objectives.
- iv. The Background provides some initial discussion points for students to consider.
- v. Model Clauses represents the bulk of the module.
- vi. A Lesson Summary recaps the main topics covered in the module.
- vii. A ‘Test your knowledge’ section allows students to evaluate their understanding of the topics covered.

Course evaluation reports were completed by over 70 course participants. The feedback was very positive with all participants indicating that the course would improve their professional capabilities and 98% suggesting it would benefit their organisations. Over 97% thought the overall quality of the course in terms of the materials provided, its relevance and depth was very good or excellent.

The ECE TOS-PPP is developing a toolkit on ‘How to do PPPs’ comprising 17 core and sector specific modules. The toolkit will be made available on-line could be used in a variety of ways including workshops and distance learning.

**In summary, one on-line course in Concession Contracts has been developed and offered whilst a further 17 training modules in the form of an on-line toolkit are in preparation.**

### **3.1.7 Holding of Country-level Workshops and Meetings**

A three-day workshop was held on 27-29 January 2009 at IDB Bhaban, Sher-e-Bangla Nagar, Agargaon, Dhaka. The program was jointly organized by ESCAP and the IIFC. The objective of the workshop was to provide a comprehensive understanding to the government officials of Bangladesh PPP in the infrastructure provision. Thirty senior officials and experts from different ministries and government departments/agencies in Bangladesh participated at the workshop. Senior officials and professionals from both the public and private sectors, IIFC and ESCAP were the resource speakers to the workshop. Lectures and supporting resource materials relating to the development of PPP projects were presented and participants shared their practical

experiences on different issues related to PPP project development, risk management, negotiation, implementation, financing, management and operation.

The workshop also included the presentation of case studies, developed as part of this Programme, of PPP projects completed successfully in India and Bangladesh. PPP process flow diagrams of different infrastructure projects of Bangladesh, prepared under the Programme specifically for the workshop were also presented.

The majority of the participants found the workshop very useful. There was consensus that more such workshops need to be arranged specially for the officials in the Bangladesh Planning Commission who deal with developmental projects. Some participants felt that more emphasis on such topics as, PPP process Flow, Risk Allocation and Mitigation Techniques and the Project Development Concept would have been helpful. It was also felt that more workshops dealing with PPP need to be held, covering concession agreements, particularly in the road sector, BOT project site visits and PPP case studies on successful PPP projects should be promoted to create wider awareness and increase motivation.

The Regional Workshop and Study Visit on Developing Bankable PPP projects for Infrastructure Development held at Vadodara and referred to above, included the presentation of case studies produced under the Project in collaboration with AITD. The participants' evaluation showed a high-level of satisfaction and appreciation with regard to the duration of the workshop, its structure, academic and practical inputs, logistics arrangements, organization and management and the benefits provided to the participants, their organization and the opportunity for interaction with other participants.

An International Conference entitled, "Taking Public-Private Partnerships Forward: New Opportunities for Infrastructure Development in Transition Economies", was held in Moscow, Russian Federation, 21 and 22 October 2008. The event was organized by the ECE in cooperation with the State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank) and the State University – Higher School of Economics (HSE). The first session of the Conference addressed issues on the policy and institutional requirements for successful PPPs and was attended by more than 600 participants from 30 ECE member States. The second session of the Conference discussed capacity-building issues related to PPPs with

respect to the training for government officials at federal, regional and municipal levels and was attended by some 100 participants.

The conference identified a number of key issues and made some specific proposals, including:

- i. the importance of the support of a number of international organizations in PPP capacity-building, including the EBRD, EU, EIB, EPEC, the World Bank in addition to the UNDA programme;
- ii. the important role that the business community can play in providing guidance and expertise, and in this regard supported the creation of an ECE PPP Business Advisory Board under the aegis of the ECE TOS-PPPs to provide policymakers with independent advice on PPP policy parameters and on pilot projects;
- iii. that while there has been considerable experience in PPPs in the ECE region, such experiences are not yet systematically shared with the countries just getting started with PPPs; and,
- iv. the need therefore to intensify cooperation and develop more effective experience sharing and guidance to those developing their PPP programmes. In response a PPP Unity Exchange was proposed to support knowledge sharing

**In summary, workshops and conferences have been held to support training in PPPs in collaboration with relevant academic and training institutions. These have been well received and generally viewed as adding value for participants by improving their professional performance.**

### **3.1.8 PPP Web Site**

PPP websites have been developed and hosted by all three Regional Commissions

The ECE PPP website can be found at <http://www.unece.org/ceci/ppp.html>. The welcome page explains CECI's objectives with regard to PPP and provides news and information on PPP events with links to documents and presentations. Other pages set out the membership and terms

of reference for the TOS-PPP. The web-site also provides a link to the members only CECI IEP which is a Knowledge Management System (KMS) see <http://www1.unece.org/ceci/platform/login.action>. The platform is effectively a virtual community or network for PPP professionals in the region. The site provides a people directory, a feed builder and a means to create a space to allow members to share information with their team members (i.e. work colleagues or sub-network group members).

The platform includes web pages dedicated to the following downloadable content in both English and Russian and sometimes French:

- i. The Guidebook on Good Governance in PPPs;
  - ii. Draft training modules of the toolkit on ‘How to do PPPs’;
  - iii. Comparative reviews, policy recommendations and synopses of good practice;
  - iv. Information on sessions held by the TOS-PPP, including meeting reports and presentations;
  - v. Information on Capacity-building activities both forthcoming and completed;
  - vi. Information on national PPPs such as reviews of legislation, acts on concessions and other documents with web links to the web sites of relevant Ministries and Agencies involved in PPPs;
  - vii. Announcements posted by members on forthcoming PPP events and developments; and,
  - viii. Resource materials and background reading with web links to relevant documents
- interestingly there is no direct reference to the work of ESCAP.

The platform also provides links to the websites of organisations doing interesting work on PPPs including PPP units, taskforces, ministries, private sector organisations and international organisations though again there is no reference to the ESCAP PPP website.

The evaluator found the platform, easy to navigate and found the coverage of the PPP activities of the CECI complete and comprehensive. It is well used with 11,874 site visits between January 2008 and December 2009.

The ESCAP website, <http://www.unescap.org/ttdw/ppp/index.html>, is a source of information and a portal for on-line PPP courses. Unlike the ECE PPP web site it does not provide a

seamless gateway to the member's PPP community or network which has to be accessed through Googlegroups for reasons explained in section 3.1.2.2 above.

The home page provides details of recent and forthcoming PPP events, including those hosted by the ECE and other agencies, with the relevant web links. The site is divided into a web pages which provide information on, and links to, this UNDA Project and its activities; training resources; country infrastructure reports and wiki; the PPP readiness assessment tool which can be downloaded; PPP units and other agencies; and, other sources of information. The site also allows users to upload documents relating to best practice in PPP implementation and provides a password protected portal to the on-line course on model concession contracts. Only limited interaction with users is permitted and it does not provide for networking.

**In summary, ESCAP and the ECE have both developed PPP, which responses to the EQ indicated are well regarded by users and their content is both up-to-date and highly relevant. The ESCAP web site provides multiple links to the work of the ECE whilst the latter's site is a knowledge management system. The evaluator found that both provide an excellent base from which to strengthen the PPP networks and their functionality.**

### **3.1.9 Database on PPP Projects**

There has been little progress reported in respect of the development of a database(s) on PPP projects with the exception of the GISS project under the auspices of the ECA.

## **3.2 Project Performance against the Verifiable Indicators**

### **3.2.1 Overall Objective**

The overall objective of the Project was to enhance the sustainable capacity of Governments to promote, develop, operate and manage PPP projects for infrastructure development and provision of basic services. It was expected that the Project would lead to an increase in the number of and investment in PPPs although the scale of the increase and timescales were not specified. Further, it was expected that special PPP units, PPP programmes and facilities would be established in countries as a result of activities undertaken during the Project. Tables 6 below,

summarizes the main findings with regard to the overall objective. (Annex VII provides a list of interviewees and respondents).

<b>Table 6 - OVERALL OBJECTIVE – MAIN FINDINGS</b>		
<b>Verifiable Indicators</b>	<b>Findings</b>	<b>Source of verification</b>
Increased number of, and investment in PPP projects	In 2008, for developing countries, the number of PPP projects were 15% and 32% lower than in 2005 and 2007 respectively whilst their value actually increased by 44% and 4% respectively.	PPI database of the World Bank
Special PPP units/ programmes/facilities established in countries	All respondents to the EQ and staff of the 3 RC's expected both the number and value of PPP projects to rise over the next 5 years.  Countries in all 3 regions have established PPP units and/or programmes.	Governments

The Public-Private Infrastructure Advisory Facility (PPIAF) of the World Bank (WB) has recently published data suggesting that in 2008 the value PPP projects, in developing countries, increased by 44% compared with 2005, however, when compared with 2007 the rate of increase had slowed significantly to only 4%. The actual number of projects concluded in 2008 was 15% lower than in 2005 and 32% lower than in 2007. Tables 7 and 8 provide a more complete summary by sector and region.

**Table 7 - INVESTMENT COMMITMENTS TO PPP INFRASTRUCTURE PROJECTS  
IN DEVELOPING COUNTRIES, BY SECTOR AND REGION, 2000–2008**  
(2008 US\$ billions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Sector</b>									
Energy	31.1	19.9	16.5	24.0	15.3	20.5	24.8	51.0	47.5
Electricity	28.4	15.8	13.5	19.3	13.4	17.3	21.8	46.4	46.3
Natural gas	2.7	4.1	3.0	4.7	1.9	3.2	2.9	4.6	1.2
Telecommunications	58.5	53.1	37.5	31.7	49.4	62.9	68.1	77.3	78.1
Transport	10.9	9.6	5.2	8.9	7.6	21.1	34.3	28.9	26.0
Airports	2.5	1.4	0.2	0.8	0.9	5.4	8.7	4.5	2.4
Railways	1.4	1.0	0.2	1.1	1.3	1.5	9.2	2.3	1.7
Roads	4.5	5.7	2.7	4.8	3.4	7.0	10.1	14.9	16.7
Seaports	2.4	1.5	2.2	2.2	2.0	7.1	6.4	7.2	5.2
Water and sewerage	9.0	2.6	1.9	1.7	5.3	2.6	3.2	3.7	2.7
<b>Region</b>									
East Asia and Pacific	22.3	15.6	13.7	22.1	15.7	20.3	21.4	23.1	15.4
Europe and Central Asia	26.1	13.0	9.6	11.9	14.6	32.0	23.1	44.7	45.9
Latin America and the Caribbean	48.0	40.5	23.8	18.0	20.1	22.7	31.8	39.3	40.3
Middle East and North Africa	3.8	5.8	7.4	4.6	13.3	15.7	29.0	29.7	33.4
South Asia	4.3	6.4	5.0	7.4	5.5	9.6	12.6	12.3	13.5
Sub-Saharan Africa									
<b>Total</b>	<b>109.5</b>	<b>85.3</b>	<b>61.2</b>	<b>66.3</b>	<b>77.6</b>	<b>107.1</b>	<b>130.4</b>	<b>161.0</b>	<b>154.4</b>

**Table 8 - INVESTMENT COMMITMENTS TO PPP INFRASTRUCTURE PROJECTS  
IN DEVELOPING COUNTRIES, BY SECTOR AND REGION, 2000–2008**  
(Number of Projects)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Sector</b>									
Energy	81	89	108	106	76	94	105	113	86
Electricity	70	62	63	60	50	66	92	95	79
Natural gas	11	27	45	46	26	28	13	18	7
Telecommunications	37	50	15	31	30	21	33	29	10
Transport	61	37	32	58	47	76	119	94	56
Airports	17	10	4	3	5	9	15	14	7
Railways	8	3	2	7	3	5	8	4	5
Roads	16	14	15	33	19	23	64	59	25
Seaports	20	10	11	15	20	39	32	17	19
Water and sewerage	39	39	44	44	54	63	56	81	64
<b>Region</b>									
East Asia and Pacific	46	71	87	103	84	105	105	126	78
Europe and Central Asia	26	27	18	29	18	34	34	45	36
Latin America and the Caribbean	93	58	64	50	48	37	55	49	41
Middle East and North Africa	13	20	17	26	25	24	78	60	36
South Asia	29	29	9	26	19	40	30	26	15
Sub-Saharan Africa									
<b>Total</b>	<b>218</b>	<b>215</b>	<b>119</b>	<b>239</b>	<b>207</b>	<b>254</b>	<b>313</b>	<b>318</b>	<b>216</b>

Source: World Bank and PPIAF, PPI Project Database

(<http://ppi.worldbank.org/features/November2009/2008GlobalDataLaunch.pdf>)

The slowdown in PPP activity has been attributed to the global financial and economic crisis which, it is claimed, reduced the number of lenders in the PPP market; reduced the amount banks were prepared to lend by 25-50% compared with what it had been 2-3 years previously; and, shortened loan maturities and the cost (i.e. margins) for such loans had at least doubled. At the same time, governments have undertaken remedial action and special measures to keep public-private partnership projects afloat, taking more risk to close deals, facilitating projects that had been faced with inadequate finance, organizing competitions for finance amongst preferred bidders and offering guarantees to the project's debt financiers.

Some proposed solutions for governments to deal with public-private partnerships during the crisis have included: ensuring proper deal structures; creating fairer allocations of risk; considering and understanding investors' constraints; undertaking sufficient market soundings; and, adjusting the timing of funding competitions in the bid process.

According to the ECE there are signs that the markets are adapting to the new environment and also that new PPP models are emerging with the prospects of a sustainable recovery. Institutional investors have to some extent, been filling the gap left by commercial banks; new opportunities are emerging in the bond market; and, international financial institutions have assumed a larger role in securing financing for PPP projects in countries with economies in transition. There is a view that the crisis did not obviate the need for PPPs and that it provided a window of opportunity for both public and private sectors to redefine and reconsider the way ahead.

All respondents to the EQ and secretariat staff believed that PPPs are still an appropriate method of infrastructure development and of providing basic services. Further, all respondents expected that the number and value of PPP projects would rise over the next five years.

### **3.2.2 Performance in Network Development**

The overall EA in the area of Network Development was to establish a global PPP Alliance and networks at regional and national levels to forge cooperation between governments, academic and training institutions and the private sector. In addition, the Programme was intended to facilitate cross-sectoral advisory services and necessary information as requested with exchange visits by experts, study tours and internships.

The performance in Network Development is shown in Table 9:

<b>Table 9 - PERFORMANCE IN NETWORK DEVELOPMENT</b>	
<b>Verifiable Indicators (VI)</b>	<b>Summary Findings</b>
<p><b>VI 1</b>            Agreements between stakeholders to establish a global PPP Alliance and networks at other levels: <b>2</b></p>	<p>2 Agreements were reached:</p> <ul style="list-style-type: none"> <li>i. by ESCAP member countries to form the PPP Network, and</li> <li>ii. by ECE member countries to form the TOS-PPP.</li> </ul> <p>ESCAP member countries agreed the ‘Seoul Declaration on Public Private Partnerships for Infrastructure Development in Asia and the Pacific’ in October 2007.</p>
<p><b>VI 2</b>            Advisory services and resource persons offered by the Alliance have been used: <b>6 &amp; 3</b></p>	<p>Advisory services were used at a Consultative Meeting between the Government of the Republic of Kazakhstan and the UNECE Business Advisory Board on PP held at, Astana, Kazakhstan, 13 March 2009</p> <p>Resource persons have been used in support of regional workshops held in Randberg, 23-25 July 2008; Vadodara and New Delhi, 24-30 November 2008; and, Tel Aviv, on 5-8 June 2007</p> <p>Advisory services and resource persons have been used by the Government of Mongolia.</p> <p>Proposals to form a Unity Exchange are under active consideration.</p>

<b>Table 9 - PERFORMANCE IN NETWORK DEVELOPMENT (continued)</b>	
<b>Verifiable Indicators (VI)</b>	<b>Summary Findings</b>
VI 3 At least 3 study tours and 3 internships have been organized: <b>3 &amp; 3</b>	3 Study tours to PPP Projects were conducted: <ul style="list-style-type: none"> <li>i. Tel Aviv, on 5-8 June 2007, +300 participants</li> <li>ii. Randberg, 23-25 July 2008, +50 participants</li> <li>iii. Vadodara and New Delhi, 24-30 November 2008, +60 participants</li> </ul> Internships have not occurred to date but evidence suggests there is a continuing real requirement for structured secondments.

It seems that whilst a Global Alliance has not been established a proposal to create an International PPP Centre of Excellence for Capacity–building and Information Sharing, under the auspices of the ECE, is under active discussion.

In respect of network development the EQ included a question on the extent of co-operation that has occurred between PPP units. 6 respondents from 4 countries confirmed that there had been systematic exchanges of information; 6 respondents from 4 countries had attended PPP study tours; more than 9 respondents had participated in external training or capacity-building programmes and received technical support on how to undertake PPP readiness assessments and develop PPP action plans. It is worth noting that much of the co-operation has occurred as a direct result of contacts made at meetings and workshops organized under the Programme. [In support of this, eight respondents indicated that they had received some information on how PPP partnerships and networks might be created and sustained but would welcome further guidance.](#) However, none of the respondents indicated that any staff exchanges or internships had occurred as yet but many felt strongly that these should form an important element in future capacity building programmes.

It was also felt that more study tours would be particularly valuable in providing in-sight into how PPP schemes have been implemented in practice.

There was a strong view that countries are often at very different stages with regard to PPP development. In this regard, countries that are just embarking on PPP programmes and economies in transition may benefit little from networking and capacity building activities aimed at more advanced countries. However, whilst there is some benefit from the empathy gained from dialogue between PPP units in countries at the same level of development this needs to be balanced against the real need for such countries to be exposed to best practice in PPP implementation which can be derived from countries with maturing PPP programmes.

Similarly, content disseminated by networks and virtual platforms may need to be quality assured or vetted to ensure that members are exposed to best practice appropriate to their circumstances. For the above reasons a number of respondents suggested that countries that are just embarking on PPP programmes and economies in transition are in need of tailor made support and advice from PPP specialists with expertise relevant to the issues they face.

### **3.2.3 Performance in Development and Provision of Training Resources**

The overall EA in this area was to provide training institutions and special PPP units with the necessary training materials and information to support capacity-building for public officials in undertaking and operating PPP projects at national, sub-national and municipal/local levels.

The planned activities included the development and updating of manuals/guides for undertaking PPP projects at the different levels (national, municipal, local etc.); the preparation and updating of training-of-trainer and distance learning materials based on manuals/guides prepared; and, increasing the bank of good practice studies and maintaining a database of such studies.

The performance in developing and providing training resources is set out in Table 10:

**Table 10 - PERFORMANCE IN DEVELOPMENT AND PROVISION OF TRAINING RESOURCES**

Verifiable Indicators (VI)	Summary Findings
<p>VI 4 Manuals and training materials developed by the Project have been used in training courses: <b>5</b></p>	<p>A training manual on Model Concession Contracts in the Roads Sector was adapted and used in 3 on-line courses conducted by ESCAP with 91 participants from at least 22 countries.</p> <p>PPP case studies prepared by ESCAP were used at workshops held in India and Bangladesh to more than 60 participants.</p> <p>The ‘Guide to Promoting Good Governance in Public-Private Partnerships’ was used at the International Conference on Knowledge Sharing and Capacity-Building on Promoting Successful Public-Private Partnerships in the UNECE region took place on 5-8 June 2007 in Tel Aviv, Israel with over 300 participants.</p> <p>Draft ECE training modules were presented at the International Conference on Taking Public-Private Partnerships forward: New Opportunities for Infrastructure Development in Transition Economies. Moscow, Russian Federation, 21-22 October 2008 with over 600 participants from 30 countries.</p> <p>A study on PPP’s and the New Partnership for Africa’s Development (NEPAD), Corridors/ Spatial Development Program (SDP): South African Experience, prepared by the ECA was used at a capacity building workshop in South Africa in July 2008.</p>
<p>VI 5 PPP Units and implementing agencies are using manuals and other resource materials produced by the Project: <b>at least 5</b></p>	<p>At least 7 countries including Pakistan, Sri Lanka, Bangladesh, The Philippines, The Russian Federation, Indonesia and India confirmed that PPP Units and implementing agencies are using manuals and other resource materials produced by the Project. HSE has also translated the Guidebook on Good Governance in PPP into Russian.</p>

In total more than 1000 people have attended at least 7 training courses at which documents, handbooks, guidelines, assessment tools, case studies and other learning resources developed by the Project have been used. Course evaluations have been very positive on the relevance and quality of course materials and delivery.

Responses to the EQ revealed that information on the Project's activities has been widely disseminated through national workshops in at least 7 countries and 4 countries have conducted reviews of operating procedures, rules, regulations, mandates or legislation as a result of insights gained at the Project's PPP training events. Mongolia approved a general PPP Programme in October 2009.

A number of other observations were made by respondents and PPP Network members as follows:

- i. Training and course materials are valuable but may need to be supported with expert 'on the ground' training to core staff or work shadowing;
- ii. Participant nomination and selection needs to be planned against selected criteria;
- iii. Continuity and consistency of attendees to training events is beneficial;
- iv. The sequencing of training events and their content needs to be properly structured to avoid introductory or foundation sessions being followed immediately by advanced or specialist topics;
- v. Regional and sub-regional training needs vary according to the level of economic development; the level of PPP activity completed to date; geographic and other matters which need to be accounted for in planning training events; and,
- vi. The ADBI are developing a comprehensive approach to training through the Multilateral PPPI Capacity Building Initiative (MP3IC).

Other suggestions were that capacity building activities should give greater emphasis to the role and problems faced by the private sector in PPP projects and that the private sector would also benefit from involvement in such activities.

Respondents also indicated that they had also attended capacity building activities arranged either in-country or by other international agencies such as the ADB and PPIAF. Some of these activities complemented those instigated under the Programme but some duplicated them.

Finally, whilst not preparing new ‘training-of-trainer’ courses, ESCAP have made available their existing manuals on their PPP website and both ECE and ESCAP are maintaining information and links to PPP resources produced by other organisations.

### 3.2.4 Performance in Capacity Building

In Capacity Building the EA was that governments would be aware of the state of their PPP-readiness and be able to develop action plans and strategies to increase their preparedness and improve governance including the strategic management of PPP programmes. The planned activities included technical support on the development of national action plans and PPP strategies based on national PPP-readiness assessments; national workshops on capacity building of the public sector in strategic management of PPP programmes, new developments in PPPs, quality control and emerging issues; and the provision of advisory services and technical assistance in setting up of PPP programme and project management measures. The performance on capacity building is set out in Table 11:

<b>Table 11 - PERFORMANCE IN CAPACITY BUILDING</b>	
<b>Verifiable Indicators (VI)</b>	<b>Summary Findings</b>
VI 6 Countries have taken initiatives to prepare action plans: <b>at least 3</b>	Respondents from 5 countries including: The Philippines; Indonesia; India and South Africa indicated that PPP action plans had been prepared.  5 countries including: The Philippines; Indonesia; India; Mongolia and South Africa confirmed that PPP Readiness Assessments had been undertaken based on recommendations, methodologies and tools produced under the Project.
VI 7 Countries have initiated actions to develop a strategic management framework for their PPP projects/ programmes: <b>at least 2</b>	Respondents from 5 countries including Sri Lanka and Mongolia indicated that actions to develop a strategic management framework for their PPP projects/ programmes had been initiated.

In addition to the above, it should be noted that 6 respondents confirmed that good practices and policy recommendations, arising from the Project, have been incorporated in national policy documents on PPPs or disseminated by their governments to stimulate and inform policy debate.

Respondents from Bangladesh and Mongolia indicated that recommendations arising from the Project had been incorporated in PPP legislation or regulations. 9 respondents said that guidance received had been used as a reference in reviewing the PPP working procedures of government agencies. Further, the Ministry of Physical Planning and Works in Mongolia has been established as a nodal point for the collection and dissemination of PPP information and advice.

Other observations were made by respondents and PPP Network members as follows:

- i. Accessible on-line documentation, such as draft business plans, feasibility studies, bidding documentation would be useful for each sector intending to implement PPPs as well as access to an on line expert resource to assist and advise in the process;
- ii. A local coordinator per country could disseminate information resources or inform of its availability to the PPP stakeholders in-country particularly where PPP stakeholders do not have access to web based information resources;
- iii. Individuals who represent countries at workshops/conferences sometimes fail to disseminate what they learned and disseminate PPP materials obtained to other PPP appropriate stakeholders in their respective countries; and,
- iv. Materials on benchmarking the PPP project process would be valuable.

### **3.2.5 Performance in Good Practices and Policy Dissemination**

The EA in this area was that governments, private sector and other stakeholders would have easy access to up-to-date information on potential PPP projects, good practices, policies and new developments in PPPs.

The performance in disseminating good policies and practices are set out in Table 12:

<b>Table 12 - PERFORMANCE IN GOOD PRACTICES AND POLICY DISSEMINATION</b>	
<b>Verifiable Indicators (VI)</b>	<b>Summary Findings</b>
VI 8 Databases for potential PPP projects are being used by concerned stakeholders: <b>100</b>	There is no evidence that databases of potential PPP projects have as yet been created.
VI 9 Stakeholders are accessing information and have used it in developing/initiating projects: <b>15</b>	At least 7 countries in the ESCAP region namely Pakistan, Bangladesh, The Philippines, Sri Lanka; Mongolia and Indonesia are accessing information and have used it in developing/initiating PPP projects.

Both ESCAP and the ECE have designed and hosted PPP website(s) and have made the PPP resources developed by the Project and partners available to interested parties through those website(s). Further, successful on-line PPP training courses have been run.

The PPP websites established by ESCAP and the ECE are well used for accessing manuals, on-line training and reference materials. However, regional databases of potential PPP projects in member countries have not been established but web links to databases provided by other agencies have been provided. [Further, on-line access to PPP expertise has been limited but interviewees felt that potential demand for such services exists.](#) Similarly, only one country in the ESCAP region has uploaded case studies and information on current practice to the PPP database but in the ECE region the CECI IEP is witnessing an increase in such contributions from the PPP-TOS.

### **3.3 Project Assessment against the Relevant Evaluation Criteria**

This section provides an assessment of the Project in terms of the relevance, effectiveness and sustainability of its outcomes.

#### **3.3.1 Relevance**

**The Project has been rated as HIGHLY RELEVANT.**

The outcomes of the Project have been appropriate in terms of the regional commissions' priorities. The Seoul Declaration has confirmed the relevance of the Project's activities and outcomes in the ESCAP region whilst the ECE have been given a strong mandate with a clear policy rationale, through the CECI, to increase the expertise of governments to identify, negotiate, manage and implement successful PPP projects. All three regional commissions have established the principles of furthering cooperation and partnerships with international and regional organizations and the building of a network of experts in their programmes of work to support PPPs.

Almost without exception the feedback received has shown that stakeholders have found the concepts, methodologies, tools, resources and training materials produced by the Project to be useful and highly applicable.

The global financial crisis which arose during the Project has meant that many countries now face greater challenges in finding ways to finance infrastructure projects and basic service provision. In response there is a widely held view that PPPs remain particularly relevant in creating infrastructure facilities and even more important in the current financial and economic environment. It is possible that this will lead to greater emphasis on partnership arrangements that bring together more of the public sector's financial resources and the private sector's management and technical expertise to create infrastructure facilities particularly in the more capital intensive sectors such as transport.

In addition, many governments are emphasizing infrastructure development in their economic stimulus packages to overcome the current economic and financial crisis.

In consequence, the current economic environment and the associated policy responses highlight the need for countries to increase their efforts to create and sustain an environment that is conducive to PPPs which, in turn, means that the Project's outcomes will remain highly relevant.

### **3.3.2 Effectiveness**

**The Project has been rated as EFFECTIVE in most areas.**

The real effectiveness and impact of many of the activities of the Project can only be assessed over a longer period of time when it will be possible to discern whether or not governments have introduced new PPP policies, strategies and concrete measures. Significant progress has however been made in bringing governments and PPP practitioners together to discuss relevant issues; agree on principles and formulate new methods.

Project reporting has tended to follow the procedures under the logical framework of management with outcomes being recorded, in an annual report, against the Project log-frame. A number of activities that have not been funded by the Project have been attributed as a Project outcome. The actual value of such reports is limited for the purposes of planning, monitoring and impact assessment. **Nevertheless, the evaluation revealed that planned outputs have been achieved or exceeded in most areas of activity.** Specifically:

- i. Special PPP units have been created in many countries particularly those with economies in transition and those just starting PPP programmes.
- ii. Networks at regional and national levels have been established to forge cooperation between governments, academic and training institutions and the private sector.
- iii. Training institutions and special PPP units have access to training materials and information to support capacity-building of public officials in undertaking and operating PPP projects at different levels (national, sub-national and municipal/local).
- iv. Governments are increasingly aware of the state of their PPP-readiness and should be able to develop, albeit with external support and advice, action plans and strategies to increase their preparedness and improve the governance and strategic management of PPP programmes.
- v. Governments, training institutions, private sector and other stakeholders have access, through web-sites and other media, to up-to-date information on good practices, policies and new developments in PPP.
- vi. **Important policy and institutional changes have been implemented in some countries.**

The project has not, however, to date provided a database on potential PPP projects; sufficient expert support and advisory services to meet the demand from national governments; nor have staff secondments and internships been facilitated. Further, a Global PPP Alliance has not been established but there has been an extensive debate on the establishment of an ‘International PPP Centre’ under the leadership of the ECE.

### 3.3.3 Sustainability

The EQ asked stakeholders about the role that the regional commissions should play in supporting capacity-building and how sustainable these would be without their assistance. Table 13 summarises the results.

<b>Table 13 – SURVEY RESULTS ON THE ROLE OF THE REGIONAL COMMISSIONS</b>			
<b>Survey Question asked of stakeholders:</b>	<b>Rank</b>	<b>Survey Question asked of stakeholders:</b>	<b>Percentage in agreement</b>
What would you like to see as the primary role/focus of the Regional Commissions to support your PPP activities?		Which, if any, of the following could occur without external assistance?	
Providing guidance on best practice	5	Obtaining guidance on best practice	7
Facilitating training/capacity building	1	Training/capacity building	7
Producing training materials/case studies	2=	Producing training materials/case studies	21
Developing networks/partnerships/alliances	4	Developing networks/partnerships/alliances	7
Website development and maintenance	9	Website development and maintenance	71
Hosting regional seminars/conferences/meetings	6	Hosting regional seminars/conferences/meetings	14
Facilitating research on PPPs	8	Research on PPPs	14
Providing PPP experts	2=	Acquiring PPP experts	14
Facilitating staff exchanges/internships	7	Facilitating staff exchanges/internships	7

Facilitating training; producing training resources and providing PPP experts were seen as the primary roles of the regional commissions. [The provision of guidance on best practice; capacity building; network development; and, the facilitation of staff exchanges and internships were unlikely to occur, without the support of the regional commissions.](#)

**The project is rated as UNLIKELY TO BE SUSTAINABLE without the continuing support of the regional commissions and donors.**

### **3.3.4 Other Observations**

Respondents and interviewees made other observations as follows:

- i. Challenges for countries with economies in transition remained largely the same as before the global financial crisis, the most important one being the need to build institutional capacities to undertake efficient PPPs;
- ii. The economic crisis has created opportunities for governments to reconsider their mid-term tasks and priorities, in particular creating an opportunity for formulating effective regulatory environment in new market conditions;
- iii. Policy dialogue, legal and regulatory reforms, the building of new and strengthening of existing institutional capacity should be key responses to the global financial coupled with the emergence of non-conventional financing for PPPs;
- iv. The economic crisis necessitated improvement in national legal and regulatory frameworks to better attract scarce funds; and,
- v. There was a growing recognition of the importance of ‘green’ standards for public-private partnerships which not only contributed to reducing environmental impact, but in addition provide a way to improve functionality, flexibility and durability, achieve higher user satisfaction, improve performance in both design and operation, and lower costs over the lifetime of a project.

## 4 CONCLUSIONS

The evaluation revealed that planned outputs have been achieved or exceeded in most areas of activity. Specifically:

- vii. Special PPP units have been created in many countries particularly those with economies in transition and those just starting PPP programmes.
- viii. Networks at regional and national levels have been established to forge cooperation between governments, academic and training institutions and the private sector.
- ix. Training institutions and special PPP units have access to training materials and information to support capacity-building of public officials in undertaking and operating PPP projects at different levels (national, sub-national and municipal/local).
- x. Governments are increasingly aware of the state of their PPP-readiness and should be able to develop, albeit with external support and advice, action plans and strategies to increase their preparedness and improve the governance and strategic management of PPP programmes.
- xi. Governments, training institutions, private sector and other stakeholders have access, through web-sites and other media, to up-to-date information on good practices, policies and new developments in PPP.
- xii. Important policy and institutional changes have been implemented in some countries.

The Project's outcomes have been rated as highly relevant and, for the most part, effective. The project's outcomes are however unlikely to be sustainable, without the continuing support of the regional commissions and donors.

The other main conclusions and observations arising from the evaluation are as follows:

#### **4.1 Regional and Interregional Cooperation**

The three regional commissions have successfully facilitated regional cooperation and to a lesser extent interregional cooperation in implementing the Project. The Seoul Declaration was a significant achievement in this regard. It is increasingly apparent that the needs of new starters and transitional economies with respect to PPP capacity building are distinct and different from those of the more experienced countries and that countries can learn much from each other's PPP successes and failures. Supporting capacity building for PPPs through regional or multi-country involvement is therefore highly appropriate.

#### **4.2 Project Planning and Implementation**

In planning and implementing the Project there was little attempt to utilise the different but complementary strengths of each commission through a joint programme of work with shared activities. For instance, ESCAP had considerable expertise in the transport sector; in conducting country-level training; in developing training materials and in the training of trainers, all of which were relevant to all three regions. Similarly, the ECE had the ability to quickly establish a network of PPP specialists; provide a platform for a virtual community and utilise its normative work on best practice in PPP development all of which was replicable in the other regions.

The evaluator recognises that there was some interaction between the regions, for example, the on-line course enrolled participants from all three regions; ESCAP prepared a training module on 'Assessing PPP Readiness', which was incorporated in the ECE's 'How to do PPPs' toolkit; and, links to ECE documentation and resources are now featured on the ESCAP PPP website. However, an integrated programme of work with shared activities, may have enhanced the effectiveness and efficiency of the Project. Further, the regional commissions, through a shared work programme, could themselves have demonstrated the virtues of partnership through their own interregional co-operation.

#### **4.3 Multi-Sectoral and Interdisciplinary Integration**

The successful introduction of PPPs requires a well-defined legal and regulatory framework, high level of political commitment, financial support as well as effective allocation of risks. Thus, PPP programmes are multidimensional and often involve multi-sector and multi-ministry responses. PPPs are also inter-disciplinary and require the support of legal and financial experts,

economists, managers, and technical specialists. In this regard, the Project has successfully brought together representatives of planning commissions, finance ministries, sector agencies and other organisations from different disciplines, in an attempt to forge integrated solutions to the challenges facing the regions and individual countries. With their convening power, and access to a range of key ministries, the regional commissions are well placed in bringing the necessary PPP partners together. The workshop held in Dhaka and its outcomes is an excellent example of how the Project has achieved this.

#### **4.4 Project Modalities**

The Project has shown that the regional commissions can add significant value to PPP capacity building in member countries, in the following modalities:

- **Policy advocacy and dialogue** on global and regional developments and critical emerging issues, such as the global financial crisis, which need the urgent attention of their membership.
- **Dissemination of best practice** through information sharing, promoting dialogue between the public and private sectors, advocacy of PPP development and awareness raising on the benefits of PPPs.
- **Regional knowledge networking** to enable their memberships to exchange knowledge and experiences on good practices in a wide range of PPP development issues as a basis for wider regional replication.
- **Training** aimed at strengthening the capabilities of their memberships to formulate and implement effective PPP development policies and programmes. In particular, training of public and private sector stakeholders through the development of toolkits, training modules, elaboration of national-level capacity-building programmes, training workshops and seminars and facilitating knowledge transfer in this area.
- **Advisory services and other technical assistance** including policy and project advice by assisting governments in establishing PPP Units, improving coordination among different public institutions and agencies involved in PPPs, assistance in developing PPP policies and strategies, as well as identification of appropriate projects and their subsequent financing and implementation.

The challenge lies in how to create and sustain synergy between the modalities to ensure that the activities and outcomes are coherent and remain relevant to stakeholders. In response, the ECE

by establishing the TOS-PPP has created a forum for engaging and building dialogue and consensus which may be replicable in other regions.

#### **4.5 Projects versus Programmes**

The activities conducted under the Project, by the ECA and ESCAP, were effectively the entirety of their PPP work during this period. However, the activities of the ECE, which were funded by the Project, formed part of its larger on-going PPP Programme which has been developed from a long term plan to meet higher level strategic developmental goals. The efficiency, sustainability and longer term impact of the ECA's and ESCAP's PPP work will be limited as long as they continue to support member states by operating in a project mode.

#### **4.6 Results-based Management**

The Project has been managed in accordance with the requirement for results-based management and has employed the log-frame method of planning and monitoring. As a result, clear objectives, expected accomplishments and indicators of achievement have been articulated. One limitation however, is that the methodology places more emphasis on the immediate deliverables by the secretariats and less on the expected capacity increases and intended behavioural changes of the stakeholders. The latter are long term and more difficult to measure or attribute to the Project.

#### **4.7 Global, Regional and Sub-Regional Knowledge Sharing**

The Project did not establish a Global Alliance, of PPP stakeholders, as expected. This may have been because the need, rationale and purpose of the alliance had not been fully articulated at the outset. Further, a number of other institutions operating at global, regional, sub-regional and national levels (e.g. the World Bank, ADBI, EPEC and EBRD) are now also providing support, in various ways, for PPP capacity building. In consequence, the strategic position and role of the three regional commissions, in supporting PPP capacity building and knowledge sharing, is unclear. What is clear, however, is that the regional commissions do serve a distinct and important niche in terms of meeting the specific PPP needs of transitional economies and developing countries.

#### **4.8 Knowledge Sharing, Network Development and Virtual Platforms**

The Project has harnessed developments in Knowledge Management Systems; Social Networking and e-learning. Interactive web portals now support network development and knowledge sharing in all three regions. In particular, the IEP is a highly effective information sharing tool for the TOS-PPP network which links seamlessly with the CECI web-site. The latter is used for the dissemination of information and documentation whilst the IEP is effectively a knowledge management system with a number of applications that are relevant to the development of a network of PPP stakeholders. ESCAPs PPP network is similar but suffers the disadvantage of being separate from the UN web site. The Project has demonstrated that the potential of such knowledge management systems is considerable, for example in supporting new modalities such as on-line technical support for emerging PPPs and sub-group working.

#### **4.9 Training and Learning Resources**

High quality resource materials including: primers; guidebooks; study reports; and, PPP readiness self assessment tools have been prepared and widely disseminated through training events and the various PPP websites. Relevant PPP process-flow and case studies have been prepared and used in training courses to provide valuable insights into the practicalities and problems of PPP implementation and possible solutions.

Workshops, conferences and on-line courses have been held to support training in PPPs in collaboration with relevant academic and training institutions. In addition, study tours have been undertaken and a limited number of advisory services have been provided.

The training materials, learning resources and training activities have been well received and generally viewed as adding value for participants by improving their professional performance. However, internships, work shadowing and staff secondments have not as yet been planned.

#### **4.10 Private Sector Involvement**

A key issue that was raised, in undertaking the Project, was what should be the precise role of the private sector? The question related to involvement in individual activities as well as to involvement within an intergovernmental body such as the TOS-PPP? It is clear, from the Project, that the private sector has vast accumulated experience that can be of immense use to

countries embarking on PPP programmes. Moreover, the private sector is beginning to organize itself in many countries, setting up PPP Associations or Clubs, some of whom do provide PPP capacity building.

Subject to certain safeguards, working with the private sector in policy analysis and capacity building is both desirable and potentially beneficial to both the public and private sectors.

#### **4.11 Country Ownership**

PPP development is a process of societal transformation, and successful transformation must come from within the country itself. Many countries have introduced legislative and regulatory measures and created institutional mechanisms to facilitate PPPs. However, implementation remains a challenge, mostly due to the lack of capacity of public authorities to deal with these types of projects. Continuing support, from the regional commissions, will be necessary to support the governments of many developing countries to take stronger leadership of their own PPP development policies, and engage with their parliaments, ministries and citizens in shaping those policies.

### **5 RECOMMENDATIONS**

Much has been achieved since the Project commenced in 2006 but significant new challenges have also emerged. Specifically, the growing scarcity of public funds, as a result of the global financial crisis, has significantly increased the level of government interest in PPPs as a means of financing infrastructure development and the provision of services, and of securing the required management skills and technology transfer. In addition, PPP projects are now expanding into new areas, such as local-level infrastructure and not-for-profit projects, particularly in the area of culture and education. This, in turn, has resulted in the creation of innovative financing solutions between banks and institutional investors. Further, it has become increasingly important to ensure support, when implementing PPPs, from all stakeholders, including direct beneficiaries, as well as local communities and public interest groups that may be either directly or indirectly affected.

The evaluation indicates that many countries will continue to need the support of the three regional commissions if they are to create and sustain an environment that is conducive to PPPs.

It is therefore strongly recommended that the regional commissions, subject to funding being available, continue to support PPP capacity building through knowledge sharing, advisory services and training. In support of this recommendation the secretariats should consider the following:

### **5.1 Strategic Positioning**

The regional commissions have particular strengths in supporting transitional economies and countries that are embarking on PPPs. In the light of the growing participation of other global, regional and sub-regional organisations, in PPP capacity building, the regional commissions should now clearly define their ‘niche’ in terms of role and function. By identifying and cataloguing their achievements, strengths and weaknesses and comparing their roles; activities and modalities with those of the other ‘players’, the three regional commissions should be able to confirm their respective strategic position in the ‘market place’ of providers of PPP capacity building.

### **5.2 Adopting a Programme Approach and Working through Teams**

ESCAP and the ECA should consider the merits of a programme based approach to capacity building for PPPs as adopted by the ECE. In dialogue with the ECE the applicability of creating and working through a TOS-PPP should also be given serious consideration. It is necessary for the ECA and ESCAP to develop longer term strategies and programmes for their involvement in the PPP development process.

### **5.3 Collaboration between the Regional Commissions**

The collaborating commissions should share knowledge of lessons learned from their respective PPP activities; consult each other in PPP policy dialogue and planning where feasible and appropriate; explore the potential for resource sharing particularly in KMS; co-financing programmes and projects; and, consider the possibility of staff exchanges and secondments.

In addition, they should make arrangements to deposit copies of all PPP publications and resource materials for reference purposes with their counterparts' libraries; post notices on each other's PPP websites of training; networking and other PPP capacity building activities. Reciprocal invitations to attend relevant meetings and capacity building events should be extended.

#### **5.4 Strategic Partnerships**

The regional commissions should convene meetings with likely UN and other potential partners to assess the scope for cooperation and synergizing building on each others niches and strengths. The aim should be to strengthen their strategic partnerships to allow them to broaden and deepen their support for regional PPP capacity building in each mode of operation; avoid duplication of effort and support; and, improve the service provided to stakeholders. Further, it could allow the regional commissions to add more analytical work including statistical reviews; benchmarking; and, data on PPP projects to the services provided. Important partnerships could be formalized through Memoranda of Understanding (MoU).

#### **5.5 Improving the Performance of PPP Units**

Private sector investment and participation in infrastructure needs to accelerate. To achieve this, specific and quantifiable targets with timescales need to be established, for improving the performance of governments and PPP units, in key areas such as:

- The structuring of a PPP project pipeline;
- The PPP project selection process;
- The prioritization of PPPs within the budgetary planning process;
- Improving closing and delivery;
- The overall public management process of the PPP program;
- Building capacity at sub-national and provincial levels; and
- Embracing new applications for PPPs.

The aim should be to identify EAs for future capacity building activities that are related directly to improving PPP performance in-country. In this regard, the progress made by countries, in the

ESCAP region, in implementing their commitments in the Seoul Declaration, should be assessed.

## **5.6 Training and MP3IC**

The ECE's 'How to do PPPs' toolkit, once completed, and ESCAP's on-line course will have important potential commonalities with the new core-learning program on PPPs of the World Bank Institute (WBI) and its partners including the ADBI. The Multilateral Public-Private Partnerships for Infrastructure Capacity-Building Program (MP3IC) includes a graduated series of problem-oriented and interactive multimedia training modules that can eventually be integrated within relevant certificate and/or degree programs offered by national, regional, and international academic institutions with globally validated quality assurance mechanisms.

MP3IC is viewed as complementary to regional and national training and capacity building in the public sector. In this context, national systems of training, for PPP stakeholders, are strong candidates for becoming partners and sustaining this initiative over time.

The regional commissions should evaluate the MP3IC initiative and consider the scope for resource sharing and the potential for introducing new and innovative methods of delivering PPP training.

## **5.7 Developing a Knowledge Portal and Unity Exchange**

The PPP websites, IEP and PPP networks need to be developed into PPP Knowledge Portals that will facilitate:

- PPP e-learning programmes in video and other interactive formats; readiness assessment and other toolkits;
- New methods of bilateral and multilateral communication such as interactive video dialogues; and,
- The establishment of a Unity Exchange for on-line dialogue between PPP practitioners to enable global, regional and national experience sharing on PPP policy, planning and implementation.

The potential of these platforms and their relationship with developments in social networking systems should also be explored.

## **5.8 Network Development and Engaging the Membership**

To strengthen the embryonic PPP networks that have been established ways need to be found to engage members in expanding the functionality and use of the platforms created. Guidance needs to be given on how members may participate effectively in supporting the virtual communities; partake in discussions; contribute case studies; create sub-groups for specific purposes; establish smart partnerships; and, use social networking systems to good effect. The aim should be to encourage peer-to-peer interaction and increase the nature and frequency of contacts between members perhaps using focal or nodal points in countries initially.

## **5.9 Strengthening Technical Support and Advice**

For countries that are about to embark on PPPs, the key challenge is how to implement a successful PPP programme. The regional commissions and donors should consider ways of offering governments getting started in PPPs more comprehensive and tailored expert support for up to 3 years on such matters as: establishing a PPP strategy and strategic framework; formulating the necessary internal policies and procedures; coordinating between government departments; planning the roll out of the programme nationally and locally; and on ways of involving the private sector. Projects supported in this way could become demonstration projects for other regions and/or sectors within the country.

Typically, the activities that could occur would be high-level advisory missions to orientate governments on the route to take and the provision of an essential collection of materials on legislation requirements, bid documentation, concession contracts, financing details, etc. that will be required to implement the initial projects. In undertaking such technical cooperation the EAs should focus on improving government's performance in implementing PPP programmes and projects in terms of quantity and quality.

The TOS-PPP has recently proposed the establishment of an International PPP Centre for the above purpose which could offer services on a regional or interregional basis. The concept should be evaluated in the other regions. Funding such a venture needs further consideration but there may be scope to use the PPP model, as adopted by PartnershipsUK, and for fee generation in order to improve its sustainability.

### **5.10 Learning by Doing**

Training should be linked to PPP project delivery. Internships and staff secondments could be used, as part of technical cooperation programmes, as a means of transferring the skills required to launch a PPP programme and to develop and implement a pipeline of PPP projects. This ‘learning by doing’ approach would extend and deepen the skills and knowledge acquired through courses and workshops.

### **5.11 Involving the Private Sector**

The regional commissions should explore further ways of working with the private sector, for legitimate mutual benefit, in policy development, analysis and capacity building activities.

### **5.12 Embracing New PPP Applications**

PPP projects are now expanding into new areas, such as local-level infrastructure and not-for-profit projects, particularly in the area of culture and education. Knowledge gained in the Project needs transferring as appropriate to the new PPP applications.