Building an Initial PPP Pipeline

Full Description

In countries with relatively new PPP programs, project selection often means sifting through the project concepts generated by sector agencies and screening them for PPP potential using the approach described in Screening for PPP Potential. In this context, governments may consider additional criteria in deciding which potential PPP projects to develop first. Often, at this stage, the priority is to build experience and momentum in the PPP program by achieving project successes in a relatively short timeframe.

Several factors may feed into this process. For example, the **Philippines PPP Center** notes that projects in its PPP program pipeline (on its PPP List) were selected based on the following criteria:

- **Project readiness and stage of preparation**—some projects were more developed than others before being proposed as PPPs, reducing the remaining project development costs.
- **Responsiveness to the sector's needs**—the order of implementation of PPP projects needs to be aligned with overall sector priorities within the strategic plan—in other words, PPPs should be central to the development of the sector, not peripheral projects whose benefits may turn out to be marginal, or which may distract from strategic priorities.
- **High implementability**—prioritizing PPP projects with a high likelihood of success, that are considered most likely to attract private sector interest, and for which there is a precedent in the local or regional market.

PPIAF (PPIAF), in its Rapid Support Framework, includes consultancy services for pipeline diagnostic and project prioritization. The **Caribbean PPP Toolkit** (Caribbean 2017, Module 3, Section 4) presents guidance on pipeline identification and its common challenges.

In an **interview with the Reason Foundation** (Gilroy 2011), the Director of the Puerto Rico PPP Authority also describes how the Authority initially prioritized PPP projects that were most ready to go to market, as well as ensuring that these corresponded with overall policy priorities (such as brownfield school PPPs).

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Structuring PPP Projects
Designing PPP Contracts
Managing PPP Transactions
Managing PPP Contracts
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