

PROMOTING INFRASTRUCTURE AS AN ASSET CLASS

The development of sustainable infrastructure, whether through public-private partnerships (PPPs) or public procurement, requires a wide range of considerations and decisions to be taken into account. These include understanding the demand for services, setting a price that is affordable for both consumers and governments, and assessing and mitigating the environmental and social impacts of projects. In the case of PPPs, these decisions need to be made while also meeting the expectations of investors, developers, and financiers.

Infrastructure investments are long term and not easily recoverable. Infrastructure services, in turn, often are at risk of becoming monopolies. As a result, long-term sustainability is of utmost importance.

The World Bank Group, together with its development partners, has started to identify what makes a project sustainable, and to codify these characteristics into “standards” or “best practices.” The tools presented here showcase our efforts to empower better decision-making through standardization, and address a wide range of issues along the project-development life cycle. These include:

- How to prioritize investments in a transparent and justifiable manner
- How to establish transparent approaches for deciding how to procure a project, based on clear affordability, pricing, and efficiency assessments and assumptions
- How to assess institutional capacity and project readiness using standard mechanisms
- How to conduct a robust risk assessment, including valuing and managing contingent liabilities for PPPs and other investments within a fiscal framework
- How to provide information in a standardized format through common portals
- How to manage unsolicited proposals using standard approaches
- How to develop frameworks for disclosure and transparency in PPPs, from service standards to contracts to performance, possibly including standard contract clauses

In some cases, PPPs are the right approach, while in others, they may not be the best way to deliver a particular infrastructure service project. We are committed to the goal of developing the most useful standards that are inspired and informed by stakeholder needs and feedback from regular consultations.

Find the tools at:



pppknowledge.org/tools

1

INFRASTRUCTURE PLANNING & PRIORITIZATION

How should governments prioritize public and private projects?



Infrastructure
Prioritization
Framework

Infrastructure
Resilience

2

INSTITUTIONAL CAPACITY

How can a country create a sound institutional, legal, and regulatory environment to attract the private sector?



Country PPP
Readiness
Diagnostic

Procuring
Infrastructure
PPPs 2018

3

PROJECT PREPARATION & STRUCTURING

How should projects/programs be prepared and structured so that they are bankable, affordable, and offer value for money?

PPP
Fiscal Risk
Assessment

Project
Readiness
Assessment

PPP
Screening
Tool

SOURCE

Guidelines
for Managing
Unsolicited
Proposals

4

TRANSACTION SUPPORT & CONTRACT MANAGEMENT

How do governments get the capacity and best practices to execute a transaction effectively and efficiently and get a fair deal?



Guidance
on PPP
Contractual
Provisions

Framework
for Disclosure
in PPP
Projects



INFRASTRUCTURE PRIORITIZATION FRAMEWORK

This tool was developed to help governments to systematically prioritize infrastructure investments to achieve their development goals, even with limited capacity and public resources. To rank and compare proposed infrastructure investments, the tool uses a multi-criteria approach synthesizing social, environmental, financial, and economic factors.

How can this tool help you?

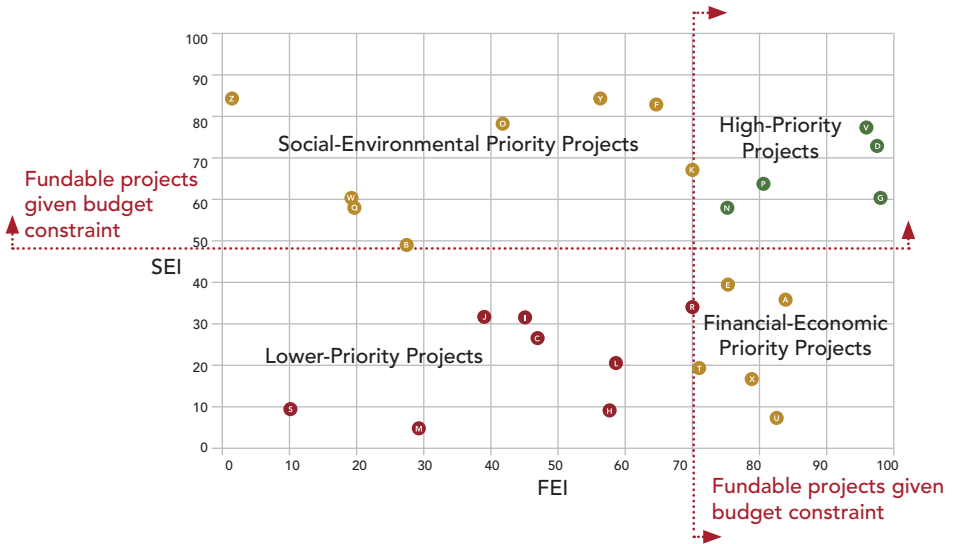
While a full cost-benefit analysis can be used to soundly appraise and compare project proposals, this approach is not feasible when governments have limited capacity, and the number of proposals is large. In this context, the tool provides governments with a way to prioritize investments that uses a minimum amount of relevant project-level information, thus improving the infrastructure decision-making process.

How it works

The tool prioritizes projects through two composite indicators: (i) a social-environmental index synthesizing social and environmental criteria, and (ii) a financial-economic index condensing financial and economic variables. A sensitivity analysis is used to establish the weights of the criteria to compute these indicators. In view of government budget constraints, the tool maps proposed infrastructure investments into four quadrants: high priority, social-environmental priority, financial-economic priority, and lower priority.

Status

The IPF has been piloted in Argentina, Chile, Panama, Sri Lanka, and Vietnam.



Case study

Most recently the IPF was piloted in Sri Lanka to inform the selection of water-supply investments.

A set of 28 proposed water supply projects were prioritized at the request of the National Planning Department of Sri Lanka, based on the consideration of multiple policy goals. The social and environmental index consisted of factors such as existing safe-water coverage; jobs creation; poverty levels; reliability of existing water supply; and prevalence of water-borne diseases. On the other hand, the financial and economic index consisted of estimates of the benefit-cost ratio, the implementation risk for the projects with respect to water extraction, as well as the existing network efficiency. In addition to the financial evaluation, the cost-benefit ratio also accounted for the economic benefits accruing from the time saved during water collection; monetary savings from the reduction in purchases of drinking/cooking water from private suppliers; and health benefits attributable to reduced instances of waterborne diseases and chronic kidney-disorder cases.

Therefore, using a multi-criteria decision-making tool such as the IPF allows for many policy goals to be simultaneously accommodated in the decision-making process, while maintaining objectivity in the evaluation methodology.



INFRASTRUCTURE RESILIENCE

Infrastructure resilience encompasses the ability of a system to minimize loss of functionality and to recover functionality after a disruption. A methodology has been developed to incorporate elements of resilience in the infrastructure planning process, and this tool is a practical approach to apply this concept to the project level.

How can this tool help you?

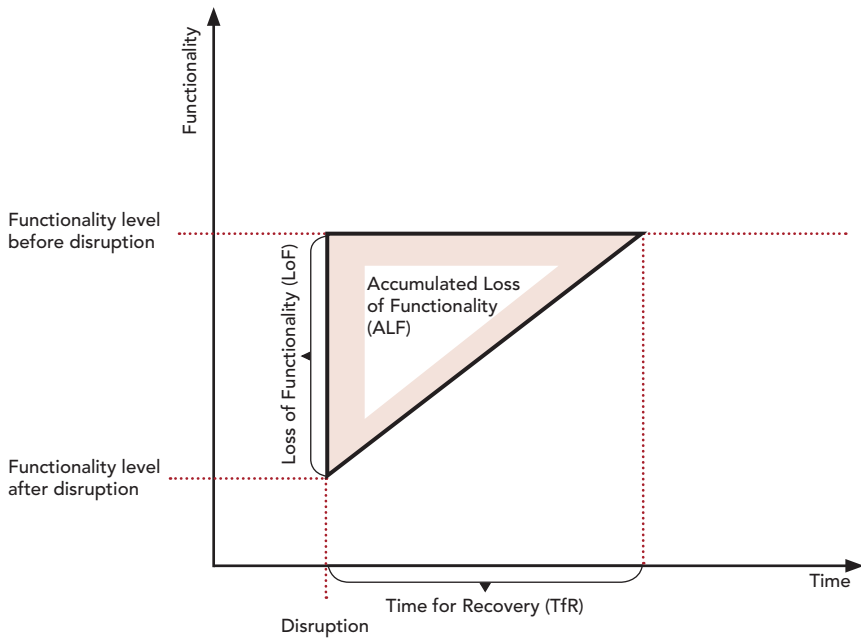
Countries that are vulnerable to climate change or at risk of natural disasters must consider various aspects of disaster-related risk in infrastructure planning and investment decision-making. This methodology complements the infrastructure planning process by making explicit some of the potential benefits of proposed projects in terms of their abilities to increase the resilience within an infrastructure sector. These potential benefits can then be taken into account to guide investment decisions.

How it works

The tool identifies indicators related to the key dimensions of functionality for the specific infrastructure sector. The methodology measures the functionality changes before and after a disruption, such as a landslide or a flood, with and without the proposed infrastructure project. The resulting information can be used to compare infrastructure proposals and to prioritize those that have lower loss in functionality after a disruption, or those that contribute more to the overall system's level of resilience.

Status

The use of infrastructure resilience for prioritization in different sectors will soon be piloted in the Pacific islands.



How is the tool being used?

The concept of infrastructure resilience has been developed in detail for road transport projects. The different dimensions of functionality for roads have been identified as travel time and road utilization (as reflective of economic functions), and provision of emergency services and provision of relief goods (as part of life-saving functions).

Economic functions can be assessed by comparing the traffic volume over time, while life-saving functions can be evaluated by comparing the percentage of people who can access major hospitals within 30 minutes, as well as the number of isolated populations. These are assessed under ordinary and disrupted states, with or without the proposed project. The resulting estimates allow governments to see which scenario leads to least functionality loss, reflecting higher overall project resilience.



COUNTRY PPP READINESS DIAGNOSTIC

This tool assesses a country's readiness to implement public-private partnerships (PPPs) by reviewing the PPP environment and comparing it to global best practices to determine areas that require change or improvement. The assessment is specifically focused on what countries need to do to be able to develop, procure and implement projects.

How can this tool help you?

Each part of the tool aims to assess whether it's possible to develop and implement PPPs given the country's framework, and whether any gaps can be identified which may impede the development and implementation of projects. It recommended immediate, short- and medium-term actions to help governments create an enabling environment and a pipeline of bankable projects.

How it works

The assessment is organized around 10 key sections: country snapshot; PPP experience; stakeholder support and ownership; legislative and regulatory framework; institutional framework; funding and fiscal risk; access to finance; audit and disclosure; gaps assessment; and diagnostic road map.

There are three phases: (i) desktop preparation, (ii) on-site due diligence, and (iii) strategy definition. Each phase presents a set of key questions or due diligence checklists. The process culminates in the development of a Diagnostic Review Report, including a customized PPP strategy and/or specific action plan.

Status

The Country PPP Readiness Diagnostic has been piloted in several countries and has most successfully been used in conjunction with the Project Screening Tool.

How it's being used

The Country PPP Readiness Diagnostic has been used in countries such as Jordan, Lebanon, Rwanda, Uganda, and Zambia. It is expected to be used over the next few months in Malawi and Zimbabwe as well.

In Uganda the diagnostic was completed and presented to stakeholders in the space of three months. All of the recommendations were accepted by the Government of Uganda, and several of these are currently being implemented as an Energy for Opportunity initiative funded by the United Kingdom's Department for International Development. The recommendations being implemented include: drafting PPP guidelines; strengthening the PPP unit; creating institutions and methodologies for assessing and managing fiscal commitments and contingent liabilities; implementing a comprehensive capacity-building program for government officials; improving transparency; and working on mobilizing long-term local currency financing through institutional investors using specific financing instruments such as bonds. An additional program of technical assistance from the Public-Private Infrastructure Advisory Facility (PPIAF) is also expected to implement some of the remaining recommendations in the near future.





PROCURING INFRASTRUCTURE PPPs 2018

Procuring Infrastructure Public-Private Partnerships (PPPs) 2018 assesses the regulatory frameworks that govern PPP procurement across 135 economies. By benchmarking 135 economies with respect to good practices in four thematic areas, the report aims to inform decision making on the design of PPP procurement policies and regulations, and to help countries improve the governance and quality of PPP projects.

How can this tool help you?

PPP projects are gaining momentum globally as a means for delivering infrastructure. However, many economies have yet to adopt broadly-recognized good practices to prepare, procure, and manage PPPs. This report flags potential improvements that can help governments fill the gap in an effort to provide better PPP procurement and enable better infrastructure service delivery to all.

How it works

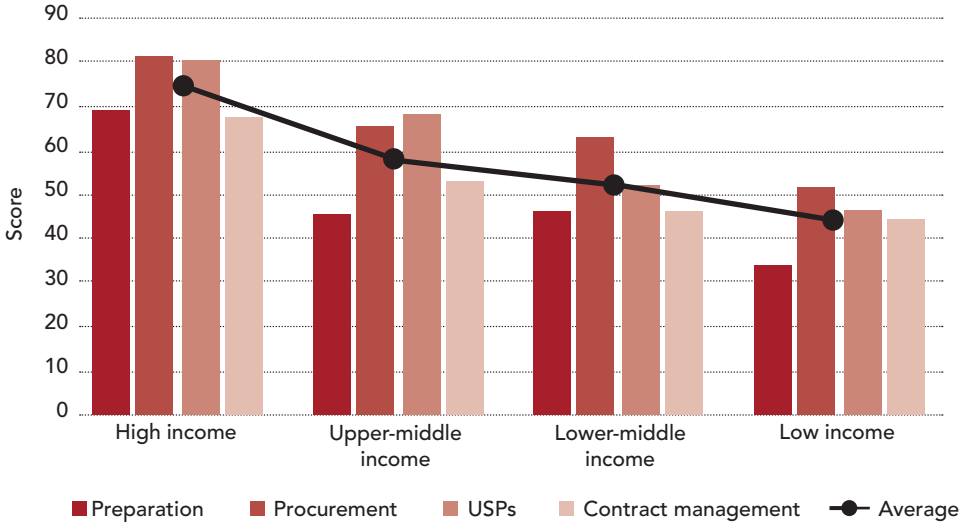
Government capabilities to prepare, procure, and manage such projects are important to ensure that the expected efficiency gains are achieved. This report provides an assessment of the regulatory frameworks and recognized practices that govern PPP procurement across 135 economies.

The report is organized according to the three main stages of the PPP project cycle: preparation, procurement, and contract management of PPPs. It also examines a fourth thematic area: the management of unsolicited proposals (USPs). Using a highway transport project as a guiding example to ensure cross-comparability, the report analyzes national regulatory frameworks and presents a picture of the procurement landscape at the beginning of June 2017.

Status

This reports follows on the footsteps of Benchmarking PPP Procurement 2017, but expands its reach from 82 to 135 economies.

Scores by area and income-level group (score 1-100)



 library.pppknowledgelab.org/documents/5453



PPP FISCAL RISK ASSESSMENT MODEL (PFRAM)

PFRAM is an analytical tool to assess the potential fiscal costs and risks arising from public-private partnership (PPP) projects. Assessing a PPP involves both gathering specific project information and making judgments about the government's role at key stages of the project cycle. PFRAM provides a structured process for gathering this information in an Excel platform. It is designed mainly for PPP units.

How can this tool help you?

In many countries, investment projects have been procured as PPPs not for efficiency gains but rather to circumvent budget constraints and postpone recording fiscal costs. Hence, this resulted in projects that either could not be funded within the budgetary envelope, or that exposed public finances to excessive fiscal risks. As a result, PFRAM has been developed as an analytical tool to quantify the macro-fiscal implications and potential fiscal risks of PPP projects.

How it works

The tool provides a structured process for gathering information for a project and then presenting outputs according to international accounting and statistical standards:

- Private partner cash flows (expected) - Only to check
- Public financial statements - Government income statement, balance sheet and cash statement (cash and accrual)
- Macroeconomic impact - Charts comparing fiscal situation with and without project
- Fiscal risk matrix - Fiscal risk retained by the government (risk heat map)
- Sensitivity analysis - Nominal exchange rate and GDP

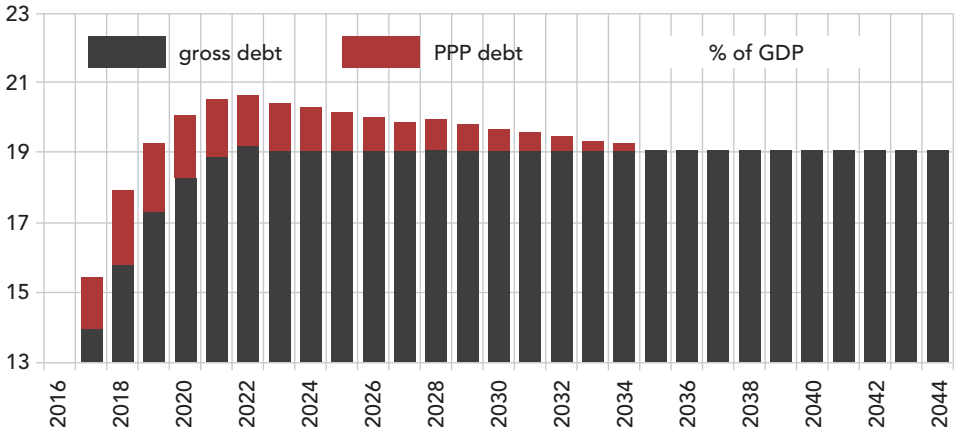
Status

Three pilots have been conducted, demonstrating that PFRAM works accurately to assess fiscal impacts and risks.

How is PFRAM being used?

Below are some of the results from the tool for a power and heating plant to be implemented as a build-operate-transfer (BOT) project for a period of 30 years, with total costs of \$2 billion and with funding obtained from a government-owned offtaker, and later on from consumers.

Government gross debt with/without PPP project liabilities



FISCAL RISK ASSESSMENT AND RATING							
FISCAL RISK CLASSES			LIKELIHOOD	FISCAL IMPACT	RISK RATING Likelihood*Impact	MITIGATION STRATEGY	PRIORITY ACTIONS Rating*Mitigation
1	Governance risks	Details	High	High	Critical	NO	Critical
2	Construction risks	Details	Medium	Medium	Medium	NO	High priority
3	Demand risks	Details	High	High	Critical	NO	Critical
4	Operational and performance risks	Details	High	High	Critical	NO	Critical
5	Financial risks	Details	Low	Low	Irrelevant	YES	No action required
6	Force majeure	Details	Low	Low	Irrelevant	NO	No action required
7	Material adverse government actions	Details	Medium	Medium	Medium	NO	High priority
8	Change in law	Details	High	Medium	High	NO	High priority
9	Rebalancing of financial equilibrium	Details	Low	Low	Irrelevant	NO	No action required
10	Renegotiation	Details	High	Medium	High	NO	High priority
11	Contract termination	Details	Low	Low	Irrelevant	NO	No action required



PPP SCREENING TOOL

The PPP Screening tool is an Excel-based tool for screening projects to determine whether they are suitable for procurement as public-private partnerships (PPPs), using a combination of qualitative and quantitative inputs. The tool can be customized for country-specific requirements.

How can this tool help you?

The screening tool enables practitioners to identify deficiencies, roadblocks, and areas for improvement in the next stage of development of shortlisted projects. It can also be used as a decision-making tool or a checklist at any stage of the project development process prior to initiation of procurement to ensure that a project is sound.

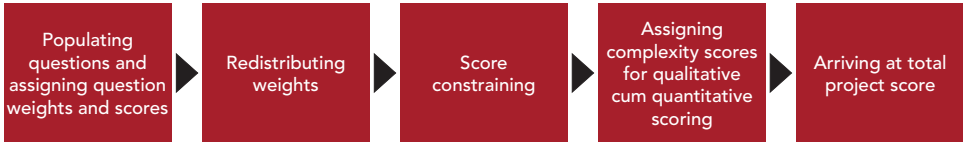
How it works

The tool evaluates a project along six dimensions: strategic suitability; preliminary feasibility; risk assessment; PPP suitability (combination of value-for-money and market appetite); fiscal affordability; and institutional capacity. The user can record responses to questions based on high-level or pre-feasibility studies or an outline business case prepared for the project. The questions in the tool are linked to decision trees and each response is scored by weight, which results in an overall project score and conclusions as to the suitability of the project for a PPP.

Status

Following a public consultation process, the PPP Screening tool is being applied in seven countries.

The Tool's Algorithm



1. The algorithm assigns scores to question responses.
2. Scores are then multiplied by weights for the question and sub-parameters weights to arrive at the parameter score.
3. The parameter scores are multiplied by the parameter weights to arrive at the total score for the project.

Although the mechanics follows a simple algorithm, ratchets that constrain scores at various levels determine the overall score.

How it's being used

In Kenya, the PPP Screening Tool is being used by the government to clean up its pipeline of over 70 projects and choose the next 15 projects (10 at the national level and five at the municipal level) that show initial promise as PPPs. The government has received an additional credit of \$50 million from the International Development Association (IDA), some of which will be used to prepare feasibility studies and provide transaction-advisory support for the 15 projects to be shortlisted for further studies following the screening process. A similar exercise is being undertaken in several other countries, including Indonesia, Malawi, Pakistan, Rwanda, Uganda, and Zimbabwe.

Furthermore, the Government of Rwanda has built the screening tool into its formal PPP process by incorporating it into its own PPP Guidelines, and the Governments of Kenya and Uganda have decided to follow suit.



PROJECT READINESS ASSESSMENT

The Project Readiness Assessment (PRA) is a standardized tool managed and financed by the Global Infrastructure Facility (GIF) that assesses the completeness of project preparation to date, identifies key information gaps, and recommends actions client governments can take to foster robust project preparation, and maximize the probability of reaching project financial close and attaining long-term sustainability.

How can this tool help you?

This tool provides governments with an independent “snapshot in time” assessment of the quality of project preparation work and provides an action plan of recommendations to ensure governments possess the information necessary before taking key investment and tendering decisions. The tool also includes a basic high-level risk assessment for the project. This action plan will then typically form the basis for an application for a full package of project preparation support to the government by the GIF, if desired.

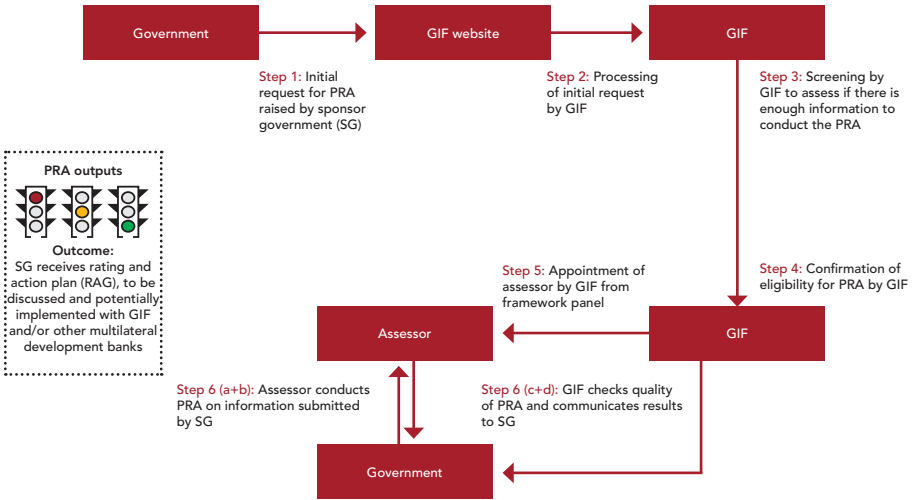
How it works

The tool uses a standard scoring methodology for all projects, and covers six key components, which are scored independently: (i) technical solution; (ii) commercial structure and financing; (iii) affordability; (iv) government; (v) regulatory environment; and (vi) social and environmental impacts. Each component is scored as red, yellow, or green, with green indicating that the project meets international best practice. Assessments are performed by an independent third party, and can be done at either of two times during a project’s preparation: Stage 1, an early stage, pre-feasibility assessment to inform a go/no-go decision for government to proceed with detailed preparation; and Stage 2, a more detailed feasibility-stage assessment for projects close to procurement/tendering.

Status

The tool was piloted in three countries: Brazil, Ghana, and Namibia.

PRA Process overview



How it is being used?

The planned \$2.5-billion, 130-kilometer São Paulo Intercity Rail (TIC) Line I project consists of a medium-speed passenger rail service between Americana and São Paulo, and includes upgrading, operations and maintenance of an existing commuter rail line. The São Paulo State Government had received several unsolicited proposals for the TIC project, and requested the GIF's assistance to review the proposals, make a high-level feasibility assessment, and provide recommendations for the transaction.

Working with an expert rail consultancy for six weeks, the GIF and a team from World Bank Transport assessed the existing studies and provided a set of strategic recommendations focused on improving the affordability of the project, and ensuring the institutional leadership and coordination necessary to take the project forward as a government-led initiative.

As a result of this flexible, prompt and strategically valuable support, GIF is now providing follow-up assistance to help the government implement the recommendations and action plan. This technical assistance is being implemented jointly by the World Bank and Inter-American Development Bank. GIF resources are focused on adding the commercial input required to take ongoing technical work streams and tailoring their efforts towards the information required for a private-sector financed transaction.





SOURCE

SOURCE enables governments to rapidly develop well-prepared infrastructure projects with consistency and transparency across sectors. The tool helps gather and synthesize data to enhance the quality of project preparation, speed up procurement, and promote dialogue between public and private parties.

How can this tool help you?

Governments can use this online tool to improve the quality of project preparation and understand the necessary steps to advance projects into procurement. SOURCE also allows the private sector to provide input and comments to public-sector agencies as they are preparing a project. And, as projects move into the procurement stage, SOURCE can be used by governments to market their projects to a wider audience and house critical data for bidders to develop their proposals. As a result, SOURCE will help secure financing from a wider range of sources.

How it works

The system guides public-sector agencies through a series of sub-sector templates via a multi-user, secured, and standardized online workspace. The system's immediate connectivity is tailored to the needs of public contracting authorities on a national and subnational basis and allows up-to-the-minute changes and input of additional data.

Status

Since its launch in January 2016, over 1,000 government officials have been trained. SOURCE has over 1,100 active users, with 130 projects under preparation, 20 published projects, and 38 governments using it. SOURCE is actively used on five GIF-supported projects, in Ghana, Lebanon, Liberia and Senegal.

How it's being used

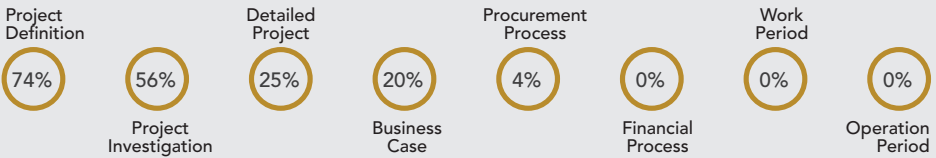
A Bus Rapid Transit (BRT) corridor from Tabarja to Beirut has been proposed as the best and most affordable solution to reduce traffic congestion in the most critical region of Greater Beirut, Lebanon. The BRT corridor will run all the way along the middle of the Northern Highway from Tabarja to Charles Helou bus station. Two rings will provide main access to the downtown area: one outer ring and one inner ring. The outer ring itinerary has about 20 km and the inner ring itinerary has approximately 18 km. The BRT corridor will run for 50 km in total, have 65 stations, and require an operational fleet of 120 articulated buses.

Investment costs include: road infrastructure and stations, terminals and bus depots, buses, and fare collection and fleet management.

The BRT might be structured as a public-private partnership. The implementation of this project is under the responsibility of the Ministry of Public Works and Transport.



Stages



Project Preparation Status (Stages 1-4)

OVERALL

35%

Governance

57%

Technical

56%

Economic

53%

Legal

27%

Financial

0%

Environmental & Social

18%

0%

 public.sif-source.org/





POLICY GUIDELINES FOR MANAGING UNSOLICITED PROPOSALS

When it comes to infrastructure projects, “unsolicited proposals” (USPs) represent an alternative to the traditional project initiation method where the private sector, rather than the government, takes the leading role in identifying and developing a project. The guidelines provide a framework for public authorities to develop and implement sound USP policies that effectively address these challenges.

How can this tool help you?

Unsolicited proposals are an exception to the public procurement method and should be managed and used with caution. Many public authorities across the world resort to USPs motivated by the perspective of solving the challenges brought by their lack of capacity to identify and develop projects. However, many projects that originate as USPs experience challenges, including diverting public resources away from the strategic plans of the government, providing poor value for money, and leading to patronage and lack of transparency, particularly in developing countries. The guidelines provide recommendations as to which processes, regulations and institutions would help ensure that privately-initiated PPPs are subject to the same, or higher, standards as publicly initiated PPPs.

How it works

This initiative consists of three documents: Volume I: Main Findings and Recommendations, a summary and overview of key findings; Volume II: The Guidelines, key policy decisions and considerations for the USP policy; and Volume III: Review of Experiences, best practices and international experience with USP policies, frameworks, and projects. Volumes II and III are to be read in parallel. The guidelines also include a toolkit for additional guidance.

Status

Published in July 2017 with pilot workshops in Uganda and Lesotho, they are now also available in French and Spanish.

Advantages of a USP Policy

Ensure **clarity, predictability, transparency and accountability** for both public agencies and private entities.

Private-Sector Interest

A USP policy provides clarity to USP proponents in terms of the procedures and treatment of USPs, which helps foster and maintain private-sector interest in the PPP program.

Transparency

A USP policy provides guidance to public officials, helping them to process USPs effectively and efficiently using consistent and transparent procedures.

Public Interest

A USP policy helps articulate the government’s policy objectives, ensuring that submitted USPs are in line with the government’s infrastructure priorities and development plans. This may include the USP’s contribution to and impact on nationally determined contributions (NDCs).

Key Policy Decisions in the USP Project Cycle

1. SUBMISSION	2. EVALUATION	3. PROJECT DEVELOPMENT	4. PROCUREMENT
Which agency shall receive USPs?	What criteria should the public agency use to evaluate USPs?	Should the public agency engage the USP proponent in project development?	Should the public agency competitively procure or directly negotiate USPs?
What should be the submission requirements? Should it ask for a review fee?	Which decision-making body will approve projects for the development stage?	How to draft a project development agreement (PDA)	
Should the government have a limited “window” for submissions?			

-  library.pppknowledge.org/5367 (English)
- library.pppknowledge.org/5377 (Spanish)
- library.pppknowledge.org/5378 (French)



A FRAMEWORK FOR DISCLOSURE IN PPP PROJECTS

The framework provides a systematic structure for pro-actively disclosing information regarding public-private partnership (PPP) projects. It can help client countries create effective policies and practices for public disclosure of PPP transactions. The tool was developed at the request of the G-20 and endorsed by them in 2015. A database on disclosure practices in various countries was also developed.

How can this tool help you?

Better literature and guidance on policy and practices for PPP disclosure can increase understanding of disclosure mechanics used by government and private-sector practitioners. This tool can be used to create such policies and practices. It is based on knowledge accumulated from reviews and experience gained through technical guidance.

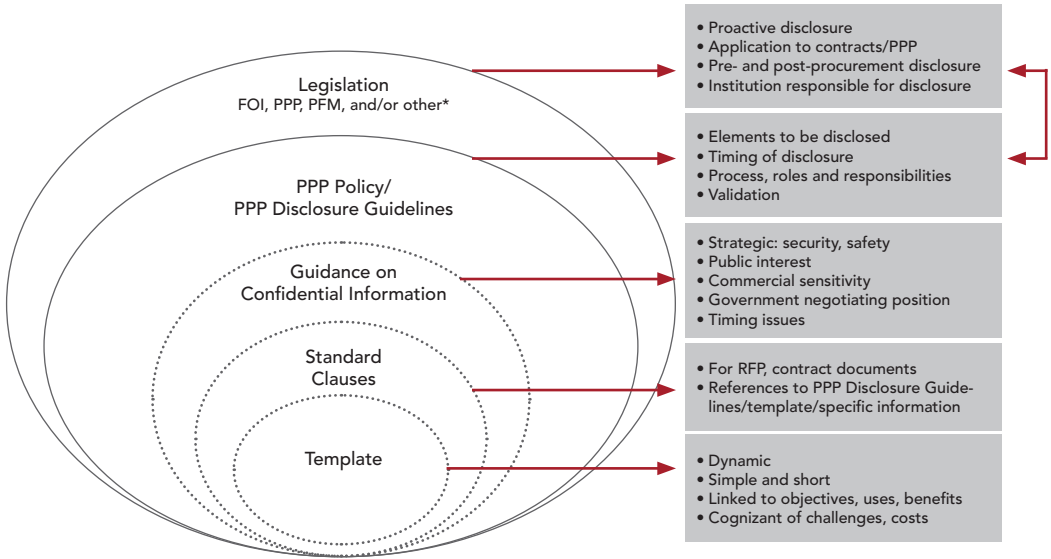
How it works

The tool design is hierarchical including a logical framework which moves from a high-level mandate to disclose towards the basic elements of disclosure.

We recommend it is used by jurisdictions with existing or potential PPP programs—after suitable customization based on program maturity, disclosure status, types of contract structures and payment mechanisms in place, and public-sector capacity. The disclosure diagnostic proposed within the framework can also be used in conjunction with wider open-contracting transparency-related tools.


Status

Two additional documents were prepared to complement the Framework: Jurisdictional Studies and Good Practice Cases. These provide relevant background information and resources.



* freedom of information (FOI), public-finance management (PFM)



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GUIDANCE ON PPP CONTRACTUAL PROVISIONS

The guidance assists contracting authorities, particularly in emerging markets, to better understand selected provisions included in virtually every public-private partnership (PPP) agreement. It also helps contracting authorities to carefully assess issues relevant to their own PPP projects and jurisdictions when drafting such provisions.

How can this tool help you?

Contracting authorities may use the guidance as a means to support them in confidently and efficiently negotiating key aspects of PPP projects and to reduce the considerable time and money often spent on negotiating contractual terms.

How it works

The guidance provides an analysis of and drafting guidance for eight specific contractual provisions typically enshrined in PPP agreements: force majeure material adverse government action, change in law, termination payments, refinancing, lender step-in rights, confidentiality and transparency, as well as governing law and dispute resolution.

In each case, key considerations are outlined. These include differences between legal systems (civil law versus common law) and differences between emerging and developed PPP markets. The guidance also contains a brief overview of financing structures for a PPP; key aspects of risk allocation; PPP payment mechanisms; approaches to ensure bankability; and overall foundations for a successful PPP agreement. The guidance also includes considerations for contracting authorities related to bond-financed and corporate-financed PPP transactions, and how these may affect the drafting of contractual provisions.

Status

The second edition was published in June 2017. A Chinese version will be available spring 2018.

1.4 SAMPLE DRAFTING 1

(open-ended catch-all definition, including concept of foreseeability)

Definition of Force Majeure Event

- (i) In this PPP Contract, a "Force Majeure Event" means any event or circumstance or combination of events or circumstances:
 - (a) beyond the reasonable control of the Party affected by such event, circumstance or combination of events or circumstances (the "Affected Party");
 - (b) which was not foreseeable or, if foreseeable, could not have been prevented or avoided or overcome by the Affected Party having taken all reasonable precautions and due care;
 - (c) which directly causes the Affected Party to be unable to comply with all or a material part of its obligations under this PPP Contract; and
 - (d) which is not the direct result of a breach by the Affected Party of its obligations under this PPP Contract or, in respect of the Private Partner, under any other Project Agreement. [obligations should include compliance with Applicable Law]
- (2) Force Majeure Events include but are not limited to the following circumstances, provided that they meet the criteria set forth in Clause (i) above:
 - (a) plague, epidemic and natural disaster, such as but not limited to, storm, cyclone, typhoon, hurricane, tornado, blizzard, earthquake, volcanic activity, landslide, tsunami, flood, lightning, and drought;
 - (b) fire, explosion, or nuclear, biological or chemical contamination (other than caused by the negligence of the Private Partner, its contractors, or any subcontractor, supplier or vendor);
 - (c) war (whether declared or not), armed conflict (including but not limited to hostile attack, blockade, military embargo), hostilities, invasion, act of a foreign enemy, act of terrorism, sabotage or piracy[, in each case occurring outside the Country];
 - (d) civil war, riot rebellion and revolution, military or usurped power, insurrection, civil commotion or disorder, mob violence, act of civil disobedience[, in each case occurring outside the Country];
 - (e) radioactive contamination or ionising radiation[, occurring outside the Country]; or
 - (f) general labor disturbance such as boycotts, strikes and lock-out, go-slow, occupation of factories and premises, excluding similar events which are unique to the PPP Project and specific to the Private Partner or to its sub-contractors[, and occurring outside the Country].

List of events to be negotiated for the specific Project circumstances, taking into account also whether certain political risks should be treated separately as Material Adverse Government Action or not.

Consequences of Force Majeure Event

- (3) If a Force Majeure Event has occurred, the Affected Party shall be entitled to relief from its obligations under the PPP Contract if it meets the requirements of Clause (4) below.
 - (a) To obtain relief under Clause (3) above, the Affected Party must:
 - (i) as soon as practicable, and in any event within [] (●) business] days after it became aware that the Force Majeure Event has caused or is likely to cause breach of an obligation under this PPP Contract, give to the other Party a notice of its claim for relief from its obligations under the PPP Contract, including (i) satisfactory evidence of the existence of the Force Majeure Event, (ii) full details of the nature of the Force Majeure Event, (iii) the date of occurrence, (iv) its likely duration, and (v) details of the measures taken to mitigate the effect of the Force Majeure Event.
 - (ii) within [] (●) business] days of receipt of the notice referred to in clause (i) above, give to the other Party full details of the relief claimed, as well as information on all actions being taken by the Affected Party to mitigate the consequences of the Force Majeure Event;
 - (iii) demonstrate to the other Party that:
 - (i) the Affected Party, and its contractors, could not have avoided such occurrence or consequences by steps which they might reasonably be expected to have taken, without incurring material cost;
 - (ii) the Force Majeure Event directly caused the need for the relief claimed;
 - (iii) the relief claimed could not reasonably be expected to be mitigated by the Affected Party, including recourse to alternate sources of services, equipment and materials and construction equipment, without incurring material cost; and
 - (iv) the Affected Party is using all reasonable endeavors to perform its affected obligations under this PPP Contract.
 - (b) If the Affected Party has complied with its obligations under Clause (4) above, then it shall be excused from the performance of its obligations under this PPP Contract to the extent it is prevented, hindered or delayed in such performance by reason of the Force Majeure Event.
 - (6) If information required under Clause (4) above is provided after the dates referred to in that clause, then the Affected Party shall not be entitled to any relief during the period for which the information is delayed.
 - (7) The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with the applicable obligations under this PPP Contract. Following such notification this PPP Contract shall continue to be performed on the terms existing immediately prior to the occurrence of the Force Majeure Event.

This period of time needs careful consideration - notice should be issued and allow the affected party a reasonable time to fully develop a mitigation strategy



PPP CERTIFICATION PROGRAM

The PPP Certification Program aims to enhance the performance of public-private partnerships (PPPs) globally by creating a definitive credential for a PPP professional to demonstrate his or her understanding of international PPP good practice. It has been designed to create a consistency of terms used in PPPs and to standardize the process for the delivery of PPP projects worldwide.

How can this tool help you?

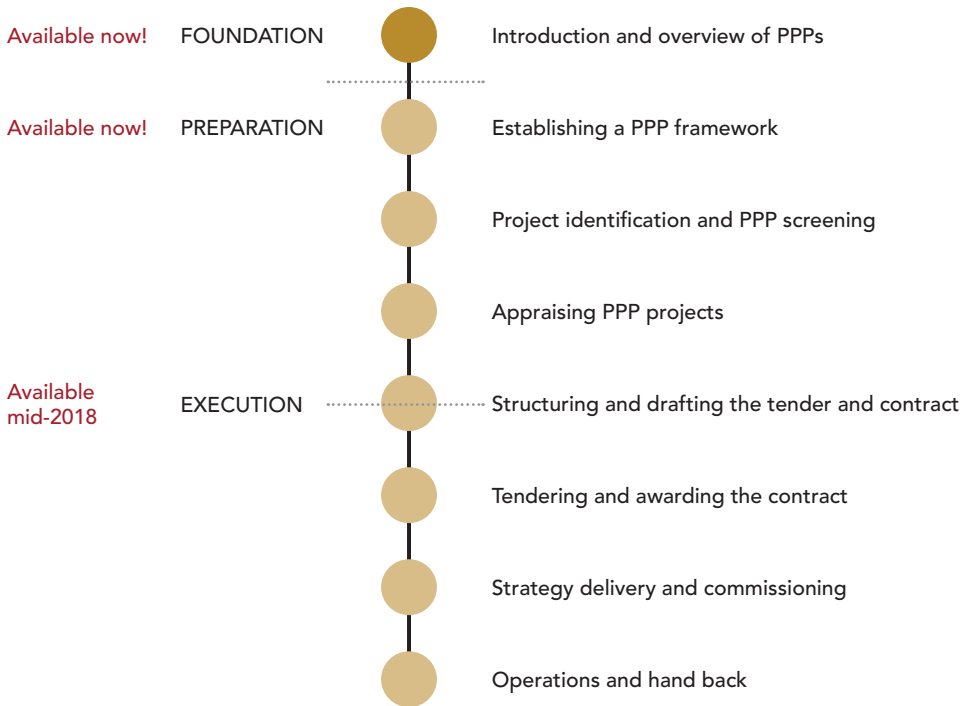
Although the underlying principles of PPPs are the same everywhere, circumstances around the world dictate that government officials apply these principles in ways that are specific to their nation's needs. The PPP Guide (the program guide for the certification) identifies the underlying principles and elements of good practice that are applicable in most circumstances in emerging markets and developing economies, while recognizing the need for local variations. In this respect, the PPP Guide complements existing guidance materials on PPPs prepared by governments and international institutions, such as multilateral development banks (MDBs).

How it works

The certification program comprises three exams: A foundation level exam, and two practitioner level exams—preparation and execution. The foundation exam is a prerequisite for the practitioner level exams. Successful candidates for each exam will be awarded a certificate. Exams follow the life cycle of a PPP.

Status

The foundation exam was launched in 2016 and since then has been taken over 1,100 times in over 50 countries. The preparation exam launched in January 2018, and the execution exam is expected in summer 2018. Seventeen training organizations have been accredited and provide training in Chinese, French and Spanish. The foundation exam and training materials are also available in those languages.



How it is being used?

Many governments have used the certification program as a capacity-building tool for their staff. Nigeria is one example, where four trainings were held recently for federal government staff in Abuja and local government officials in Kaduna State.

An accredited training organization delivered trainings for 80 candidates, and on the last day of the training, candidates sat for the exam. The training complemented an ongoing government engagement for PPP capacity building in Kaduna State, and a PPP Disclosure Initiative with the federal government.

Candidates have reported that the training and exam were useful in creating a common language among staff from different government departments, which help them implement PPPs more effectively.

 ppp-certification.com





PPP REFERENCE GUIDE VERSION 3

Public-private partnerships (PPPs) bring significant opportunities for increasing effectiveness and efficiency in public service delivery, but can be challenging to implement. The PPP Reference Guide provides a solid introduction to all facets of PPPs as well as relevant examples and resources on key PPP topics.

How can this tool help you?

The reference guide synthesizes current knowledge on each major topic on PPPs that policy makers and practitioners should be aware of, and then presents suggestions for further study. It covers the main PPP concepts; PPP policies; the PPP legal and institutional framework; and the PPP project cycle— from project identification and assessment to development, procurement, and contract management. Most relevantly, the references included cover a diversity of PPP modalities and country frameworks, and have been carefully selected by a multitude of partner organizations and PPP experts.

How it works

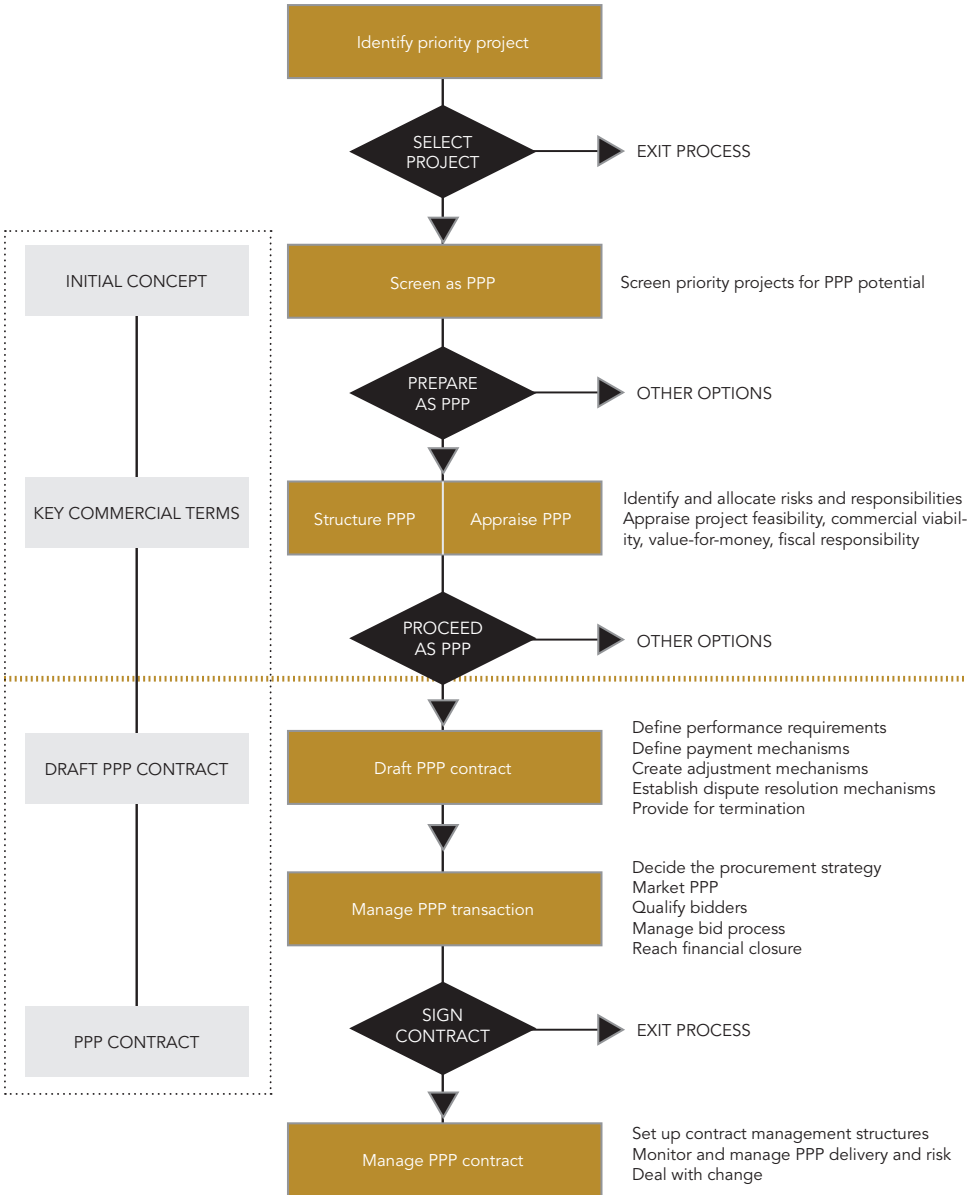
The latest version of the PPP Reference Guide is available as a publication and online as part of the PPP Knowledge Lab; this allows it to be updated regularly and remain topical as the PPP discourse evolves.

The reference guide is available in English, and a Mandarin translation is in development. Version 2 is available in Bahasa, Chinese, French, and Spanish.

Status

The PPP Reference Guide Version 3 was published in April 2017. It was produced by the World Bank Group in association with a growing set of multilateral institutions.

Typical PPP Process



pppknowledgelab.org/guide





PPPs IN INFRASTRUCTURE RESOURCE CENTER (PPPIRC)

PPPIRC was launched in 2006 and remains one of the most frequently visited websites on public-private partnerships (PPPs). PPPIRC provides resources to support the planning, design and legal structuring of PPPs, with a focus on practical sample documents and guidelines that can be adapted for use in implementing PPP transactions or policies.

How can this tool help you?

PPPIRC is designed for government policy-makers, contracting authorities, project sponsors, investors, and their advisors to access a trove of pre-screened documents that are considered good practice when designing or structuring PPPs, from laws and regulations to bidding documents and contracts. These documents include: a comprehensive database of PPP laws and regulations; sample terms of reference for consultants; sample bidding documents; PPP and concession contracts and other project agreements; checklists; toolkits; and sample clauses. Documents are curated by a team of senior legal and technical specialists and come from around the world and in several languages (including English, French, Spanish, Portuguese, Arabic, and Chinese).

How it works

The site organizes documents by agreement type, sector and topic. Sectors covered include: energy and power; transport; water and sanitation; information and communication technologies (ICT), municipal solid waste; and sub-national PPPs. Topics covered include: small and medium enterprises; gender; pro-poor; transparency and disclosure; financing and risk mitigation; and procurement and bidding.

Status

New sectors and topics are added regularly. A section on climate-smart PPPs and fragile and conflict states is forthcoming.



MUNICIPAL SOLID WASTE

Chem Technology | Energy & Power | Municipal Solid Waste | Telecom & ICT | Transportation | Water & Sanitation

Are you financing or structuring public-private partnerships in infrastructure?

The PPPIRC can help. It contains sample public-private partnership (PPP) agreements and concessions, checklists and sample clauses, terms of reference, risk matrices, standard bidding documents developed by government agencies and sample PPP and sector legislation and regulation. Designed for government officials, project managers and lawyers involved in PPP projects in developing countries, it provides international experience and precedents to help you develop a conducive PPP enabling environment, a solid pipeline of projects and structure well PPP project and contracts. It has materials in English, French, Spanish, Portuguese, Arabic and Mandarin Chinese, from initiatives from both developed and developing countries.

What are public-private partnerships?

There is no standard, internationally-accepted definition of a PPP. The term is used to describe a wide range of types of agreements between public and private sector entities, and different countries have adopted different definitions as their PPP programs evolved. [More on public-private partnerships](#)...

SEARCH OUR LIBRARY

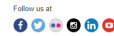
SELECT REGION

SELECT COUNTRY

HIGHLIGHTS

- New section on Inclusion of SMEs in PPPs
- Guidance on PPP Contractual Provisions, 2017 Edition
- World Bank Group Guarantee Products Guidance Note (2016) - now also in Spanish and French
- Now also in Chinese, French and Spanish - Toolkit: Structuring Private Sector Participation (P2P) Contracts for Small Scale Water Projects
- Sub-national & Municipal PPPs
- Just Released - Mobilizing Islamic Finance for Infrastructure PPPs
- The new PPP Reference Guide 3.0 is now online
- Democratizing PPP Procurement 2017

CONNECT



Sub-national and Municipal PPPs



While large infrastructure projects grab the attention of central government, infrastructure investment is important also at the sub-national level. Sub-national entities and governments including municipalities and provinces provide many essential and basic infrastructure services, such as solid waste management, water and electricity, health care, education, urban passenger transport, street lighting. The traditional sources of financing are often inadequate to fund local and regional investment needs and local agencies often lack capacity and resources to deliver quality services. The sub-national entities often hold land in strategic locations which may be attractive to the private sector for commercial development. Private sector engagement through public-private partnership (PPP) projects at the provincial and local level can deliver infrastructure and service improvements at the local level whilst providing opportunities for the private sector.

The scope for municipal and sub-national PPP projects is vast and this section looks at the main sub-sectors where PPPs are being developed, as well as legal and regulatory frameworks at the sub-national level.

- Project Documents by Sub-Sector
- Sub-national and Municipal PPP Laws and Regulations
- Standardized Bidding Documents and Guidance Manuals for Local Governments
- Further Reading Resources
- Relevant Links

Find more PPP references of Sub-National and Municipal at the PPPIRC Library

Advanced Search

Apply

SUB-NATIONAL AND MUNICIPAL PPPS

Sub-national and Municipal PPPs

Project Documents by Sub-Sector

- Energy Saving and Urban Renewable Projects
- Grain Storage
- Health
- Municipal Solid Waste
- Transport and Logistics
- Urban Water Supply

Sub-national and Municipal PPP Laws and Regulations

Standardized Bidding Documents and Guidance Manuals for Local Governments

Further Reading Resources



PPP KNOWLEDGE LAB

The PPP Knowledge Lab (www.pppknowledgelab.org) is a curated and comprehensive resource on public-private partnerships (PPPs) and the first-ever collaborative site developed by the world's leading development agencies. It brings together the most relevant and authoritative resources on PPPs in one location to empower governments and advisors to design and deliver best-in-class projects.

How can this tool help you?

With over 4,000 resources in seven languages from its 15 partners, as well as governments, academia and the private sector, the PPP Knowledge Lab compiles curated and trustworthy knowledge on PPPs all in one place.

How it works

Users can search or browse for a wide range of information on PPPs, including:

- The online version of the PPP Reference Guide Version 3, which includes relevant examples and resources on key PPP topics
- PPP data for over 141 countries, including the legal framework, recent projects and infrastructure indicators
- Sector-level PPP overviews
- Tools and guidelines to make informed decisions around infrastructure delivery and PPPs

Status

Launched in 2015 by the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IaDB), the Islamic Development Bank (IsDB), and the World Bank Group, with support from PPPIAF, the lab's partnerships have expanded to include 15 international organizations. A full list of current partners can be found at www.pppknowledgelab.org/partners.



 pppknowledgelab.org





PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

The Private Participation in Infrastructure (PPI) Database is an online database that tracks private participation in infrastructure projects in low- and middle-income countries at the time of financial close, from 1984 onwards. The database highlights the contractual arrangements used to attract private investment, the sources and destination of investment flows, and information on the principal investors.

How can this tool help you?

By providing critical data and analysis, the database contributes to the public debate on the provision of infrastructure. Since its creation, the PPI Database has been the main information source for trends in private participation in infrastructure in developing countries for a large number of research papers, policy papers, conference papers and other publications. The data available on this website has contributed to critical discussion around what the determinants of successful PPPs are; the role of regulatory and legal frameworks; institutions and governance in the facilitation of private investment in infrastructure; and exploring specific aspects of project and contract design that affect the viability of infrastructure projects. The resources section of the PPI Database hosts publications covering all these discussion topics.

How it works

The site currently provides information on more than 7,000 infrastructure projects. It is updated twice a year with the new data available within four months of the end of the relevant period and catalogs data on 50 fields. The database is based on publicly available information on projects and, as such, should not be seen as a fully comprehensive source—e.g. some small projects tend to be omitted as they are not usually reported by major news sources.

