African Development Bank Group

Evaluation of the Bank's Utilization of the Public Private Partnership Mechanism (2006 - 2016)

INCEPTION REPORT- ***Volume 2***

Technical Annexes

March 2017

TECHNICAL ANNEXES

ABBREVIATIONS AND ACRONYMS

ADF	African Development Fund
AFD	French Agency for Development
AfDB	African Development Bank
ADOA	Additionality and Development Outcome Assessment
AICD	Africa Infrastructure Country Diagnostics
AIIB	Asian Infrastructure Investment Bank
ALSF	African Legal Services Facility
AsDB	Asian Development Bank
BDEV	Bank Independent Development Evaluation
BOO	Build-Own-Operate
BOOT	Build-Own-Operate-Transfer
BOT	Build-Operate-Transfer
BTO	Build-Transfer-Operate
DBFO	Designs-Build-Finance-Operate
DBO	Design-Build-Operate
DBOT	Design-Build-Operate-Transfer
DCT	Doraleh Container Terminal
DFI	Development Finance Institution
DPDC	Dibamba Power Development Company
DPWD	Dubai Ports World Dakar
DRC	Democratic Republic of Congo
EBRD	European Bank for Reconstruction and Development
ECG	Evaluation Cooperation Group
EIB	European Investment Bank
EIU	Economist Intelligence Unit
ESW	Economic and Sector Work
EUR	Euro
EVRD	Evaluation Results Database
FAPA	Fund for African Private Sector Assistance
FMO	Netherlands Development Finance Company
G20	Group of Twenty
G8	Group of Eight
GDP	Gross Domestic Product
GIF	Global Infrastructure Facility
GPS	Good Practice Standards

HKB	Henri Konan Bédié
ICA	Infrastructure Consortium for Africa
ICT	Information and Communication Technology
IFC	International Finance Corporation
IMF	International Monetary Fund
IPPF	Infrastructure Project Preparation Facility
KPLC	Kenya Power and Lighting Company
MDB	Multilateral Development Bank
MDGs	Millennium Development Goals
MTR	Mid-Term Review
NEPAD	New Partnership for Africa's Development
OITC	AfDB's Transport and ICT Department
ONEC	AfDB's Department of Energy, Environment and Climate Change
ONRI	AfDB's The NEPAD, Regional Integration and Trade Department
OPSD	AfDB's Private Sector Development Department
OSGE	AfDB's Governance, Finance and Economic Management Department
OWAS	AfDB's Water and Sanitation Department
PCN	Project Concept Note
PCR	Project Completion Report
PPI	Private Participation in Infrastructure
PPP	Public Private Partnership
PwC	PricewaterhouseCoopers
PRA	Project Result Assessment
RECs	Regional Economic Communities
RMC	Regional Member Country
ROT	Rehabilirate-Operate-Transfer
TA	Technical Assistance
TYS	Ten-Year Strategy
UA	Unit of Account
UEMOA	West African Monetary and Economic Union
UN-DESA	United Nations Department of Economic and Social Affairs
USD	United States Dollars
WBG	World Bank Group
WEF	World Economic Forum
XSR	Expanded Supervision Report

Annex 1: Towards an Operational Definition of a PPP: Definitions and Concepts of What Constitutes a PPP

The concept of public-private-partnership (PPP) has been defined differently in different contexts, and there is no broad international consensus on what constitutes a public-private partnership (PPP). Generally it refers to a collaborative arrangement between government or the public sector, and a private entity for better provision of public infrastructure and services. The classical definition of public– private partnership (PPP) describes it as a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. In the context of the United Nations, PPP is defined as a voluntary and collaborative relationship between various parties, both state and non-state, in which all participants agree to work together to achieve a common purpose or specific task, and share risks and responsibilities, resources, and benefits (Hodge & Greve, 2011). The growing use of PPPs is premised on efficient allocation of resources and better value for money for taxpayers. The selling point of PPPs is that they combine the strength of the private sector (board efficiency, local innovation, cutting edge technology and finance) with the strength of the public sector (regulatory authority, budget support, capacity development support) to effectively and efficiently delivers public services.

For the Organization for Economic Co-operation and Development (OECD) countries, it constitutes an agreement between the government and one or more private partners (which may include operators and financiers) according to which the private partners deliver a service so the service delivery objectives of the government are aligned with the profit objective of the private partners and the effectiveness of the alignment depends on a sufficient transfer of risk to the private partners. For example:

Canada – A cooperative venture between the public and private sector, built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation or resources, risks and rewards.

Australia – Partnerships between the public sector and the private sector for the purpose of designing, planning, financing, constructing, and/or operating projects that would traditionally be regarded as falling within the remit of the public sector.
Standard and Poor's – Any medium- to long-term relationship between the public and private sectors, involving the sharing of risks and rewards of multisector skills, expertise, and finance to deliver desired policy outcomes.

McKinsey – Differentiates four archetypes of PPPs that all share a common vision, shared goals, investment from all partners and a formalized structure with shared decision making coordination, funding, product development, and delivery. Sources: IMF 2004; OECD 2008; McKinsey 2009.
For the International Monetary Fund, there is no clear agreement on what does and what does not constitute a PPP. A PPP has recently been defined as "the transfer to the private sector of investment projects that traditionally have been executed or financed by the public sector" (European Commission, 2003, p. 96). But in addition to private execution and financing of public investment, PPPs have two other important characteristics: there is an emphasis on service provision, as well as investment, by the private sector; and significant risk is transferred from the government to the private sector. Thus, a PPP is an arrangement where the private sector supplies assets and services that traditionally have been provided by the government. In addition to private execution and financing of public investment, PPPs have two other important characteristics: there is an emphasis on service provision, as well as investment, by the private sector; and significant risk is transferred from the government to the private sector.

World Bank Independent Evaluation Group (IEG) – PPPs are long-term contracts between a private party and a government agency, for providing a public asset or service, in which the private party bears significant risk and management responsibility. Conceptually, PPPs can be seen as an instrument to respond to market failures while minimizing the risk of government failure. As a general rule, private ownership is preferred where competitive market prices can be established (Ter-Minassian 2004). Under such circumstances, the private sector is driven by competition to sell goods and services at a price consumers are willing to pay and by the discipline of the capital market to make profits.

PPIAF (WBG) – Defining 'Public-Private Partnership' as a 'long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance.
The links between infrastructure and economic growth are well established. They include the impact of infrastructure on poverty alleviation, growth, and specific development outcomes.3 As economies face growing demand for infrastructure, Public Private Partnerships (PPPs) continue to play a crucial role in improving efficiencies in delivering public services, one of the key elements to narrowing the infrastructure gap.4,5 A PPP is defined as a contractual arrangement between a public entity or authority and a private entity for providing a public asset or service in which the private party bears a significant risk and assumes management responsibilities.

The United Nations' Sustainable Development Goals (SDGs) recognize both the relevance of quality infrastructure and the role of partnerships with the private sector in the post-2015 development agenda. In particular, the quality of the procurement process is a driver of PPP efficiency. The Addis Ababa Action Agenda of the Third International Conference on Financing for Development states the intent to "build capacity to enter into public-private partnerships, including with regard to planning, contract negotiation, management, accounting, and budgeting for contingent liabilities." Corrupt procurement practices continue to obstruct the delivery of quality infrastructure. Moreover, the design of the procurement process itself has an impact on the ability of governments to take full advantage of the potential benefits of PPPs for delivering infrastructure. This includes their ability to identify which projects are best done as PPPs and also to manage contracts in a transparent and effective way.

Other types of contract for providing public assets and services

Governments enter into a wide range of contracts with private companies. Some of these contract types share some or all of the typical PPP characteristics—such as being long-term, output based, or performance related. For example, these include:

- Management contracts typically include similar performance indicators and requirements to PPPs. However, these contracts are typically of shorter duration as PPPs, and do not involve significant private capital investment—with performance incentives created primarily through payment and penalties schemes. The World Bank's explanatory notes on water regulation [#122, pages 36-42], for example, describe how management contracts are used in the water sector. Operations and Maintenance (O&M) and performance-based maintenance contracts may also fall outside the definition of PPP where these contracts are of short duration.
- Design-build, or 'turnkey' contracts include similar output-based specifications; however, as shorterterm contracts they do not create the same long-term performance incentives as PPPs
- Financial lease contracts are long-term contracts for providing public assets. However, these contracts transfer significantly less risk to the private party than PPPs.

AsDB Handbook for PPP: PPPs incorporate three key characteristics:

- A contractual agreement defining the roles and responsibilities of the parties,
- Sensible risk-sharing among the public and the private sector partners, and
- Financial rewards to the private party commensurate with the achievement of pre-specified outputs.

As a first step of the evaluation, an operational definition of what constitutes a PPP has been adopted by the evaluation team based on what characterizes a PPP: i) A cooperation agreement between the private and public entities; ii) A risk-sharing between these entities; iii) The efficiency and effectiveness in producing goods and services; and iv) the longer term commitment of the entities involved in the partnership.

These characteristics are not mutually exclusive. The cooperation agreement is based on the strengths of each of the parties involved: the strength of the private sector being efficiency, local innovation, cutting edge technology and finance while the strength of the public sector is to provide the regulatory environment, budget support, and capacity to regulate, monitor and develop the public service in order to effectively and efficiently deliver the public goods and services.

Example 1. ITEZHI-ITEZHI Power Project

The Itezhi-Tezhi Power Corporation (ITPC) is a special purpose company (SPV) incorporated in Zambia whose shareholding includes TATA Africa (50%) and Zambia Electricity Supply Company (50%). The total project cost is estimated at US$ 239.0 million and a standby facility of US$ 15.5m to cover any delays. The planned debt/equity ratio is 70/30. The debt comprises: (i) a subordinated debt facility of USD 29 million that has been provided by the Government of Zambia from the proceeds of a concessional loan from the Government of India; (ii) a senior debt facility of up to US$ 138.3 million from the Bank and the Development Bank of Southern Africa, FMO and PROPARCO each US$ 34.5 million. In addition a standby senior debt facility of up to USD 10.9 million was made available from the Bank, FMO and PROPARCO. ITPC has developed and operated the project on a build, own, operate and transfer (BOOT) with technical support from ZESCO and TATA under a Management Services Agreement. Project assets will be transferred to ZESCO after **25 years**. The project involves a 25-year concession awarded to ITPC in 2009 by the Government of Zambia. A turnkey **fixed priced, lump sum EPC contract with a performance bond** has been signed with Sinohydro, which was selected through an **international competitive bidding process**. ZESCO is the sole off-taker based on a take-or-pay power purchase agreement. Construction and CAPEX risks will be mitigated through the **turnkey EPC solution**. The take-or-pay PPA with ZESCO provides assurances of steady revenues and ZESCO's creditworthiness is enhanced by Government support. The lenders' financial model shows a reasonable DSCR with a minimum 12-month Senior Historic DSCR of 1.54X in the lowest period, and average 12-month Senior Historic DSCR of 2.27X. The risk rating of the project is 4+ (Moderate risk).

Source: Investment Appraisal report

PPPs provide both the public and private party with an opportunity to share the risks related to the project. These risks could be framed in two broad categories, i) Macroeconomics risks, which are associated with external economic conditions (such as inflation, interest rates, foreign exchange risks), and ii) Project risks, which refer to risks inherent to the project or environment in which the project operates. In each PPP project, risks are identified, categorized, and allocated to the party that is best able to manage them. Also, a PPP comes as a response to a market failure while minimizing the risk of government's failure.

Example 2: SENEGAL - DAKAR TOLL HIGHWAY – PHASE 2

The public-private partnership (PPP) nature of the Project allows the GoS to access private funding for the construction and operation of a needed piece of infrastructure thus freeing public resources. The subsidy – a viability gap financing – is an outcome of a tradeoff between commercial viability requirements of the sponsor and an affordable user tariff. Regarding tariffs, the GoS's position is to be consistent with Phase 1, which set clear price ceilings. The implication is that these are not cost-reflective and justify a subsidy. There is a negative fiscal effect due to the government guarantee in case of delay in airport opening, which carries a potential cost. Despite the freeing of public resources and the upside potential, the overall direct impact on the government budget is likely to be negative. On macroeconomic resilience: Although the Project has no cross-border connections, it is part of the Trans-West African highway project that would link Dakar (Senegal) to Niamey (Niger) in the future, therefore marginally contributing to regional integration. The expected net foreign exchange impact of the Project is negative as there will be no generation of foreign exchange earnings while a part of the construction material and services has to be sourced abroad and therefore resulting in outflow of foreign exchange.

Source: ADOA Report, June 2014 (Excerpts)

Efficiency and effectiveness in producing the public goods and services are a direct consequence of the cooperation agreement between the two parties with the understanding that the "Value for Money" (VfM) principle forms the basis of the partnership. Furthermore, in a context of financial restraint and economic deceleration, PPPs bring the comparative advantages of both public and private counterparts through better planning, effective governance and efficient management, and additional economic and budgetary efficiencies, and of course a well evidenced and documented Value for Money .

Example 3: XINA SOLAR ONE PROJECT (RSA)

The electricity from XiNa will be sold to Eskom under 20-year take-or-pay Power Purchase Agreement (PPA). The Implementation Agreement between DoE and Xina will form the base for government support in favor of the SPV. DoE will in prescribed instances make payments to back-up Eskom's obligations under the PPA. Eskom will buy power from XiNa at substation and transmit it to the national grid. The objective is that the electricity tariff from the Project should suffice to cover its costs and to derive an acceptable return to the sponsors while still providing power at a competitive tariff to Eskom. Due to the fact that the primary purpose of the Project is to serve peak demand, the electricity produced during these hours should be compared with alternative peaking generation options, such as diesel fueled OCGT, (as provided by Eskom) costing USD 0.76/kWh (ZAR 8/kWh equivalent). The comparison shows the competitiveness of the Project as being a lower cost alternative. For current 3rd round REIPPP, the price payable for the Energy Output delivered during Standard Time ("the Base Price") is capped at ZAR 1.65/kWh, whereas the tariff during peak hours is a multiple of 270% of the base tariff. This is due to the fact that electricity production during peak hours is more expensive to produce and therefore more valuable to Eskom.

Source: Investment Credit Risk Note

Annex 2: Global Contextual Issues around PPP – Some Recent Lessons from a Literature Review

Given the scarcity of public funds for infrastructure in most developing countries, the obvious solution was to invite greater private sector participation in infrastructure (PPI), which has been taking place particularly since the 1990s. This decade saw a boom in foreign direct investment (FDI) to infrastructure projects in developing countries, after the end of a few natural monopolies and outright expropriations, the adoption of favorable legal measures, the prospect of quick profits for first movers and the use of project finance, which helped reduce risks and create a favorable climate for private investment in emerging markets. Many of these have thus favored the financing of their investment demands via Public-Private Partnerships (PPPs), looking for positive impacts on the efficiency, equity and quality provision of public service provision, through increasing competition and active participation of private counterparts.

Accordingly, governments in developing countries embarked on major structural reforms, encompassing new approaches to regulation and restructuring and privatization of infrastructure sectors, hoping the influence of market-wide approaches (e.g. outsourcing or subcontracting of functions), along with added competition would bring about the desired results of poverty reduction. More recently, in a context of financial restraint and economic deceleration, PPPs have gained relevance, being perceived as an anti-cyclical instrument to stimulate growth, as they combine the comparative advantages of both public and private counterparts through better planning and risk-sharing, bringing additional economic and budgetary efficiencies.

At the same time, PPPs might not a solution to be applied across all development contexts. There are concerns around the ability of PPPs to meet poverty eradication and other development goals. Furthermore, as stated by a recent study (2015) of the Multilateral Investment Fund (MIF)[1], the success or failure of PPPs depends to a large extent on the development of suitable government organizations and laws and on sufficient know-how to enable appropriate pre-investment work and structuring of projects. PPPs also depend on adequate monitoring of the contract. In addition, there are two more commonly overlooked factors: the private sector's capacity to handle this type of complex, long-term relationship, and the existence of a financial market (not only banking entities, but also institutional investors, bondholders, etc.) able to provide the resources needed for this type of project. Moreover, lack of accountability and transparency in PPPs acts as a risk multiplier for the poor, and PPPs might end up being a more expensive and less equitable way of delivering public services and infrastructure in the longer-term. Experiences indicate PPPs have faced challenges in delivering positive development outcomes, such as strengthening micro, and small and medium-sized firms.

Before considering PPPs as a “default option” for the provision of essential services and infrastructure, there has to take place necessarily an uptake of lessons learnt from past experiences. These include previous poverty and social impact assessments and cost-benefit analysis to ensure coherence with poverty reduction targets and development priorities, an adequate regulatory framework, local ownership, transparency and active participation of all stakeholders.[2]

There are a number of potential risks associated with PPP related to costs, risks attached to politics, regulation and legislation, economics and finance, execution and to sustainability given the long-term nature of these projects and the complexity associated.

Notwithstanding the limitations arising from the availability and compatibility of information (e.g, patchy data on the performance of PPPs, inconsistent indicators, heterogeneity of evaluation criteria, lack of true

[1] Multilateral Investment Fund (MIF) – Ramon Espelt: Lessons Learned and Best Practices in PPP Projects, April 2015 - http://www.fomin.org/en-us/Home/Knowledge/Publications/idPublication/137409.aspx

[2] Asian Development Bank- Learning Curve: ADB Assistance for PPPs in Infrastructure Development, April 2010

counterfactuals and lacking data on wider welfare impacts of partnerships and environmental sustainability), a PSI study[3] draws attention to the following critical issues:

- Governments and donors have the responsibility to ensure that wider societal goals are taken into account and are not undermined in the partnerships, given that PPPs are typically oriented, on a project scale, towards financial issues, such as securing investment, expanding coverage, improving sector financial performance and service quality.
- A range of partnership options should be available for governments and municipalities to be able to exercise choice from among the partnership types, which contribute to wider societal goals.
- While decentralization policies put in place in many African countries present opportunities for greater engagement of local authorities, these authorities might also lack necessary skills and resources.
- Evaluation of PPPs needs to be based on a comparison with public sector options. Even the IMF insists that the evaluation of a PPP must always be a comparative exercise with the public sector option. In addition to an accurate Value for Money assessment of relative costs, a comparison needs also to take account of multiple public interest objectives. These include the impact of a PPP on public services, the wider economic effects – for example on employment, and the relative willingness to pay of citizens.
- PPP and partnership framework concurrently recognize and potentially address not only the recent financial constraints on public spending on foreign assistance, but also the expands the role of the private sector in global development.

[3] Public Services International-PSI- Why PPP do not work? (2016)

Annex 3: List of PPP and Non-Projects 2006-2016

Note:

: Identified as **PPP** by IDEV Stocktaking Report Dec.2015	29	projects (excluding 3 double counted and 1 terminated projects)
: Identified as **PPP** by OPSD on 15th Dec. 2016	3	projects
: Identified as **non-PPP**	38	projects
: Not identified or terminated	7	projects

IDEV Project ID	OPSD Project ID	Division	Long Name	SAP Code	Country	Approved Date	PPP or non PPP	IDEV PPP Criteria-1: Infrastructure service delivered by public or private	IDEV PPP Criteria-2: Type of PPP arrangement	IDEV PPP Criteria-2: Tenure	IDEV PPP Criteria-3: Risk sharing arrangements
1	155	OPSD4	KRIBI POWER PROJECT	P-CM-FA0-005	Cameroon	15/07/2011	PPP	Private	20 year concession for AES BOOT	20 year concession	Price Indexation Mechanism with the GoC
1	292	OPSD3	KRIBI II (EXTENSION PROJECT)	P-CM-F00-002	Cameroon	16/12/2015	PPP	See above	See above	See above	
2		OPSD4	CHANTIER NAVAL ET INDUS DU CAMEROUN CNIC	P-CM-D00-004	Cameroon		Non-PPP	Public			The project involves the financing of a joint venture in which the Government of Cameroun is dominant and private sector involvement is limited.
3	1	OPSD4	PROGRAMME D'INVESTISSEMENT AES SONEL	P-CM-FA0-002	Cameroon	10/05/2006	PPP*		Concession to operate a power station and to distribute power to customers	Not specified	Tariff adjustment and Forex guaranty through Euroreserve account
4	107	OPSD4	DIBAMBA POWER PROJECT	P-CM-FAA-002	Cameroon	28/04/2010	PPP*		BOO arrangement with the project company Diamba	20 years	Tolling agreement
5	110	OPSD4	CABEOLICA WIND POWER	P-CV-FE0-001	Cape Verde	19/05/2010	PPP		With a "take-or-pay" mechanism with special PPP legislation of the Government of Cape Verde	20 years power purchase agreement (PPA)	
6	166	OPSD4	RIVIERA MARCORY TOLL BRIDGE (Henri Konan Bédié Toll Bridge Project)	P-CI-D00-001	Côte D'Ivoire	01/03/2012	PPP	Private	Concession to BOOT	20 years	Revenue Guarantee and Profit sharing mechanism
6	167	OPSD4	RIVIERA TOLL BRIDGE STAND BY	P-CI-D00-002	Côte D'Ivoire	01/03/2012	PPP	See above	See above	See above	
7	185	OPSD4	AZITO EXPANSION GENERATION PLANT	P-CI-FA0-004	Côte D'Ivoire	19/12/2012	PPP	Private	Power Purchase Agreement with a "take-or-pay" mechanism. BOOT framework exists which started during the first phase and is applicable to the project.	20 years power purchase agreement (PPA)	

IDEV Project ID	OPSD Project ID	Division	Long Name	SAP Code	Country	Approved Date	PPP or non PPP	IDEV PPP Criteria-1: Infrastructure service delivered by public or private	IDEV PPP Criteria-2: Type of PPP arrangement	IDEV PPP Criteria-2: Tenure	IDEV PPP Criteria-3: Risk sharing arrangements
8	205	OPSD4	CIPREL COMBINED CYCLE	P-CI-FA0-005	Côte D'Ivoire	24/07/2013	PPP		Concession until 2035 based on a BOOT	35 year concession	Government Support Agreement, for payment deficiencies, fuel supply
9	223	OPSD4	NYUMBA YA AKIBA CEMENT PLANT	P-CD-B00-001	Dem Rep Congo	12/02/2014	Non-PPP	Private			
9	224	OPSD4	NYUMBA YA AKIBA CEMENT PLANT - EKF COVERED	P-CD-B00-002	Dem Rep Congo	12/02/2014	Non-PPP	Private			
10	55	OPSD4	DORALEH CONTAINER TERMINAL	P-DJ-D00-001	Djibouti	24/09/2008	PPP*		Concession agreement. However, major shareholder PAID is 67% government-owned.	30 year concession agreement.	
11		OPSD4	DJIBOUTI BULK TERMINAL PROJECT	P-DJ-DD0-001	Djibouti			Closed			
12	28	OPSD3	DAMIETTA TERMINAL CONTAINER	P-EG-DD0-005	Egypt	04/12/2007		Cancelled			
13	102	OPSD4	EGYPTIAN REFINING COMPANY	P-EG-FC0-002	Egypt	17/03/2010		Private			
13	103	OPSD4	EGYPTIAN REFINING COMPANY SUB CONV LOAN	P-EG-FC0-003	Egypt	17/03/2010		Private			
14	38	OPSD4	DERBA MIDROC CEMENT PLANT PROJECT	P-ET-BB0-001	Ethiopia	16/04/2008					
15	137	OPSD4	ETHIOPIAN AIRLINES CORPORATE LOAN	P-ET-DA0-008	Ethiopia	23/03/2011	Non-PPP	Public			Traditional loan to a government-owned corporation
15	138	OPSD4	ETHIOPIAN AIRLINES INCORPORATE LOAN	P-ET-DA0-009	Ethiopia	23/03/2011	Non-PPP	See above			See above
15	139	OPSD4	ETHIOPIAN AIRLINES TRANCHE 3	P-ET-DA0-010	Ethiopia	23/03/2011	Non-PPP	See above			See above
16	229	OPSD2	HORIZONS CLINIC GAMBIA	P-GM-IBC-002	Gambia	16/04/2014	Non-PPP	Private			
17	279	OPSD3	GHANA AIRPORTS COMPANY LTD	P-GH-DA0-001	Ghana	30/09/2015	Non-PPP	PPP			
18	56	OPSD3	TEMA OSONOR POWER PLANT	P-GH-FAA-001	Ghana	15/10/2008		Private			
19	120	OPSD4	KEMPINSKI HOTEL PROJECT	P-GH-BC0-003	Ghana	27/09/2010	PPP	PPP			
20	175	OPSD4	TAKORADI II EXPANSION POWER PROJECT	P-GH-FD0-002	Ghana	11/07/2012	PPP	Private	Power Purchase Agreement	25 years power purchase agreement (PPA)	
21	4	OPSD1	TIOMIN KWALE TITANIUM MINE	P-KE-BAA-001	Kenya	26/07/2006	Non-PPP	Cancelled			
22	163	OPSD4	THIKA THERMAL POWER PROJECT	P-KE-FAA-001	Kenya	07/12/2011	PPP	Private	Power Purchase Agreement with a "take-or-pay" mechanism with Kenya Power and Lightning Company	20 years power purchase agreement (PPA)	

IDEV Project ID	OPSD Project ID	Division	Long Name	SAP Code	Country	Approved Date	PPP or non PPP	IDEV PPP Criteria-1: Infrastructure service delivered by public or private	IDEV PPP Criteria-2: Type of PPP arrangement	IDEV PPP Criteria-2: Tenure	IDEV PPP Criteria-3: Risk sharing arrangements
23	193	OPSD4	LAKE TURKANA WIND POWER PROJECT	P-KE-FZ0-004	Kenya	26/04/2013	PPP	Private	Under the PPA, DFCCOM (the project company will design, finance, construct, commission, operate and maintain the facility) KPLC will purchase all the power from the facility on a take-or-pay basis.	Not known	Government Support letter and Grid intercoordination agreement
23	194	OPSD4	LAKE TURKANA WIND POWER PROJECT - SUB DEBT TRANCHE	P-KE-FZ0-005	Kenya	26/04/2013	PPP				
23	195	OPSD4	LAKE TURKANA WIND POWER EKF	P-KE-FZ0-007	Kenya	26/04/2013	PPP				
24		ONEC2	ADF PRG MENENGAI	P-KE-F00-001	Kenya	22/10/2014	Non-PPP	Public			The project company will be Government-owned and does not operate under a PPP arrangement.
24		ONEC2	ADF PRG MENENGAI	P-KE-F00-001	Kenya	22/10/2014	Non-PPP	See above			See above
25	12	OPSD4	AMBATOVY NICKEL PROJECT	P-MG-BAA-002	Madagascar	02/05/2007	Non-PPP	Private			
26	21	OPSD4	SAHANIVOTRY SMALL HYDRO POWER	P-MG-FAB-002	Madagascar	05/07/2007	PPP*	Private	Build-own-operate a power station		
27		OPSD4	SNIM - PROJET D'AUGMENTATION DE LA CAPACITE D'EXPORATION DE	P-MR-BA0-003	Mauritania		Non-PPP	Public			
27	93	OPSD4	SNIM GUELB EL RHEIN EXTENSION	P-MR-BAA-002	Mauritania	16/09/2009	Non-PPP	Public			
27		OPSD4	SNIM GUELB II FAPA GRANT	P-MR-BAA-003	Mauritania	22/10/2009	Non-PPP	Public			
28	147	OPSD4	OCP S.A. INVESTMENT PROGRAMME OVER THE YEARS 2008-2018	P-MA-BAA-002	Morocco	29/06/2011	Non-PPP	Public			
29		ONEC1	PIEHER - PARC ÉOLIEN DE TANGER II	P-MA-FA0-004	Morocco	13/06/2012	PPP				
29		ONEC1	PIEHER - PARC ÉOLIEN DE TANGER II	P-MA-FA0-004	Morocco	13/06/2012	PPP				
30		ONEC1	COMPLEXE SOLAIRE OUARZAZATE - PHASE I - CENTRALE NOOR I	P-MA-FF0-001	Morocco	16/05/2012	PPP	Private	Participation of the private sector through a power purchase agreement		*(owning 75% of the project company)*
30		ONEC1	COMPLEXE SOLAIRE OUARZAZATE - PHASE I - CENTRALE NOOR I	P-MA-FF0-001	Morocco	16/05/2012	PPP	See above	See above	See above	See above
30		ONEC1	COMPLEXE SOLAIRE OUARZAZATE - PHASE II - CENTRALE NOOR II	P-MA-FF0-002	Morocco	03/12/2014	PPP	See above	See above	See above	See above
30		ONEC1	COMPLEXE SOLAIRE OUARZAZATE - PHASE II - CENTRALE NOOR II	P-MA-FF0-002	Morocco	03/12/2014	PPP	See above	See above	See above	See above
30		ONEC1	COMPLEXE SOLAIRE OUARZAZATE - PHASE II - CENTRALE NOOR III	P-MA-FF0-003	Morocco	03/12/2014	PPP	See above	See above	See above	See above
30		ONEC1	COMPLEXE SOLAIRE OUARZAZATE - PHASE II - CENTRALE NOOR III	P-MA-FF0-003	Morocco	03/12/2014	PPP	See above	See above	See above	See above
31	265	OPSD4	MOMA MINERAL SANDS PROJECT	P-MZ-BAA-001	Mozambique		Non-PPP	Private			
31	265	OPSD4	MOMA MINERAL SANDS EXPANSION PROJECT	P-MZ-BAA-003	Mozambique	27/03/2015	Non-PPP	Private			
32		OPSD2	INCLUSIVE INDUSTRIES PROGRAM	P-Z1-BZ0-009	Multinational	21/08/2012					

IDEV Project ID	OPSD Project ID	Division	Long Name	SAP Code	Country	Approved Date	PPP or non PPP	IDEV PPP Criteria-1: Infrastructure service delivered by public or private	IDEV PPP Criteria-2: Type of PPP arrangement	IDEV PPP Criteria-2: Tenure	IDEV PPP Criteria-3: Risk sharing arrangements
33	288	OPSD3	NACALA RAIL AND PORT PROJECT - CENTRAL EAST AFRICAN RAILWAYS	P-Z1-D00-033	Multinational	16/12/2015	PPP	Just Approved			
33	289	OPSD3	NACALA RAIL AND PORT PROJECT - CORREDOR DESENVOLVIMENTO DO N	P-Z1-D00-034	Multinational	16/12/2015	PPP	Just Approved			
33	291	OPSD3	NACALA RAIL AND PORT PROJECT - VALE LOGISTICS LIMITED (VLL)	P-Z1-D00-035	Multinational	16/12/2015	PPP	Just Approved			
34	25	OPSD3	LEGAL ADVISORY SERVICES FOR EAST AFRICA SUBMARINE CABLE SYST	P-Z1-GB0-009	Multinational	31/05/2007	Non-PPP	Public			
35	79	OPSD3	MAIN ONE SUBMARINE CABLE SYSTEM PROJECT MAIN FACILITY	P-Z1-GB0-010	Multinational	27/05/2009	Non-PPP	Privatre			
36	152	OPSD4	KENYA-UGANDA RAILWAYS CONCESSION	P-Z1-DC0-011	Multinational	13/07/2011	PPP	Private	Concession award to Rift Valley Railways transferring the relevant infrastructure, equipment and rights and at the end all would be returned to the respective governments.	20 years	
37		OPSD4	ASSISTANCE A L'OMVG POUR LA REALISATION DE SON PROGRAMME ENE	P-Z1-F00-035	Multinational	18/04/2007	Non-PPP	Closed			
38	25	OPSD4	EAST AFRICAN SUBMARINE CABLE SYSTEM (EASSY) SPECIAL PURPOSE	P-Z1-GB0-008	Multinational	12/09/2007	Non-PPP	Private			
39	71	OPSD4	NEW DAWN Satellite	P-Z1-GB0-011	Multinational	11/03/2009	Non-PPP	Prepaid & Closed			
40	78	OPSD4	MAIN ONE SUBMARINE CABLE SYSTEM PROJECT STANDBY FACILITY	P-Z1-GB0-013	Multinational	27/05/2009	Non-PPP	Private			
41	122	OPSD4	OTHER 3 BILLION (O3B)	P-Z1-GB0-014	Multinational	06/10/2010	Non-PPP	Prepaid			
41	121	OPSD4	OTHER 3 BILLION (O3B)- SENIOR LOAN	P-Z1-GB0-018	Multinational	06/10/2010	Non-PPP	Prepaid			
41		OPSD4	O3B SUPPLEMENTARY LOAN	P-Z1-GB0-028	Multinational	27/11/2015	Non-PPP	Prepaid			
42	23	OPSD4	RASCOM TELECOMMUNICATION SATELLITE	P-Z1-GC0-001	Multinational	24/07/2007	Non-PPP	PPP			
43		OPSD4	INVESTMENT FUND HEALTH IN AFRICA-FAPA TA	P-Z1-IB0-014	Multinational	22/07/2010	Non-PPP	Private			
44		OPSD4	SAMIRA HILL-LIBIRI GOLD MINING PROJECT	P-NE-BAA-001	Niger		Non-PPP	Private			
45	241	OPSD2	DANGOTE INDUSTRIES LIMITED	P-NG-FD0-003	Nigeria	13/06/2014	Non-PPP	Private			
46	249	OPSD3	LEKKI PORT	P-NG-D00-005	Nigeria	08/09/2014	Non-PPP	PPP			
47	40	OPSD4	LEKKI TOLL ROAD PROJECT	P-NG-DB0-008	Nigeria	18/06/2008	PPP	Private	Design, Build, Operate, and Transfer (DBOT), and a Rehabilitate, Operate, and Transfer (ROT) framework		
48		OPSD4	NIGERIA LIQUIFIED NATURAL GAS	P-NG-FD0-001	Nigeria		Non-PPP	Private			
49	189	OPSD4	INDORAMA FERTILIZER	P-NG-FD0-002	Nigeria	30/01/2013	Non-PPP	Private			
50		OPSD4	HELIOS SHARED TELECOMS INFRASTRUCTURE PROJECT	P-NG-GB0-004	Nigeria	02/09/2009	Non-PPP	Private			
51		OPSD3	KIGALI BULK WATER SUPPLY PROJECT	P-RW-E00-008	Rwanda	15/12/2015	Non-PPP	PPP			
52	132	OPSD4	KIVU WATT	P-RW-FG0-001	Rwanda	03/02/2011	PPP		Concession to BOO a gas extraction facility	25 years	Government support and Forex risk guaranties

IDEV Project ID	OPSD Project ID	Division	Long Name	SAP Code	Country	Approved Date	PPP or non PPP	IDEV PPP Criteria-1: Infrastructure service delivered by public or private	IDEV PPP Criteria-2: Type of PPP arrangement	IDEV PPP Criteria-2: Tenure	IDEV PPP Criteria-3: Risk sharing arrangements
53	130	OPSD4	AEROPORT INTERNATIONAL BLAISE DIAGNE	P-SN-DA0-001	Senegal	17/12/2010	Non-PPP	Public	Concession agreement with AIBD, the operator of the airport. Special requirement by the Bank to involve private sector specialists.	30 years	AIBD is a government-owned project company.
54	117	OPSD4	DAKAR TOLL ROAD SENIOR LOAN	P-SN-DB0-012	Senegal	19/07/2010	PPP	Private	BOT concession to the Eiffage Group from France	30 years	Viability gap financing
54	118	OPSD4	DAKAR TOLL HIGHWAY STANDBY FACILITY	P-SN-DB0-017	Senegal	19/07/2010	PPP	PPP			
54	247	OPSD4	DAKAR TOLL HIGHWAY - PHASE 2	P-SN-DB0-018	Senegal	26/06/2014	PPP	PPP			
54	248	OPSD4	DAKAR TOLL ROAD II STAND BY	P-SN-DB0-022	Senegal	26/06/2014	PPP	PPP			
55	84	OPSD4	DAKAR CONTAINER TERMINAL	P-SN-DD0-002	Senegal	20/07/2009	PPP	Private	Concession to DPW FEZ	25 year (renewable)	Government support for payment deficiencies
56	97	OPSD4	SENDOU COAL POWER PROJECT	P-SN-F00-004	Senegal	25/11/2009	PPP	Private	BOO	25 year power purchase	
56	283	OPSD4	SENDOU COAL POWER PROJECT SUPPLEMENTARY LOAN	P-SN-F00-005	Senegal	30/10/2015	PPP	See above	See above	See above	
57		OPSD4	CENTRALE THERMIQUE DE KOUNOUNE	P-SN-FAA-001	Senegal		Non-PPP	Private			
58	141	OPSD4	SEYCHELLES SUBMARINE CABLE PROJECT	P-SC-GB0-002	Seychelles	27/04/2011	PPP		Through the form of a joint venture partnership. The Government maintains a minority share.		
59	294	OPSD3	CEC AFRICA SIERRA LEONE HFO IPP PROJECT (CECASL Heavy Fuel Oil Power Project)	P-SL-F00-008	Sierra Leone	17/12/2015	Non-PPP	Private			
60	262	OPSD3	TRANSNET EXPANSION CORPORATE LOAN II	P-ZA-DC0-001	South Africa	18/12/2014	PPP				
61	286	OPSD3	ESKOM II POWER PROJECT	P-ZA-F00-005	South Africa	15/12/2015	Non-PPP	state owned			
61	286	OPSD3	ESKOM II - A LOAN	P-ZA-F00-006	South Africa	15/12/2015	Non-PPP	state owned			
62	142	OPSD4	KALAGADI INDUSRTRIAL BENEFICIATION PROJECT	P-ZA-B00-001	South Africa	18/05/2011	Non-PPP		The project involves a loan to a joint venture in the private sector		
62	143	OPSD4	KALAGADI INDUSRTRIAL BENEFICIATION PROJECT - STANDBY FACILIT	P-ZA-B00-002	South Africa	18/05/2011	Non-PPP		See above		
63		OPSD4	TRANSNET LTD	P-ZA-DC0-010	South Africa	23/06/2010	Non-PPP				Traditional A and B loan financing or a government-owned company, thought commercially autonomous.
64	18	OPSD4	ESKOM HOLDINGS LIMITED	P-ZA-F00-001	South Africa	28/06/2007	Non-PPP	State Owned			
65	244	OPSD4	XINA SOLAR ONE PROJECT	P-ZA-FF0-003	South Africa	23/06/2014	PPP	Private	Power purchase agreement with a "take-or-pay" mechanism.	20 years power purchase agreement	*Implementation agreement and Grid connection agreement and support for payment deficiencies*
65	245	OPSD4	XINA SOLAR ONE PROJECT	P-ZA-FF0-003	South Africa	23/06/2014	PPP	See above	See above	See above	See above

IDEV Project ID	OPSD Project ID	Division	Long Name	SAP Code	Country	Approved Date	PPP or non PPP	IDEV PPP Criteria-1: Infrastructure service delivered by public or private	IDEV PPP Criteria-2: Type of PPP arrangement	IDEV PPP Criteria-2: Tenure	IDEV PPP Criteria-3: Risk sharing arrangements
66	154	OPSD4	LOME CONTAINER TERMINAL PROJECT	P-TG-DD0-001	Togo	15/07/2011	PPP	Private	Concession to operate the container terminal by BOT Option to extend the concession with 10 years.	35 year concession	
67	64	OPSD3	ENFIDHA AIRPORT (CONDITIONAL TRANCH)	P-TN-DA0-002	Tunisia	14/01/2009	PPP	Private	BTO to TAV a Turkey company	40 year concession contract	
67	63	OPSD4	ENFIDHA AIRPORT PROJECT	P-TN-DA0-001	Tunisia	14/01/2009	PPP	See above	See above	See above	
68	101	OPSD4	ETAP CORPORATE LOAN	P-TN-FD0-004	Tunisia	17/03/2010	Non-PPP	Public			
69	246	OPSD4	SOUTH TUNISIAN GAZ PIPELINE - TUNISIA	P-TN-FD0-006	Tunisia	26/06/2014	Non-PPP	Public			
70		OPSD4	SHERATON KAMPALA HOTEL	P-UG-BC0-001	Uganda		Non-PPP	Prepaid & closed			
71	13	OPSD4	BUJAGALI HYDROPOWER PROJECT	P-UG-FAB-004	Uganda	02/05/2007	PPP	Private	Power purchase agreement BOOT	30 years concession	Implementation agreement, Forex risk guaranty
72	41	OPSD4	BUSERUKA HYDROPOWER PROJECT	P-UG-FAB-005	Uganda	09/07/2008	PPP	Private	BOOT	30 years concession	
72	148	OPSD4	BUSERUKA HYDROPOWER PROJECT II?	P-UG-FAB-006	Uganda	04/07/2011	PPP	See above	See above	See above	
73	5	OPSD1	LUMWANA COPPER MINING PROJECT	P-ZM-BAA-001	Zambia	27/09/2006	PPP	Prepaid & closed			
74		OPSD4	HOTEL INTERCONTINENTAL, LUSAKA	P-ZM-BC0-001	Zambia		Non-PPP	Closed			
75	170	OPSD4	ITEZHI-TEZHI HYDROPOWER PROJECT	P-ZM-FAB-004	Zambia	13/06/2012	PPP	Private	BOOT	25 year concession	
76		ONEC2	ITEZHI-TEZHI POWER TRANSMISSION PROJECT	P-ZM-FA0-003	Zambia	13/06/2012	PPP	Private	Linked to the PPP for the above Zambia Power Plant project.	25 year concession	Interconnection to grid agreement
76		ONEC2	ITEZHI-TEZHI POWER TRANSMISSION PROJECT	P-ZM-FA0-003	Zambia	13/06/2012	PPP	See above	See above	See above	
77	209	OPSD	Maamba Collieries Power Generation Project	??	Zambia	*Terminated*	*Terminated*	Private	Power Purchase Agreement with ZESCO, the Zambian power utility on a “Take or Pay” basis	20-year Power Purchase Agreement	Implementation Agreement with the Zambian Government+investment Protection agreeement, Investment promotion, Gov. Support Letter

PPP Total:	32 projects
Non-PPP Total:	38 projects
Terminated:	1 project
Not identified:	6 projects

Newly added PPP projects by OPSD: 3 projects

- Kempinski Hotel Project in Ghana (P-GH-BC0-003): Approved in 09/27/2010
- Nacala Rail and Port Project in Mozambique (P-Z1-D00-033, 34 & 35): Approved in 12/16/2015
- Lumwana Copper Mining Project in Zambia (P-ZM-BAA-001): Approved in 9/27/2006

Given the above information from OPSD, the 77 projects that we IDEV identified on 24 October 2016 as a potential PPP project were finally classified as follows:

<u>1. PPP projects among 77 potential projects</u>

- Identified as PPP IDEV Stocktaking Report Dec.2015: 33 projects
- *(Double count)*
    - Quarzazate phase 2
    - Quarzazate phase 3
    - Lake Turkana sub debt - 3 projects
- *(Terminated)* -1 project
    - Maamba Collieries Power Generation Project
- Identified as PPP by OPSD on 15th Dec. 2016 (see above): 3 projects

Total PPP: 32 projects

<u>2. Non-PPP projects among 77 potential projects</u>

- Identified as non-PPP by IDEV and confirmed by OPSD on 19th Oct. 2016: 6 projects
- Identified as non-PPP by OPSD on 15th Dec. 2016 32 projects

Total Non-PPP: 38 projects

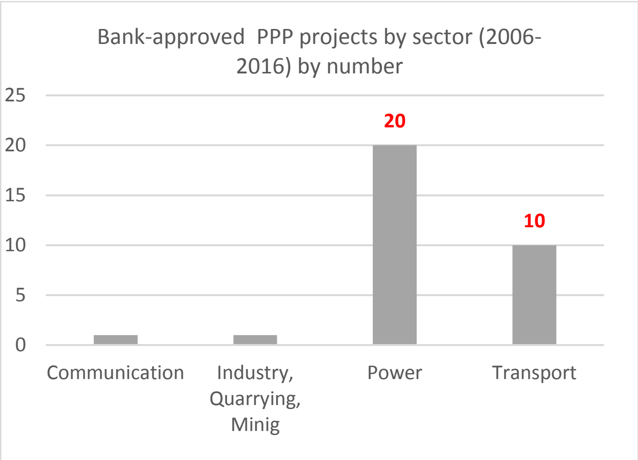
<u>3. Not identified either PPP or non-PPP among 77 potential projects</u> **6 projects**

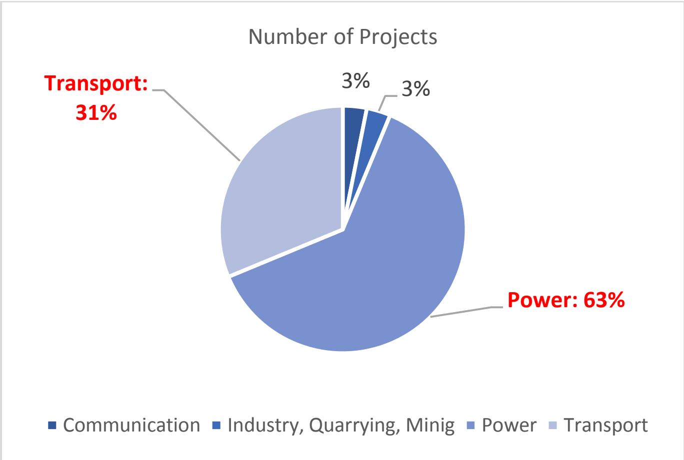
- DJIBOUTI BULK TERMINAL PROJECT
- DAMIETTA TERMINAL CONTAINER
- EGYPTIAN REFINING COMPANY
- DERBA MIDROC CEMENT PLANT PROJECT
- TEMA OSONOR POWER PLANT
- INCLUSIVE INDUSTRIES PROGRAM

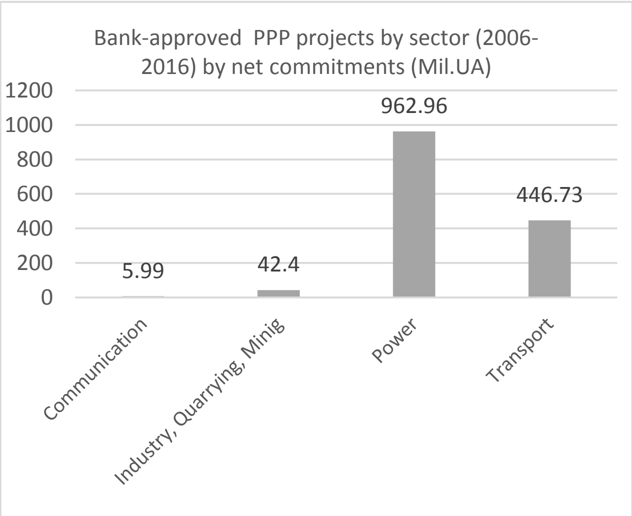
Annex 4: PPP Portfolio Statistical Data

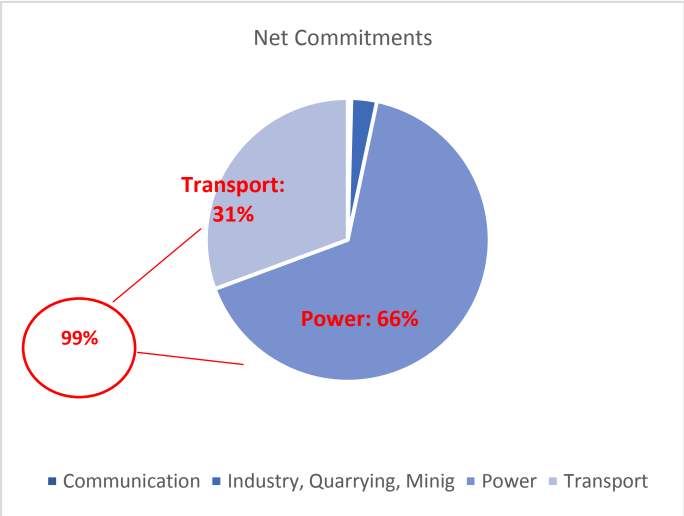
A4.a: Distribution by Sector

Regions	Communication	Industry	Power	Transport	Total
Number of projects	**1**	**1**	**20**	**10**	**32**
%	3%	3%	63%	31%	100%
Net commitments (Mil.UA)	5.99	42.40	962.96	**446.73**	1,458.08
%	0.4%	2.9%	66.0%	30.6%	100%



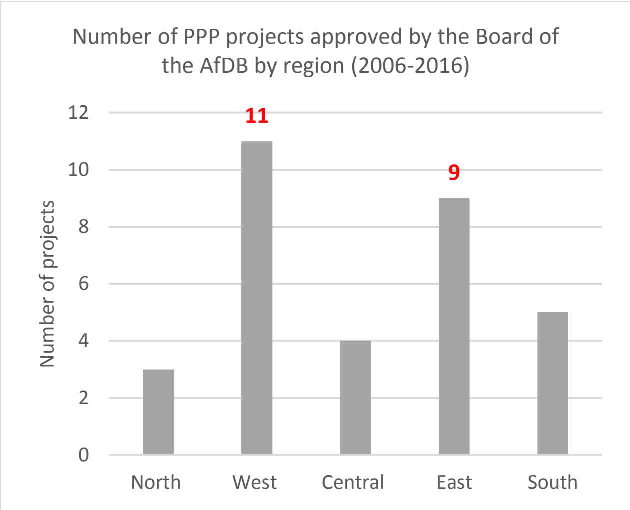


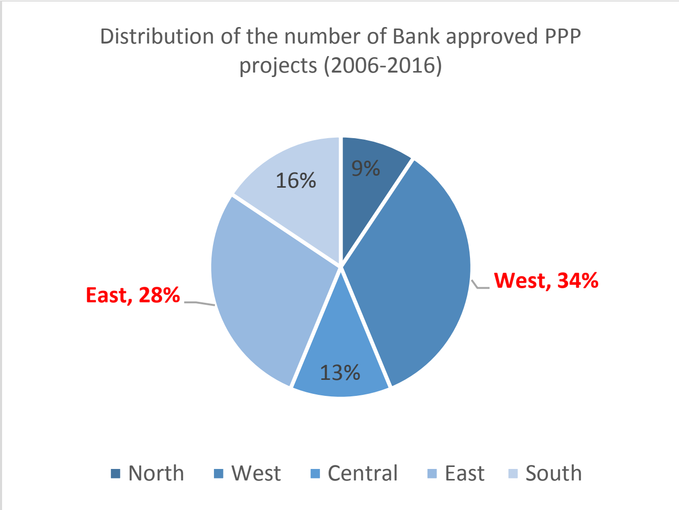


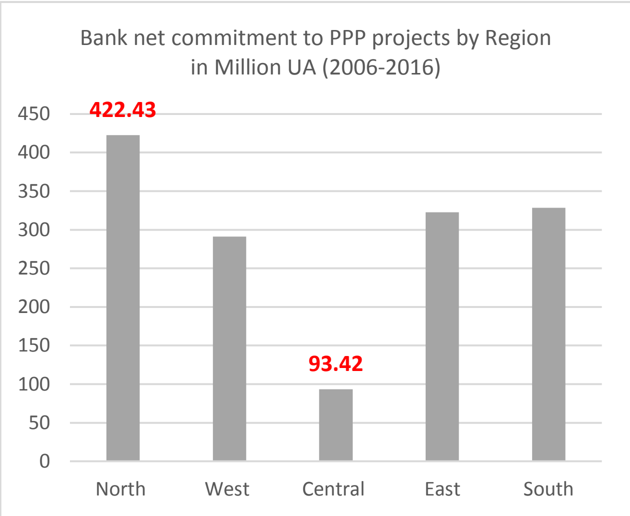


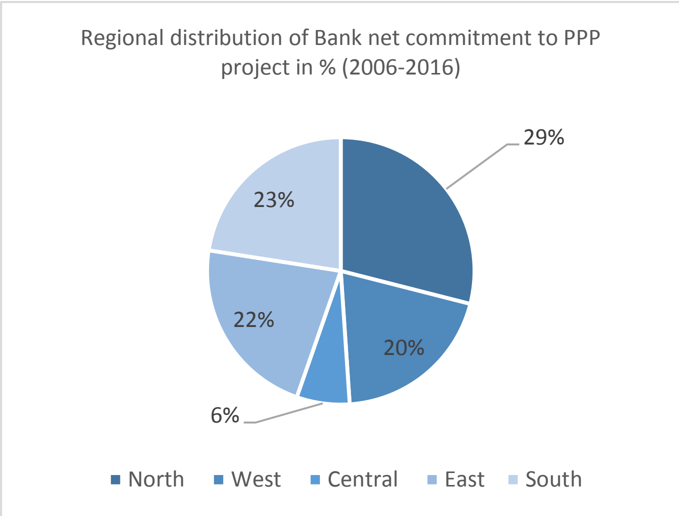
A4.b: Distribution of PPP Portfolio by Region (Amounts and Project Numbers)

Regions	North	West	Central	East	South	Total
Number of projects	**3**	**11**	**4**	**9**	**5**	**32**
%	9%	34%	13%	28%	16%	100%
Net commitments (Mil.UA)	422.43	291.07	93.42	**322.68**	**328.55**	1,458.15
%	29%	20%	6%	22%	23%	100%



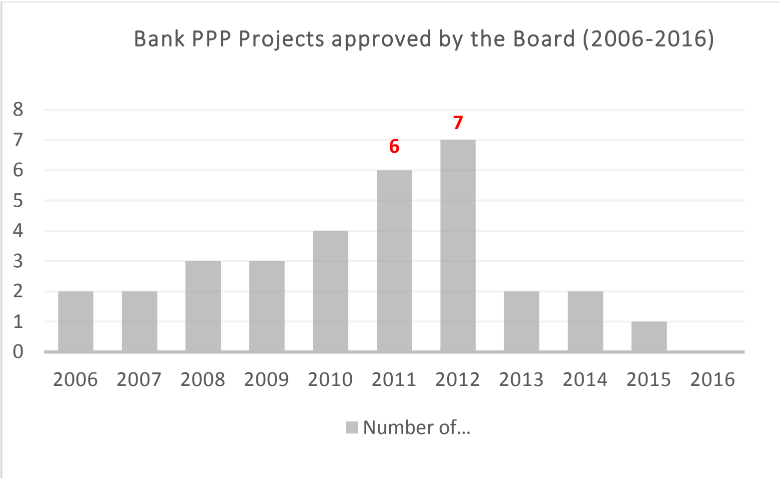


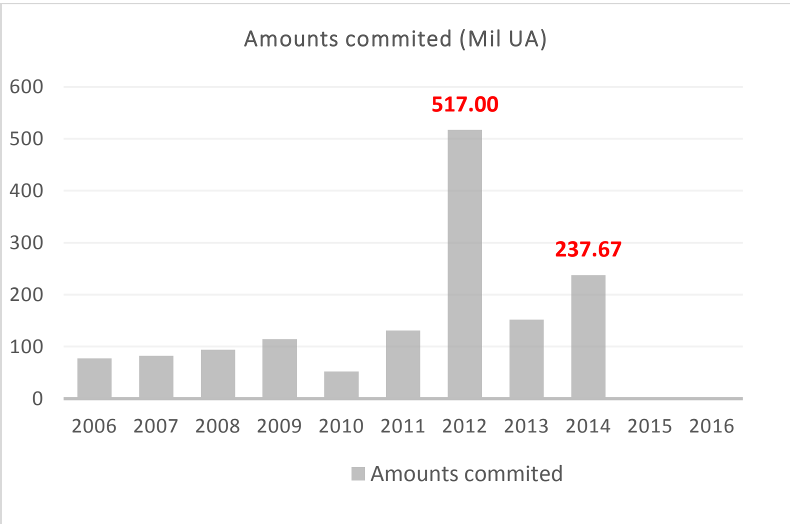




A4.c: Yearly PPP Commitments (Amounts and Project Numbers)

Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Number of approvals	2	2	3	3	4	6	7	2	2	1	0	32
Amounts committed (Mil.UA)	77.13	82.41	93.73	114.12	52.40	131.15	517.00	151.91	237.67	0.00	0.00	1457.52
# of approvals (%)	6%	6%	9%	9%	13%	19%	22%	6%	6%	3%	0%	
Amount committed (%)	5%	6%	6%	8%	4%	9%	35%	10%	16%	0%	0%	
North Africa				1			2					3
West Africa			1	2	3	1	3	1				11
Central Africa	1	1			1	1						4
Eastern Africa		1	2			4		1		1		9
Southern Africa	1						2		2			5
Total Number of Projects	**2**	**2**	**3**	**3**	**4**	**6**	**7**	**2**	**2**	**1**	**0**	**32**





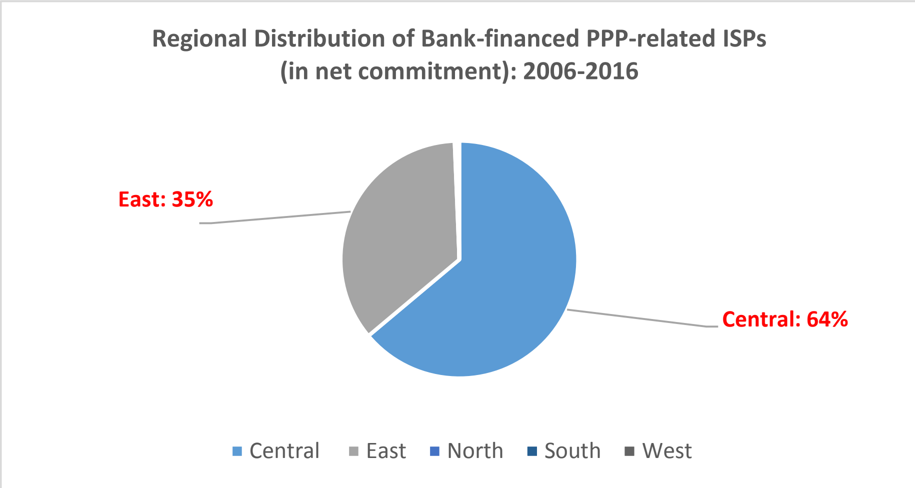
Annex 5: List of PPP-Related Institutional Support Projects

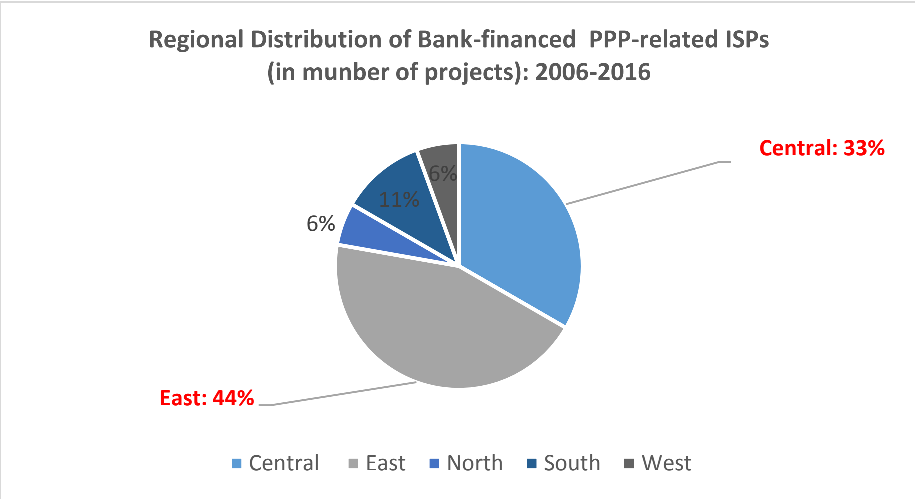
A5.a: List of PPP-related ISPs

Regions	Central	East	North	South	West	Total
Number of projects	6	8	1	2	1	18
%	33%	44%	6%	11%	6%	100%
Net commitments (Mil.UA)	247,5	137,4	0,7	1	0,8	387,4
%	64%	35%	0%	0%	0%	100%

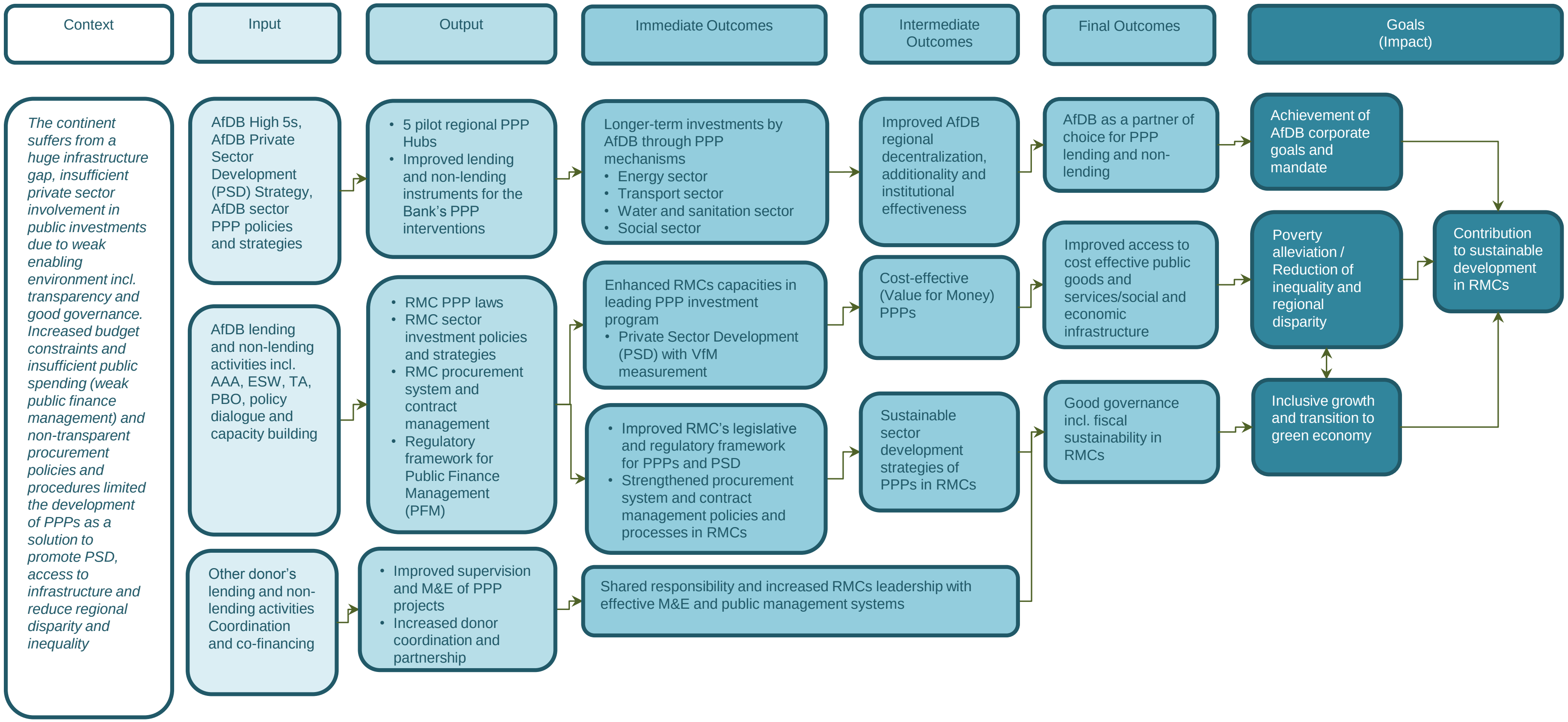
Sr. No.	Country	Project or Study Title	Completed Year	Output
1	Ethiopia	Roadmap for the Establishment of PPP Framework in Ethiopia	2016	ESW (Book) and Abridged Board Document
2	Ethiopia	Institutional Support Project for Public Private Partnerships (ISP-PPP) -	ongoing	PPP Policy PPP Law and Guidelines PPP Unit Capacity building
3	Tanzania	Governance and Economic competitiveness support Programme (GECSP) Preparation of PPP Implementation Manuals	2014	Operationalization of PPP Unit Draft PPP Procedures Manual (as trigger for PBO disbursement) Capacity Building
4	Tanzania	Institutional Support Project for Good Governance III	Approved	Synchronise PPP Manual with new PPP Law PPP feasibility studies PPP capacity building
5	Seychelles	Development of a Legal and Regulatory Framework for PPPs (co-financed with ICF)	2016	PPP development report PPP Law Capacity building Twinning arrangements
6	Seychelles	Inclusive Private Sector Development and Competitiveness Programme – Phase II	2015	Approval of PPP policy framework
7	Namibia	Institutional Strengthening for Public Private Partnerships (ISPPP)	Ongoing	PPP feasibility studies PPP capacity needs assessment Training and study tours
8	Cape Verde	Promotion of Economic Efficiency and Investment Project (co-financed with ICF)	Ongoing	Advisory services for Privatization & PPP Unit
9	Madagascar	Investment Promotion Support Project (PAPI)	Ongoing	PPP Policy PPP procedures manual PPP Advisory services and capacity building
10	Madagascar	Economic Management Reform Support Programme (PARGE) Partial Credit Guarantee	Approved	PPP Bill submitted to Parliament PPP Policy adopted by Cabinet
11	Comoros	Private Sector Support Project	Ongoing	Strengthening of the public-private dialogue platform through capacity building
12	Chad	Business environment & Economic Diversification support Project	Ongoing	Operationalization of the public-private dialogue platform
13	Gabon	Economic and Financial Reform Programme (PAREF)	Ongoing	Development of PPP legal and regulatory framework
14	Republic of Congo	Investment Climate and Forest Governance Project (PACIGOF)	Ongoing	Development of PPP legal and regulatory framework
15	DRC	Private Sector Development Project for Job Creation (PEDSP/CE)	Ongoing	Establish and operationalise PPP Unit Capacity building
16	Mauritania	Inclusive Growth support Project (PAGOCE)	Ongoing	Strengthening public-private dialogue platform
17	Mauritius	MIC Grant Supporting the Public Sector Efficiency Programme	2015	Public sector investment plan (laying the foundation for PPPs)
18	Zimbabwe	Capacity Building for Public Finance and Economic Management Project	Ongoing	Elaboration of PPP policy framework

A5.b Regional Distribution of PPP-Related ISPs in Net Commitment Amounts and numbers





Annex 6: PPP Evaluation – Theory of Change (Results chain articulation)



Hypothesis and Assumptions

- ✓ Political will and credible needs assessments;
- ✓ High involvement of public sector, private sector, CSOs and end-beneficiaries;
- ✓ Credible risk assessment, pricing and sharing (Value for money assessment, risk management systems in place);
- ✓ Public finance administration competencies (PFM & M&E systems, public policies evaluations) and Enhanced capacity for maintenance and fiscal stability;
- ✓ Anti-corruption, enhanced transparency and accountability programs and rule of law in place;
- ✓ Increased capital flows and FDIs.

Annex 7: Evaluation Criteria, Definitions and Benchmarks at Project Level:

Criteria/Sub-Criteria	Definitions, Evidentiary Requirements and Analytical Methods	Benchmarks
1.1 Relevance		
Relevance of Bank assistance and interventions objectives	A comparison of the Bank assistance and interventions' intended results with the country's development, policy, or transition priorities and with Bank country and sector assistance strategies and corporate goals as expressed in Poverty Reduction Strategy Papers, country strategies, sector strategies, and operational guidelines. Relevance is assessed against priorities and conditions at the time of CSP and project appraisal. The assessment also covers the clarity and realism of Bank assistance and intelerventions intended results. It also considers the implementation of the Bank's screening mechanisms at the pre-commitment stage. For operations that could potentially compete with the public sector (which may be the case for both public and private sector operations), the assessment requires evidence of the market failures that justify Bank assistance and interventions. Errors of omission also are included, i.e., market failures that should have been addressed through Bank assistance but were not. Where applicable, Relevance also assesses the interventions rationale for targeting specific populations. If the rationale for the interventions is based on social goals (such as fiscal subsidies, redistribution,), these are explained.	A positive rating requires substantial clarity and realism of Bank assistance and interventions objectives; substantial consistency with needs, policies, and priorities; and where applicable, substantial evidence of market failures and the rationale for targeting specific groups.
Relevance of Bank assistance and interventions' design to achieve Bank specific or corporate objectives (Quality of front-end work and additionality) and targeting end-users and beneficiaries	The relevance of interventions design is evaluated via assessing the following: **Quality of the design:** Quality of the results/logical framework and the results chain describing the linkages between inputs, activities to outputs, intended outcomes and impact and identification of risks that could affect the intended outcomes. **Additionality:** The Bank's additionality measures what Bank financing brings to the PPP Bank assistance and interventions over and above commercial/development financiers. It is based on the counterfactual assessment of how the interventions would have proceeded without Bank financing. The quality of the ADOA note should be assessed in terms of i) Financial Additionality which measures the special contribution that the Bank's funding offers the client that would otherwise not have been offered by other financiers: Would the client have been able to obtain sufficient financing from private sources on appropriate terms? Did the Bank catalyze other funding or did it merely fill a financing gap? Was the Bank's financing needed to reduce risk or provide comfort thereby encouraging other financiers to invest in the undertaking? ii) Non-Financial Additionality measures the Bank's contribution to reducing the projects risk profile, including PPP procurement and contract management issues within the PPP arrangement, the design or functioning. The rating is determined by considering answers to questions such as: Was the Bank needed to bring about a fair allocation of risks and responsibilities between public and private investors while ensuring a sustainable partnership? Did the Bank's participation lead to improved design, enable the client to adopt new or better standards or contribute to the client's capacity building objectives through technical assistance, training, etc.in particular in creating the enabling environment, the assistance of establishing a PPP hub, assistance to legal, procurement and contract management etc? Targeted Beneficiaries: Did the Bank undertake a beneficiary needs assessment with intended potential impact that the PPP may have in terms of social impact, poverty reduction, inclusive growth, employment, gender and youth equality, transition to green growth as compared to other alternatives such PuP or PSO only. This should be based on a counterfactual assessment of how Bank assistance and interventions would have proceeded using other alternative sources of financing, public or private only?	For a positive rating, there must be evidence that the project has an outstanding/excellent or good logical and results framework based on clear articulation of results, a high quality additionality assessment (ADOA Note), based on a counterfactual assessment of how the project would have proceeded using other alternative sources of financing, Public or private only and a tangible beneficiary needs assessment and targeting based on surveys, and data analysis?

Criteria/Sub-Criteria	Definitions, Evidentiary Requirements and Analytical Methods	Benchmarks
1.2 Effectiveness		
Operational Performance & Achievement of Outputs	Compares achieved values with both initial targets and revised targets, if the latter were formally revised during Bank projects implementation. In general, counterfactual analysis is not needed because by definition the outputs are under the control of the projects and not influenced by external factors. For private sector operations, outputs would include the physical investments realized.	For a positive rating, there must be evidence that the project substantially achieved its targeted outputs.
Achievement of Outcomes and possible Impacts	The assessment of outcomes is based on the direct and intermediate outcomes stated in the retrospective project logic model. The overall rating will be based on all dimensions of the intended outcomes which include: i) Economic benefits; ii) Intended social outcomes on targeted beneficiaries iii) Private sector development (PSD); iv) Market failures; v) Infrastructure gaps; vi) Contribution to Bank corporate and strategic goals; taking into account any risk and exogenous factors that affected the achievement of the outcomes as well as all unintended, positive or negative outcomes that the project has demonstrated.	For a positive overall rating, there must be evidence that the project substantially achieved its expected/intended outcomes and impacts with no negative unintended negative effects or impacts outputs
• Economic Benefits	The best indicator of a PPP project's contribution to economic growth is its economic rate of return (ERR) or socioeconomic impact. Ideally, the ERR considers and quantifies the projects economic effects on all its economic stakeholders. Such benefits include, but are not limited to contribution to government revenues resulting from taxes paid by the PPP company; fiscal stability/sustainability, etc.	A positive rating when the projects achieve a high ERR (beyond the opportunity cost in the country) based on high/good quality CBA or socio-economic impact of the company and other stakeholders and high/good contribution to Government revenues (or less subsidies or fiscal constraints) or fiscal sustainability.
• **Contribution to Intended social outcomes on targeted beneficiaries**	Relevant evidence would include baseline and at-evaluation values of performance indicators defined under the projects as well as other quantitative and qualitative information relevant to the intended outcomes, including the project's reach to target groups. It measures the extent to which PPP projects contributed, or expected to contribute, to their intended development results in terms of accessibility, affordability, employment, poverty reduction, and economically viable market sectors supported by the projects. Outcomes are assessed against Bank interventions intended results as contained in appraisal and/or approval documents (Logical or results framework) or as reconstructed by the evaluator (retrospective ToC). If the intended results and/or targets were revised during implementation, the assessment considers the interventions achievements against both the original and revised intended results and/or targets. Outcomes are compared against a without-project counterfactual. If feasible and practical, this is done using an impact evaluation; if not, plausible causality is established using a theory-based method: presenting evidence on the achievement of all levels in the results chain and testing the validity of assumptions. Contribution to Intended social and economic outcomes on targeted beneficiaries measures the extent to which the project contributed, or is expected to contribute, to its intended development results in terms of accessibility, affordability, employment, poverty reduction, and economically viable market sectors supported by the project. The analytical method includes stakeholder analysis, i.e., the extent to which the project had its intended impact on employees, suppliers, competitors, and neighbors or a theory-based method is used to established plausible causality to the project (for example, evidence that the company had improved its outreach in meeting the demand/beneficiaries needs.	A positive rating on Contribution of Intended Outcomes requires that there is strong evidence that PPP projects contributed (or likely to contribute) substantially to intended outcomes. When the desired outcome is achieved but there is evidence that the results are primarily due to other factors, the rating is adjusted downward, accordingly. The rating reflects the project's incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. For example, • If outcome indicators met or exceeded targets, but there is evidence that the change was due mainly to external factors, a less than satisfactory rating is warranted. • If outcome indicators deteriorated, but there is evidence that the decline would have been worse in the absence of the project, a positive rating is warranted. On an exceptional basis, "Not Rated" is a possible rating when evidence is missing or weak.

Criteria/Sub-Criteria	Definitions, Evidentiary Requirements and Analytical Methods	Benchmarks
• **Contribution to Private Sector Development**	It measures the extent to which Bank PPP assistance and interventions have spread benefits of growth of productive private enterprise beyond the PPP company, i.e. on issues such as competition, market expansion, private ownership & entrepreneurship, development of financial institutions and markets, standards of corporate governance, transfer of technology and dispersion of skills, and the development of physical infrastructures used by other private parties. Bank assistance can have positive or negative impacts on private sector development and it is necessary to establish that the impacts are attributable to Bank interventions; broad demonstration effects in the local economy and follow-on investments by other investors; domestic capital market development and greater resource allocation efficiency; improvements in standards for corporate governance and business conduct; and development of physical infrastructures used by other private parties.	A substantial and plausible contribution of Bank assistance to private sector development must be shown to merit a positive rating. As with the Contribution to Intended Outcomes, the rating reflects Bank PPP assistance incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. "Not Rated" is a possible rating when Bank assistance did not contribute to PSD goals beyond its intended outcomes, or evidence is missing or weak.
• Market failures	Upstream and downstream supply linkages of public services using private entrepreneurship with transferred and/or shared risks; introduction of new technology and know-how; enhancement of private entrepreneurship; contribution to improving the PPP environment within an open economy; improved cost-effectiveness;	A substantial and plausible contribution of Bank PPP assistance and interventions to fulfillment of market failures (see definitions) must be shown to merit a positive rating. As with the Contribution to Intended Outcomes, the rating reflects Bank assistance incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. "Not Rated" is a possible rating when the project did not contribute to fulfill market failures goals beyond its intended outcomes, or evidence is missing or weak.
Infrastructure Gaps	It includes the contribution to improve access to infrastructure of beneficiaries including the poor, disadvantaged population and to reduce inequality and regional disparities and a contribution to reduction/fulfillment of the infrastructure gaps.	A substantial and plausible contribution of the project to fulfillment of infrastructure gaps, accessibility and regional disparities, must be shown to merit a positive rating. As with the Contribution to Intended Outcomes, the rating reflects Bank assistance incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. "Not Rated" is a possible rating when the project did not contribute to fulfill infrastructure gaps goals beyond its intended outcomes, or evidence is missing or weak.
Contribution to Corporate Goals	It assesses the incremental contribution of Bank assistance and PPP interventions to broad corporate goals that are not part of the Bank project's intended results – for example, contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only). It uses a theory-based approach to establish plausible association between Bank assistance and interventions and corporate goals. Bank assistance contribution (or expected contribution) to broad corporate goals that are not included in the PPP interventions specified intended results including to inclusive growth, and to increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth, employment, as compared to alternatives and other financing options (PuP or PSO only) are discussed in the cross-cutting sections if not specifically considered in the intended results. It also discusses other factors that could have affected the achievement of those goals. The assessment may be supported by evidence from other evaluations and research.	A substantial and plausible contribution of Bank assistance and PPP interventions to the achievement of corporate goals must be shown to merit a positive rating. As with the Contribution to Intended Outcomes, the rating reflects the project's incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. "Not Rated" is a possible rating when the project did not contribute to corporate goals beyond its intended outcomes, or evidence is missing or weak.

Criteria/Sub-Criteria	Definitions, Evidentiary Requirements and Analytical Methods	Benchmarks
Unintended Outcomes	Assesses positive or negative results of the project that were not included in the project's statement of objectives. Uses a theory-based approach to establish plausible causality between the project and unintended outcomes. To be included, unintended outcomes must be truly unanticipated, attributable to the project, quantified, of significant magnitude, and at least evidenced as the project's other outcomes. Where there are unintended benefits, an assessment should be made of why these were not "internalized" through project restructuring by modifying the project's intended results.	A substantial and plausible contribution of Bank assistance to the achievement of unanticipated outcomes must be shown to merit a positive rating. Positive impacts that are attributable to Bank interventions merit a positive rating; negative impacts that are attributable to the project merit a negative rating. The rating reflects Bank assistance incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. "Not Rated" is a possible rating when there were no unintended outcomes or when evidence is missing or weak.
1.3 Efficient Use of Resources		
Financial and Economic Efficiency	**Financial Efficiency** assesses the incremental effect of Bank assistance and interventions on the financial performance of the PPP company. Financial performance is measured by the FRR or ROIC for the interventions/projects; a comparison of appraisal financial projections; and other performance indicators from the company's financial statements. In evaluating financial performance, observed changes in performance are compared with a without-Bank assistance and project counterfactual.	For a positive rating, the interventions FRR or ROIC and/or other financial performance indicators exceed or are in line with appraisal projections.
	Economic Efficiency: It assesses the extent to which the costs involved in achieving Bank assistance and PPP interventions objectives were reasonable in comparison with the benefits, and the extent to which the interventions were implemented at least cost compared to alternative ways of achieving the same results. Cost-benefit analysis is conducted to the extent that data is available and it is reasonable to place a monetary value on project benefits. The costs and benefits of the project (Value for Money) include both private and social costs and benefits, and extend to all affected stakeholders. Cost-effectiveness analysis compares the unit costs of the project, or component costs, with those of similar projects. It requires information on traditional measures of efficiency, e.g., FRR, ERR, NPV, unit rate norms (cost per unit of input or cost per unit of output), and service standards, as well as information on the cost of projects with similar objectives, scope, and design. The assumptions behind the calculations should be fully explained. The project's Economic Efficiency should not be confused with the achievement of improved efficiency of the sector or program being supported. The latter is an outcome and would be included in the assessment the Contribution to Intended Outcomes.	Project costs should have been equal to or less than the costs of alternative ways of achieving the same objectives. Substantial cost overruns would usually lead to a negative rating on Economic Efficiency, but if were unrealistically estimated at appraisal, they should instead enter into the rating for Quality at Entry.
Implementation Efficiency	Measures other aspects of efficiency not included in Economic Efficiency, such as aspects of design and implementation that either contributed to or reduced efficiency. Implementation delays are a typical implementation inefficiency. The timeline of implementation is compared with the projected timeline at entry (the appraisal or pre-commitment stage), and reasons for differences are discussed.	Significant delays or other implementation inefficiencies would suggest a negative rating for Implementation Efficiency.

Criteria/Sub-Criteria	Definitions, Evidentiary Requirements and Analytical Methods	Benchmarks
1.4 Sustainability		
Sustainability of Outcomes	The assessment is based on (i) the likelihood that some changes may occur that are detrimental to the continuation of Bank assistance and PPP interventions outcomes or expected outcomes; and (ii) the impact on the intermediate and final outcomes and impact have some or all of these changes materialized. The risks may include technical, financial, economic, social, political, environmental, government ownership/commitment, other stakeholder ownership, institutional support, governance, and exposure to natural disasters. The evaluator's judgment of the uncertainties faced by the operation's results (intended outcomes, unintended outcomes, contribution to corporate goals) over its expected remaining useful life, taking into account any risk mitigation (or sharing) measures already in place and transparent at the time of evaluation.	A positive rating requires strong evidence that the expected value of risks (technical, financial, economic, social, political, environmental, government ownership/commitment, other stakeholder ownership, institutional support, governance, and exposure to natural disasters) is moderate to low.
Technical Soundness	PPPs interventions should be technically sound and operational performances sustainable with the existence of maintenance and utility management systems in place. An overview assessment of these systems is required	A positive rating requires evidence of sound operational, maintenance and utility management systems using ISO and other international quality standards
Business/Commercial Sustainability	The forward-looking business/commercial viability of the company, and/or sub-borrowers/fund investees is assessed. It considers the PPP company's adaptability and prospects for sustainability and growth including fiscal and financial returns. Based on projected future financial performance and the performance of the PPP company in comparison to the market or sector peers. This criterion assesses the extent to which funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure the continued flow of benefits, with particular emphasis on financial and fiscal sustainability.	An expectation of continued commercial viability in projected market, and fiscal and financial conditions are required for a positive rating.
Compliance with Safeguards, Environmental and Social Performance	The compliance with applicable safeguard policies, if any, including implementation of the mitigation plan. Based on the degree of compliance with the Bank's standards in effect at project entry, and the standards prevailing at the time of the evaluation. This assessment is based on the PPP management of its environmental and social impacts. To the extent that environmental sustainability is an intended outcome of the project and/or incorporated into a company's business model, these outcomes are assessed under ***Contribution to Intended Outcomes***.	For a positive rating, the country's implementing agency or PPP company must be in material compliance with applicable safeguards with a positive environmental and social performance.
Institutional sustainability and strengthening of capacities	The criterion assesses the extent to which the Bank has contributed to strengthen institutional capacities - including for example through the use of procurement and contract management best practices. An appreciation should be made to whether or not improved governance practices or improved skills, procedures, incentives, structures, or institutional mechanisms came into effect as a result of Bank assistance. It should include an assessment on the contributions made to building the capacity to lead and manage the PPP contracting process, as well as the extent to which the political economy of decision-making was conducive to Government's commitment to reform and how the design reinforced national ownership of PPP. The assessment should include the extent to which the Bank supported the Government's capacity to conduct Value for Money analysis, procurement, contract management and implementation of the PPP and supported the Government's PPP Unit.	For a positive rating, material effects must be demonstrated for institutional capacities strengthening- including for example through the use of procurement and contract management best practices, improved governance or skills, procedures, incentives, structures, or institutional mechanisms. In case of support of the Government, material effects should also be demonstrated on the capacity to conduct Value for Money analysis, procurement, contract management and PPP transaction implementation through PPP Unit.
Ownership and Sustainability of Partnerships	The assessment determines whether Bank assistance has effectively involved relevant PPP stakeholders, promoted a sense of ownership amongst the Government (central and sector ministries) and put in place effective partnership with	For a positive rating, the involvement of relevant PPP stakeholders promoted a sense of ownership amongst the Government (central and

Criteria/Sub-Criteria	Definitions, Evidentiary Requirements and Analytical Methods	Benchmarks
	relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) as required for the sustainability of the public private partnership.	sector ministries) and has put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) as required for the sustainability of the public private partnership.
1.5 PPP Cross-cutting issues:		
	It assesses the extent to which have Bank PPP assistance and interventions contributed or likely to contribute to inclusive growth, with increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, transition to green economy, compared to alternatives and other financing options (PuP or PSO only)?	A positive rating must be shown in the case of substantial and plausible evidenced contribution of Bank assistance and interventions to inclusive growth with increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, transition to green economy, if not already taken into consideration in assessing projects contribution to intended or corporate goals. "Not Rated" is a possible rating when the project did not contribute to these cross cutting issues beyond its intended outcomes, or evidence is missing.
Bank Performance		
Quality at Entry & Additionality	Measures the extent to which the Bank identified, facilitated preparation of, and appraised the operations such that they were most likely to achieve their planned outcomes and was additional and consistent with the Bank's fiduciary role. The assessment includes the quality of the Bank's assessment of the PPP operations as being relevant to the Bank's corporate, country, and sector strategies; the quality of the results framework and the design of the monitoring and evaluation system; the assessment of sponsors, company, management, country & market conditions, market dynamics, project concept, configuration and costs; the appraisal of the financial plan, source of project funds, and assumptions used in the project's financial projections; the assessment of project and political and management/institutional risks, and steps taken to mitigate them; the appraisal of procurement methods, environmental and social risks, and the inclusion of safeguards to mitigate them; and the appropriateness of the investment instrument selected. Quality at Entry for PPP operations also covers the ex-ante non-financial additionality of the Bank, e.g., the extent to which the Bank brought about a fair, efficient allocation of risks and responsibilities; improved the Government and client's functioning in business/management; sharing responsibilities and risks, or improved the client's and the country's capacity including its assistance to establish a PPP hub (Unit).	For a positive rating, the Bank should have materially met its operational standards in these areas, and there were no significant shortcomings in project results due to the Bank's performance at project entry.
Quality of administration, Supervision and M&E	For PPP, the quality of supervision includes the completeness of supervision reports in documenting project status and risks; the monitoring of the client company's compliance with the terms of the investment and contractual arrangements with the country authorities; the monitoring of the client company's environmental and social performance, and adherence to relevant government regulations and Bank's requirements; the adequacy and timeliness of the Bank's response to emerging problems or opportunities; and the effectiveness of hand-over procedures to the government, if any.	For a positive rating, the Bank should have materially met its operational standards in these areas, and there were no significant shortcomings in project results due to the Bank's supervision performance.

Criteria/Sub-Criteria	Definitions, Evidentiary Requirements and Analytical Methods	Benchmarks
Government and Client Performance		
Non-Financial Performance of the Company	Non-financial performance covers compliance with relevant government regulations and Bank requirements including its corporate social responsibilities. For a positive rating, the PPP company is in material compliance with relevant government regulations and Bank requirements with outstanding social responsibilities.	For a positive rating, the company is in material compliance with relevant government regulations and Bank requirements with outstanding social responsibilities.
Government and PPP Agency Performance	It assesses the extent to which the government and implementing agencies ensured quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of intended outcomes. It includes such aspects as government ownership and commitment; the enabling environment for the projects; adequacy of consultations with stakeholders; readiness for implementation, timely resolution of implementation problems, fiduciary management, compliance with environmental and social safeguards, adequacy of monitoring and evaluation of partnerships arrangements, relationships with other donors and stakeholders; and adequacy of arrangements for the transition after contractual ownership transfer and management. The evaluator should take account of the regulatory, legislative framework and country context in weighing the relative importance of each aspect of government and implementing agency performance as they affected outcomes.	For a positive rating, there were at most moderate shortcomings in the performance of the government and implementing agency or agencies.
Bank Investment Profitability		
	For the Bank to continue to be sustainable, the investments it makes, whether in the form of loans or equity have to be profitable. For loans: The best indicator of the Bank's investment profitability in a project is the net profit contribution (gross income less financing costs, loan loss provisions/ write-offs, transaction costs and administrative costs measured in discounted cash flow terms. However, because of the difficulty in estimating transaction and administrative costs associated with individual projects before the Bank implements a viable cost accounting system, a qualitative approach based on gross profit contribution (gross income less financing costs, loan loss provisions/ write-offs) is recommended. For equity investments, profitability shall be measured by comparing the nominal internal rate of return (also referred to as return on equity (ROE)), computed using projected dividends and capital gains, with the interest rate of a fixed rate loan to the same project company.	For a positive rating, the net profit contribution is sufficient relative to the Bank's target return on capital or overall profitability objectives. Further details by type of financing instrument (investment loan, guarantee or equity), are provided in ECG-PSO GPS (20.2-20.5)

Source: Adapted from ECG Harmonized Evaluation Criteria and Rating, 2013

Annex 8: PPP Project Evaluation Guide and Template

Project Title : ………………………………………………………………………

Table of Content

A. KEY BASIC DATA

1. Key Project Information

Project No.	. . . .	**Loan No.**	. . . .
Project Title	. . . .		
Sector :	. . . .		Industrie minière
Project Total Cost	. . . . . millions de dollars E.U		(. . . . . millions UA)
ADB Loan	. . . . . millions de dollars E.U		(. . . . . millions UA)
Other Sources of Funding:	. . . . . millions de dollars E.U		(. . . . . millions UA)
Amount Disbursed	. . . .	**Counterpart funding disbursement**	. . . .
Disbursement Ratio	. . . .	**Implementation Ratio**	. . . .

2. Key Loan Dates

Approval Date	. . . .	**Loan Signature Date**	. . . .
Loan Effectivneness Date	. . . .	**Loan Closing Date**	. . . .
First Disbursement Date	. . . .	**Date du dernier décaissement**	. . . .
…………..		……………..	

3. Available Project Documentation

Bibliography consulted	- WB/IMF Country Economic Memorandum - Country reports on economic and social infrastructure - PPP Unit activity reports. - PPIAF Reports - Other. . . . .

Project and Country documentation consulted	- Country assistance Strategy - Due diligence documentation: feasibility studies, legal opinion, PPP institutional arrangement, country briefs… - PAR - Negotiations documents - Loan Agreement - Aide Mémoires / - Supervision reports - Expanded Supervision Reports - Review of Expanded Supervision Reports - Other…………….

4. Key Stakeholders Met

	Persons	Institutions	Dates
Conclusive Meetings	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .
Unconclusive Meetings	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .
	-	-	- . . . .

B. CONTEXT, RATIONALE, PURPOSE AND OBJECTIVES, EX ANTE LOGICAL/RESULTS FRAMEWORK

1. General Background, Context and Justification of PPP financing

Provide a summary of the Project rational and Bank's financing justification based on: (i) development challenges of the project ; (ii) Country development strategy and institutional arrangement for a PPP financing; (iii) Previous Bank's interventions in the country and in the sector and performance assessment of Bank's recent experiences; and (iv) On-going financed projects in the sector and other donor funding (co-financing, parallel financing and/or overlaps). Please cite the sources of information. Provide a critical review of the project origination and structuring including due diligence and state the strengths and weaknesses of Bank's work quality.

- Development Challenges and Project rationale Justification?

  . . . .
  . . . .
  . . . .

<u>The Country</u>

- Country development strategy and institutional arrangement for a PPP financing

  . . . .
  . . . .
  . . . .

- Sponsor/Borrower involvement

  . . . .
  . . . .
  . . . .

- Market Dynamics

  . . . .
  . . . .
  . . . .

<u>The Sponsor/Company</u>

. . . .
. . . .
. . . .

<u>Project Beneficiaries and Key Stakeholders</u>

. . . .
. . . .
. . . .

<u>The Bank's role</u>

- Previous Bank's PPP completed interventions in the country and in the sector and performance assessment of Bank's recent experiences.

  . . . .
  . . . .
  . . . .

- On-going financed projects in the sector

  . . . .
  . . . .
  . . . .

- Other Donor Funding of PPP projects (parallel financing, co-financing)

  . . . .
  . . . .
  . . . .

- Bank Coordination and leverage including Bank's assistance for future Hub creation in the country
  . . . .
  . . . .
  . . . .

<u>The Bank's Operational Work</u>

How well due diligence is conducted:

- Comprehensive diagnostics
  - ❑ Readiness of the sector
  - ❑ Public sector capacity
  - ❑ Fiscal implications
  - ❑ Integrated in NIPs

- PPP Diagnostic
  - Government committed
  - Space for PPPs
  - Civil society engaged
  - Sector regulations
  - PPP policy
  - Capable institutions
  - Capital markets
  - Continent liabilities
  - Pipeline of bankable PPPs

- Targeting the country
  - Bank reaches nascent and emerging country (Y/N)
  - PPP in Country assistance strategy
  - Mitigating Risks: Political risks; Environmental and social risk assessment and action plans to mitigate adverse effects
  - Assessing Additionality

- Addresssing Political Economy Factors
  - Engaging with Stakeholders:
    - Sector reform
    - Government commitment
    - Start with low hanging fruit
    - Broad and early engagement for PPP structuring
    - Engagement with civil society
  - Increasing Development Footprint
    - Increasing its additionality by investing more in less mature countries
    - Set early demonstration effect
  - Development Impact
    - Pro-poor
    - Fiscal returns
    - Efficiency gains
    - Risk assessment and mitigation
    - Financial soundness
    - Access to social infrastructure and services
    - Improvement of M&E and MfDR

- Origination, structuring and due diligence
  . . . .
  . . . .
  . . . .

- PPP investment instrument selection, structure, pricing, exit mechanism, security, covenants and other terms and conditions
  . . . .
  . . . .
  . . . .
- Negotiation, Approval procedures
  . . . .
  . . . .
  . . . .
- Client satisfaction with the Bank's pre-commitment work
  . . . .
  . . . .
  . . . .

Please cite the sources of information.
Provide a critical review of the project origination, structuring and due diligence and state strengths and weaknesses of Bank's work quality (to be put in annex if necessary).

2. Purpose, Objectives, Components and Activities

PURPOSE, OBJECTIVES, COMPONENTS AND ACTIVITIES
1. Clarify the purpose and rationale of the PPP intervention, its development objectives and expected outcomes as stated in the PAR and financing proposal
2. Describe the major components and their contribution to the ultimate objectives
2. Activities funded under Bank's lending instruments

PPP Sector and Specific Objectives:

Sector Objectives	. . . .
Specific Objectives	. . . .

Components:

Component 1	. . . .
Component 2	. . . .
Component 3	. . . .
Component 4	. . . .

Activities

1.	. . . .
2.	. . . .

3.	. . . .
4.	. . . .
5.	. . . .
6.	. . . .

3. Beneficiaries and Expectations

Identify the ultimate beneficiaries. Describe their expectations

Project Beneficiaries	
1.	. . . .
2.	. . . .
3.	. . . .
4.	. . . .
5.	. . . .

4. Ex Ante Logical/Results Framework

Logical/results Framework at Ex ante (only for reference)

Ex ante Project Logical/Results Framework:

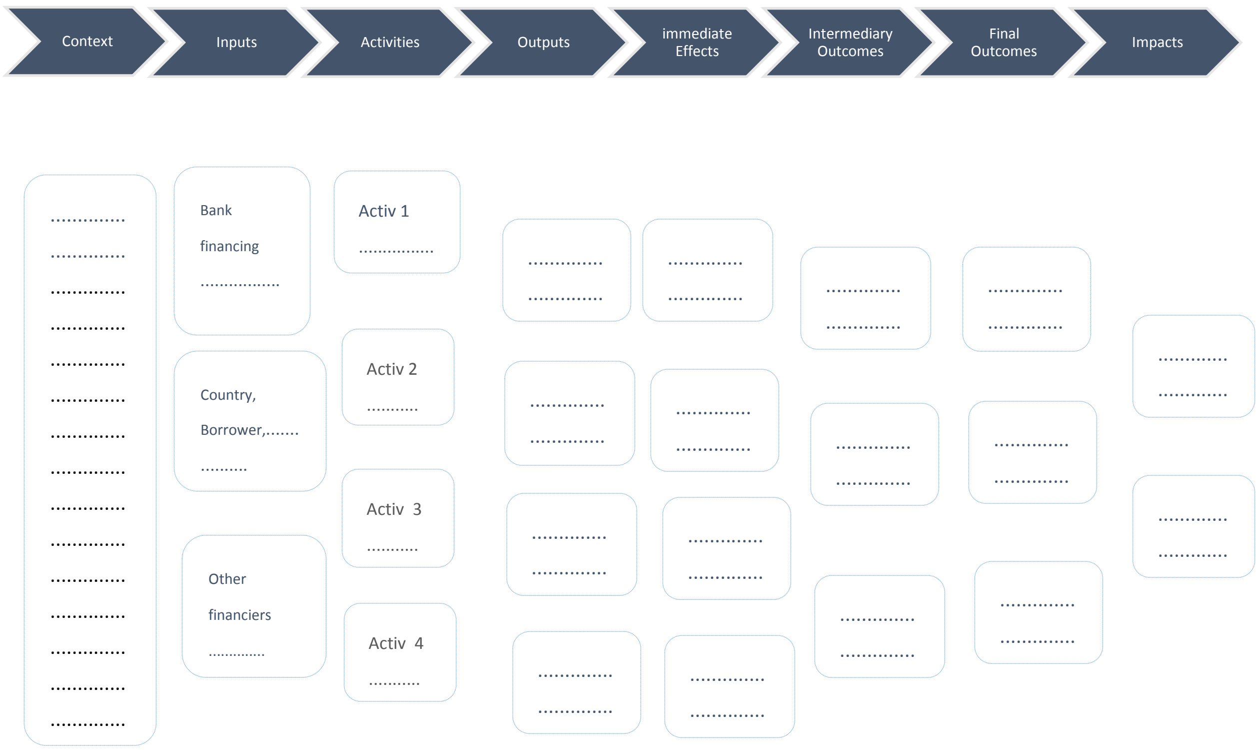
OBJECTIVE HIERARCHY	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	MEANS OF VERIFICATION	MAJOR HYPOTHESES AND RISKS
A. SECTOR OBJECTIVES	. . . .	. . . .	. . . .
B. SPECIFIC OBJECTIVES	. . . .	. . . .	. . . .
. . . .	. . . .	. . . .	. . . .
C. OUTCOMES AND IMPACT	. . . .	. . . .	. . . .
. . . .	. . . .	. . . .	. . . .
D. ACTIVITIES	**Major OUTPUTS and Financial Resources by financiers**	. . . .	. . . .

C. RETROSPECTIVE THEORY OF CHANGE, OUTPUTS, IMMEDIATE, INTERMEDIATE OR LONG TERM OUTCOMES AND IMPACTS

Describe the retrospective Theory of Change (ToC) based on a Results Chain Analysis, or Outcome Mapping, contribution analysis using the framework below.

1. Theory of Change (ToC)

Build the Toc using the data available and highlighting the results chain from the context, inputs, activities, outputs, immediate outcomes or effects, intermediary outcomes, final outcomes and impact.



Major Hypotheses and Risks (including mitigation measures):

- .
- .
- .
- .
-

2. Evaluation Framework

Insert the ToC and results chain to be evaluated and identify the Objectively Verifiable Indicators (OVI) targets and achievements, specifying the sources and data collection methods as well as the factors of « Success or Failure ». In the case of on-going operations, please state the likelihood (or plausibility) of achievement of final outcomes and impacts.

	Objectively Verifiable Indicators (OVI)	Unit	Collected Data			Sources of information and Data Collection Methods	Factors of Success/ Failure
			At Start up	Target	Achievement		
Impacts							
Impact 1 :	1-						
	2-						
Impact 2:	1-						
	2-						
Final Oucomes							
FO 1 :	1-						
	2-						
FO 2 :	1-						
	2-						
Intermediary Outcomes							
IO 1 :	1-						
	2-						
IO 2 :	1-						
	2-						
Immediate/Direct Effects							
IDE 1 :	1-						
	2-						
	3-						
IDE 2 :	1-						
	2-						
	3-						
Outputs							
OP 1 :	1-						
	2-						
	3-						
OP 2 :	1-						
	2-						
	3-						
Inputs/Activities							
Int 1 :	1-						
	2-						
	3-						
Int 2 :	1-						
	2-						
	3-						
Int3 :	1-						
	2-						
	3-						

Unexpected Outcomes (positive and/or negative) :

		Unexpected Outcomes
Positive	–	. . . .
	–	. . . .
	–	. . . .
	–	. . . .
Negative	–	. . . .
	–	. . . .
	–	. . . .
	–	. . . .

D. PERFORMANCE ASSESSMENT

1. Project Performance and Rating

<table>
<tr><td colspan="2">1.1 RELEVANCE</td></tr>
<tr><td>1.1 Relevance of Project Objectives</td><td rowspan="2">Rating
(1 - 6)</td></tr>
<tr><td>The relevance of objectives assesses to what extend the project purpose as specified in the approval document was aligned with the relevant RMC CSP and the applicable sector strategies, the country’s own development strategies and the beneficiary needs from design/approval to completion (including any adjustments that were made to the project in view of changes in the applicable policy environment, such as project restructuring). Relevance considers (i) the consistency of the project’s intended outcomes with beneficiary needs, country priorities, and Bank assistance strategy and corporate goals; (ii) the justification for PPP intervention and/or explicit or implicit subsidies provided; and (iii) the project’s intended targeting to specific groups.</td></tr>
<tr><td>[insert comments]</td><td></td></tr>
<tr><td>1.2 Relevance of project design to achieve project objective (Quality of front-end work and additionality)</td><td rowspan="2"></td></tr>
<tr><td>The relevance of project design is evaluated via assessing the following:
A) <u>‘Screening, Appraisal and Structuring’ stage</u>. This sub-dimension assesses how the Bank carried out its work on the project prior to commitment with reference to the following specific aspects: i) Relevance of the investment to the Bank’s corporate, country conditions and sector strategies (see above); ii) Identification of risks that the investment would fail to meet the intended development objectives or generate adequate financial or fiscal returns; iii) The sponsors, company, management, country conditions, market dynamics, project concept, configuration and costs; iv) Financing plan, sources of financing, and assumptions used in financial and economic projections; v) Political risks and mitigation measures; vi) Environmental and social risk assessment and action plans to mitigate adverse effects; vii) PPP investment instrument selection, structure, pricing, exit mechanism, security, covenants and other terms and conditions; and viii) Client satisfaction with the Bank’s pre-commitment work.
B) <u>Additionality</u>: The Bank’s additionality measures what Bank financing brings to the PPP project over and above commercial/development financiers. It is based on the counterfactual assessment of how the project would have proceeded without Bank financing. This dimension is measured through two sub-indicators: financial additionality and non-financial additionality. The rating for additionality is a synthesis of the rating of its two underlying sub-indicators. <u>i) Financial Additionality</u> measures the special contribution that the Bank’s funding offers the client that would otherwise not have been offered by other financiers which includes; would the client have been able to obtain sufficient financing from private sources on appropriate terms? Did the Bank catalyze other funding or did it merely fill a financing gap? Was the Bank’s financing needed to reduce risk or provide comfort thereby encouraging other financiers to invest in the undertaking? ii) <u>Non-Financial Additionality</u> measures the Bank’s contribution to reducing the projects risk profile, including procurement and contract management issues within the PPP arrangement, the design or functioning. The rating is determined by considering answers to questions such as: Was the Bank needed to bring about a fair allocation of risks and responsibilities between public and private investors while ensuring a sustainable partnership? Did the Bank’s participation lead to improved design, enable the client to adopt new or better standards or contribute to the client’s capacity building objectives through technical assistance, training, etc.in particular in creating the enabling environment, the assistance of establishing a PPP hub, assistance to legal, procurement and contract management etc?
C) Targeted Beneficiaries: Did the Bank undertake a beneficiary needs assessment with intended potential impact that the PPP may have in terms of social impact, poverty reduction, inclusive growth, employment, gender and youth equality, transition to green growth as compared to other alternatives such PuP or PSO only. This should be based on a counterfactual assessment of how the project would have proceeded using other alternative sources of financing, Public or private only?</td></tr>
<tr><td>[insert comments]</td><td></td></tr>
<tr><td>Overall Rating for Relevance</td><td></td></tr>
<tr><td colspan="2">2. EFFECTIVENESS</td></tr>
<tr><td colspan="2">To which extent Bank PPP projects and interventions are effective and yield development results?</td></tr>
<tr><td>2.1 Achievement of Operational Performance and Outputs</td><td>Rating</td></tr>
</table>

The assessment of outputs is based on the output execution ratio. It should consider the realization of actual physical outputs of the project. Depending on the type of project, this could be production line in expansion operations, establishment of plant and/or equipment in greenfield operations, etc. In determining the final rating, output rating is based on the percentage of outputs (output execution ratio) that reached or are on track to meet the end of project target.	**(1 - 6)**
[insert comments]	

Outputs/Components	Initial Costs	% Achieved	Comments
Output/Component 1 :		…..%	, ??
Output/Component 2 :		…..%	, ??
Output/Component 3 :		…..%	, ??
Output/Component 4 :		…..%	, ??
Total	100%		

2.2 Achievement of Outcomes and Impacts	
The assessment of outcome is based on the direct and intermediate outcomes stated in the retrospective project logic model. Typical outcomes of a private sector operation covers the following areas: i) Economic benefits; The best indicator of an infrastructure project contribution to economic growth is its economic rate of return (ERR) or economic return on invested capital (EROIC). Ideally, the ERR considers and quantifies the projects economic effects on all its economic stakeholders. Such benefits include, but are not limited to: Contribution to government revenues resulting from taxes paid by the company; Fiscal stability, etc. ii) Contribution to Intended Outcomes on beneficiaries: Contribution to Intended social and economic outcomes on targeted beneficiaries: The extent to which the project contributed, or is expected to contribute, to its intended development results in terms of accessibility, affordability, employment, poverty reduction, and economically viable market sectors supported by the project. iii) Contribution to Private Sector Development measures the extent to which the project has spread benefits of growth of productive private enterprise beyond the project company, i.e. on issues such as competition, market expansion, private ownership & entrepreneurship, development of financial institutions and markets, standards of corporate governance, transfer of technology and dispersion of skills, and the development of physical infrastructures used by other private parties. The project can have positive or negative impacts on private sector development and it is necessary to establish that the impacts are attributable to the project; broad demonstration effects in the local economy and follow-on investments by other investors; domestic capital market development and greater resource allocation efficiency; improvements in standards for corporate governance and business conduct; and development of physical infrastructures used by other private parties. iv)Market failures include: Upstream and downstream supply linkages of public services using private entrepreneurship with transferred and/or shared risks; introduction of new technology and know-how; enhancement of private entrepreneurship; contribution to improving the PPP enabling environment (law and regulations, procurement and partnership management) within an open economy with improved cost-effectiveness v) Infrastructure Gap includes the contribution to improve access to infrastructure of beneficiaries including the poor, disadvantaged population and to reduce inequality and regional disparities and a contribution to reduction/fulfillment of the infrastructure gap vi)The project's contribution (or expected contribution) to broad corporate goals that are not included in the project-specified intended results including contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only)	
[insert comments]	

Expected Direct, Intermediary, Final Outcomes	Achievements
Economic Benefits	
Contribution to Intended Outcomes on beneficiaries and target groups	
Contribution to PSD	
Market Failures	
Infrastructure Gaps	
Contribution to Corporate Goals	

Risks and Exogenous Factors that affected intended outcomes:

Major Expected final Outcomes and Impacts	IOV	Risks and Exogenous Factors	Achievements or Likelihood (Probability) of achievement of expected/intended outcomes	Factors of Success /Failure

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2.3 Unintended Outcomes (if any)

The assessment will cover all unintended outcome (positive or negative) which came out during the project implementation

Unintended Outcomes (positive and/or negative) :

Unintended Outcomes		
Positive	–	. . . .
	–	. . . .
	–	. . . .
	–	. . . .
Negative	–	. . . .
	–	. . . .
	–	. . . .
	–	. . . .

[insert comments]

Overall Rating for Effectiveness

3. EFFICIENCY (Efficient Use of Resources)	
The Efficiency assessment attempts to answer two questions: (i) Did the benefits of the project (achieved or expected to be achieved) exceed project costs; and (ii) Were the benefits of the project achieved at least cost? Cost-benefits analysis helps to address the first question. To address the second question a cost-effectiveness analysis is carried out. Good practices suggest also the, In addition to the traditional measures of efficiency (cost-benefit analysis and cost-effectiveness analysis), the Efficiency assessment considers aspects of project design and implementation that either contributed to or reduced efficiency (Timeless and Implementation progress) to the extent they are not already captured in the evaluation's cost-benefit or cost-effectiveness analysis.	
3.1 Financial & Economic Efficiency :	**Rating (1 - 6)**
Financial Efficiency assesses the incremental effect of the project on the financial performance of the PPP company. Financial performance is measured by the FRR or ROIC for the project; a comparison of appraisal financial projections; and other performance indicators from the company's financial statements. In evaluating financial performance, observed changes in performance are compared with a without-project counterfactual. The choice of method is appropriate to the project type. **Economic Efficiency**: It assesses the extent to which the costs involved in achieving project objectives were reasonable in comparison with the project's benefits, and the extent to which the project was implemented at least cost compared to alternative ways of achieving the same results. Cost-benefit analysis is conducted to the extent that data is available and it is reasonable to place a monetary value on project benefits. The costs and benefits (Value for Money) of the project include both private and social costs and benefits, and extend to all affected stakeholders. Cost-effectiveness analysis compares the unit costs of the project, or component costs, with those of similar projects. It requires information on traditional measures of efficiency, e.g., FRR, ERR, NPV, unit rate norms (cost per unit of input or cost per unit of output), and service standards, as well as information on the cost of projects with similar objectives, scope, and design. The assumptions behind the calculations should be fully explained. The project's Economic Efficiency should not be confused with the achievement of improved efficiency of the sector or program being supported. The latter is an outcome and would be included in the assessment the Contribution to Intended Outcomes. **The analysis shows the incremental impact of the project, i.e., the costs and benefits compared to the without-project counterfactual**.	
[insert comments]	

	At appraisal	At Early Maturity or Completion	Comments
FIRR	.....%	.....%	
EIRR	.....%	.....%	
ROIC	.....%	.....%	
Cost Effectiveness			

- Compare FIRR to EIRR and Opportunity Cost or ROIC
- Cost effectiveness of major outputs and direct outcomes

3.2 Implementation Efficiency	**Rating (1 - 6)**
Implementation Efficiency: Measures other aspects of efficiency not included in Economic Efficiency, such as aspects of design and implementation that either contributed to or reduced efficiency. Implementation delays are a typical implementation inefficiency. The timeline of implementation is compared with the projected timeline at entry (the appraisal or pre-commitment stage), and reasons for differences are discussed. Other aspects of project design and/or implementation that either added to or reduced costs (e.g., implementation delays) as well as Transaction costs in terms of structuring, implementation supervision and portfolio management, administration, procurement and contract management should also be reviewed. The timeliness of project implementation is based on a comparison between the planned and the actual period of implementation from the date of effectiveness.	
[insert comments]	

	Planned	Actual (at Early Maturity or Completion)	Comments
Projected timeline at entry			
Implementation Duration (from Effectiveness to Final disbursement, EM or completion)			
Transaction Cost			

Overall Rating for Efficiency	

4. SUSTAINABILITY	
The assessment of sustainability considers the extent to which the performance of the project as a proxy for its long-term sustainability	
4.1 Sustainability of Outcomes	**Rating(1 - 6)**
The assessment is based on (i) the likelihood that some changes may occur that are detrimental to the continuation of the project's results or expected results; and (ii) the impact on the operation's results of some or all of these changes is materializing. The risks may include technical, financial, economic, social, political, environmental, government ownership/commitment, budgetary constraints, fiscal stability and other stakeholder ownership, institutional support, governance, and exposure to natural disasters. The evaluator may use its own judgment of the uncertainties faced by the operation's results (intended outcomes, unintended outcomes, contribution to corporate goals) over its expected remaining useful life, taking into account any risk mitigation (or sharing) measures already in place and transparent at the time of evaluation...	
[insert comments]	*Insert Rating here*
4.2 Business/Commercial Sustainability	**Rating(1 - 6)**
The forward-looking business/commercial viability of the company, and/or sub-borrowers/fund investees is assessed. It considers the PPP company's adaptability and prospects for sustainability and growth including fiscal and financial returns. Based on projected future financial performance and the performance of the PPP company in comparison to the market or sector peers. This criterion assesses the extent to which funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure the continued flow of benefits, with particular emphasis on financial and fiscal sustainability.	
[insert comments]	
4.3 Compliance to Safeguards, Environmental and Social Sustainability	**Rating (1 - 6)**
The Client's compliance with applicable safeguard policies, if any, including implementation of the mitigation plan. Based on the degree of compliance with the Bank's standards in effect at project entry, and the standards prevailing at the time of the evaluation. It assesses PPP company's management of its environmental and social impacts. To the extent that environmental sustainability is an intended outcome of the project and/or is incorporated into the PPP company's business model, these outcomes are assessed under Contribution to Intended Outcomes. The assessment should cover also i) the project's environmental and social performance in meeting the Bank's requirements; and ii) the project's actual	

environmental and social impacts, including pollution loads, wastes, energy and resource efficiency, biodiversity conservation, workers' and communities' health and safety, public consultation and participation, land acquisition and cultural heritage.	
[insert comments]	
4.4 Institutional sustainability and strengthening of capacities	**Rating (1 - 6)**
The criterion assesses the extent to which the project has contributed to strengthen institutional capacities - including for example through the use of procurement and contract management best practices. An appreciation should be made with regards to whether or not improved governance practices or improved skills, procedures, incentives, structures, or institutional mechanisms came into effect as a result of the operation. It should include an assessment on the contributions made to building the capacity to lead and manage the PPP contracting process, as well as the extent to which the political economy of decision-making was conducive to Government's commitment to reform and how the design reinforced national ownership of PPP. The assessment should include the extent to which the Bank supported the Government's capacity to conduct Value for Money analysis, procurement, contract management and implementation of the PPP and supported the Government's PPP Unit.	
Insert your evidence here	
4.5 Ownership and Sustainability of Partnerships	
The assessment determines whether the project has effectively involved relevant stakeholders, promoted a sense of ownership amongst the Government (central and sector ministries) and put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) as required for the sustainability of the partnership.	
Insert your evidence here	
5. Cross-Cutting Issues	**Rating (1 - 6)**
To which extent have Bank the PPP project contributed or likely to contribute to inclusive growth, with increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, transition to green economy, compared to alternatives and other financing options (PuP or PSO only)?	
Contribution to Inclusive Growth :	
Increased accessibility to social and economic infrastructure of the poor and disadvantaged population	
Gender equality and youth employment	
Contribution to sustainable development and transition to green economy	
[insert comments]	
Overall Rating for Cross Cutting Issues	
***6.* Bank Performance**	**Rating (1 - 6)**
6.1 Quality at Entry & Additionality	
Measures the extent to which the Bank identified, facilitated preparation of, and appraised the operation such that it was most likely to achieve its planned outcomes and was additional and consistent with the Bank's fiduciary role. For PPP operations, the assessment includes the quality of the Bank's assessment of the operation as being relevant to the Bank's corporate, country, and sector strategies; the quality of the results framework and the design of the monitoring and evaluation system; the assessment of sponsors, company, management, country & market conditions, market dynamics, project concept, configuration and costs; the appraisal of the financial plan, source of project funds, and assumptions used in the project's financial projections; the assessment of project and political and management/institutional risks, and steps taken to mitigate them; the appraisal of procurement methods, environmental and social risks, and the inclusion of safeguards to mitigate them; and the appropriateness of the investment instrument selected. Quality at Entry for PPP operations also covers the ex-ante non-financial additionality of the Bank, e.g., the extent to which the Bank brought about a fair, efficient allocation of risks and responsibilities; improved the client's functioning in business/management; or improved the client's and the country's capacity including its assistance to establish a PPP hub.	
[insert comments]	
6.2 Quality of Administration, Supervision & M&E	

For PPP, the quality of supervision includes the completeness of supervision reports in documenting project status and risks; the monitoring of the client company's compliance with the terms of the investment and contractual arrangements with the country authorities; the monitoring of the client company's environmental and social performance, and adherence to relevant government regulations and Bank's requirements; the adequacy and timeliness of the Bank's response to emerging problems or opportunities; and the effectiveness of hand-over procedures to the government, if any.	
[insert comments]	
Overall Rating for Bank Performance	

7. **Government & Client Performance**	**Rating (1 - 6)**
6.1 Non-Financial Performance of the Company	
Non-financial performance covers compliance with relevant government regulations and Bank requirements including its corporate social responsibilities. For a positive rating, the PPP company is in material compliance with relevant government regulations and Bank requirements with outstanding social responsibilities.	
[insert comments]	
6.2 Government and PPP Agency Performance	
It assesses the extent to which the government and implementing agencies ensured quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of intended outcomes. It includes such aspects as government ownership and commitment; the enabling environment for the projects; adequacy of consultations with stakeholders; readiness for implementation, timely resolution of implementation problems, fiduciary management, compliance with environmental and social safeguards, adequacy of monitoring and evaluation of partnerships arrangements, relationships with other donors and stakeholders; and adequacy of arrangements for the transition after contractual ownership transfer and management. The evaluator should take account of the operational, sector, and country context in weighing the relative importance of each aspect of government and PPP agency performance as they affect outcomes.	
[insert comments]	
Overall Rating for Client Performance	
8. Bank Investment Profitability	**Rating (1 - 6)**
For the Bank to continue to be sustainable, the investments it makes, whether in the form of loans or equity have to be profitable. For loans: The best indicator of the Bank's investment profitability in a project is the net profit contribution (gross income less financing costs, loan loss provisions/ write-offs, transaction costs and administrative costs measured in discounted cash flow terms. However, because of the difficulty in estimating transaction and administrative costs associated with individual projects before the Bank implements a viable cost accounting system, a qualitative approach based on gross profit contribution (gross income less financing costs, loan loss provisions/ write-offs) is recommended. For equity investments, profitability shall be measured by comparing the nominal internal rate of return (also referred to as return on equity (ROE)), computed using projected dividends and capital gains, with the interest rate of a fixed rate loan to the same project company.	
[insert comments]	

E. Conclusions, Lessons and Recommendations

1. Conclusions

2. Factors of Success or Failures

- **a.** What has worked or has not worked in achieving outcomes and impact of PPP Bank assistance and interventions, and why?

- **b.** What are the critical factors that have played in the achievement of Bank specific or corporate goals/ objectives and promoting economic and social infrastructure through PPPs in the continent?

- **c.** What are the critical factors that have limited or constrained the achievement of objectives of PPP Bank assistance and interventions?

3. Lessons

4. Recommendations

Annexes:

- List of Interviewees
- Technical Annexes
- Bibliography

Annex 9: PRA Rating Guidelines Notes (PPP Operations)

1. RELEVANCE

This section should cover both: (i) the relevance of project objectives; and (ii) the relevance of project design to the achievement of project objectives (Quality of front-end work and additionality).

1.1 Relevance of Project objectives

A comparison of the project's intended results with the country's development, policy, or transition priorities and with Bank country and sector assistance strategies and corporate goals as expressed in Poverty Reduction Strategy Papers, country strategies, sector strategies, and operational guidelines. Relevance is assessed against priorities and conditions at the time of project appraisal. The assessment also covers the clarity and realism of the project's intended results. For private sector operations, it also considers the implementation of the Bank's screening mechanisms at the pre-commitment stage.

For operations that could potentially compete with the private sector (which may be the case for both public and private sector operations), the assessment requires evidence of the market failures that justify the intervention. Errors of omission also are included, i.e., market failures that should have been addressed by the project but were not. Where applicable, Relevance also assesses the project's rationale for targeting specific populations. If the rationale for intervention is based on social goals (such as redistribution), these are explained.

A positive rating requires substantial clarity and realism of project objectives; substantial consistency with needs, policies, and priorities; and where applicable, substantial evidence of market failures and the rationale for targeting specific groups.

Rating Scale
6 – Highly Satisfactory: It is demonstrated that the project objectives are clear and realistic and do not have any shortcoming in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) the beneficiary needs.
5 –Satisfactory: It is demonstrated that the project objectives have minor shortcomings in terms of clarity and realism and in alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) the beneficiary needs.
4 – Moderately Satisfactory: It is demonstrated that the project objectives have moderate shortcomings in terms of clarity and realism and in alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) the beneficiary needs.
3 – Moderately Unsatisfactory: It is demonstrated that the project objectives have significant shortcomings in terms of clarity and realisms as well as in the alignment with one of the following: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) the beneficiary needs.
2 – Unsatisfactory: It is demonstrated that the project objectives have major shortcomings in terms of clarity, realism and in the alignment with two of the following: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) the beneficiary needs.
1 – Highly Unsatisfactory: It is demonstrated that the project objectives have severe shortcomings in terms of clarity and realism and in the alignment with all of the following: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) the beneficiary needs.

1.2 Relevance of project design to achieve project objective (Quality of front-end work and additionality) and end-users and beneficiaries Targeting

The relevance of the project design is evaluated via assessing the following:

Quality of the design: Quality of the results/logical framework and the results chain describing the linkages between inputs, activities to outputs, intended outcomes and impact and identification of risks that could affect the intended outcomes.

Additionality: The Bank's additionality measures what Bank financing brings to the PPP project over and above commercial/development financiers. It is based on the counterfactual assessment of how the project would have proceeded without Bank financing. The quality of the ADOA note should be assessed in terms of i) Financial Additionality which measures the special contribution that the Bank's funding offers the client that would otherwise not have been offered by other financiers: Would the client have been able to obtain sufficient financing from private sources on appropriate terms? Did the Bank catalyze other funding or did it merely fill a financing gap? Was the Bank's financing needed to reduce risk or provide comfort thereby encouraging other financiers to invest in the undertaking? ii) Non-Financial Additionality measures the Bank's contribution to reducing the projects risk profile, including PPP procurement and contract management issues within the PPP arrangement, the design or functioning. The rating is determined by considering answers to questions such as: Was the Bank needed to bring about a fair allocation of risks and responsibilities between public and private investors while ensuring a sustainable partnership? Did the Bank's participation lead to improved design, enable the client to adopt new or better standards or contribute to the client's capacity building objectives through technical assistance, training, etc.in particular in creating the enabling environment, the assistance of establishing a PPP hub, assistance to legal, procurement and contract management etc?

Targeting End-users and Beneficiaries: Did the Bank undertake a beneficiary needs assessment with intended potential impact that the PPP may have in terms of social impact, poverty reduction, inclusive growth, employment, gender and youth equality, transition to green growth as compared to other alternatives such PuP or PSO only. This should be based on a counterfactual assessment of how the project would have proceeded using other alternative sources of financing, Public or private only?

For a positive rating, there must be evidence that the project has an outstanding/excellent or good logical and results framework based on clear articulation of results, a high quality additionality assessment (ADOA Note), based on a counterfactual assessment of how the project would have proceeded using other alternative sources of financing, Public or private only and an elaborated beneficiary needs assessment?

Rating Scale

6 – Highly Satisfactory: The project document presents: i) an outstanding/excellent logical and results framework based on clear articulation of inputs/activities to outputs, intended outcomes and impact; ii) a high quality additionality assessment (ADOA Note), based on a counterfactual assessment; and iii) an elaborated beneficiary needs assessment. Superior project design quality can be directly and unambiguously attributed to the Bank's front-end work.

5 – Satisfactory: The project document presents: i) a good logical and results framework based on clear articulation of inputs/activities to outputs, intended outcomes and impact; ii) a good quality additionality assessment (ADOA Note), based on a counterfactual assessment and an elaborated beneficiary needs assessment.

4 – Moderately Satisfactory: The project document presents: i) an acceptable logical and results framework based on almost clear articulation of inputs/activities to outputs, intended outcomes and impact; ii) a good quality additionality assessment (ADOA Note), based on a counterfactual assessment; and iii) an acceptable beneficiary needs assessment. The Bank moderately met its prescribed operational procedures and quality standards across all aspects of its work on the project and associated investment.

3 – Moderately Unsatisfactory: The project document presents: i) a less than acceptable logical and results framework based on unclear articulation of inputs/activities to outputs, intended outcomes and impact; ii) a less than acceptable quality additionality assessment (ADOA Note), insufficiently based on a counterfactual assessment; and iii) a less than acceptable beneficiary needs assessment. However, such shortfall(s) have not had a material effect on the project's development quality.

2 –Unsatisfactory. The project document presents: i) a low quality logical and results framework based on unclear articulation of inputs/activities to outputs, intended outcomes and impact; ii) a low quality quality additionality assessment (ADOA Note), and not based on a counterfactual assessment; and iii) a low quality beneficiary needs assessment. Such shortfall(s) have not had a material effect on the project's development quality

1 – Highly Unsatisfactory. The project document presents: i) a low quality or non-existent logical and results framework with no elaborated results chain; ii) a low quality additionality assessment (ADOA Note), and not based on a counterfactual assessment; and iii) a non existent beneficiary needs assessment. As a direct consequence of such shortfall(s), there has been a material, detrimental effect on the project's development quality.

2. EFFECTIVENESS

The assessment of Effectiveness includes accounting for the actual, expected/intended and unintended results on outcomes. The following dimensions are considered in assessing effectiveness: i) operational performance and achievement of outputs (outputs under control and rate of output execution); ii) fulfillment of Business objectives (Economic benefits) and intended outcomes; iii) Contribution to Intended Social Outcomes and impact and to corporate goals; and iv) any unintended (positive and negative) outcomes.

2.1 Operational Performance & Achievement of Outputs

The assessment of outputs is based on the output execution ratio and operational performance of outputs under the control of the project. It should consider the realization of actual physical outputs and the actual operating performances. This could be production line in expansion operations, establishment of plant and/or equipment, transmission or distribution lines, etc.

In determining the final rating, this should be based on the percentage of outputs (output execution ratio) that reached or are on track to meet the end of project implementation targets as well as the operational performance of executed outputs. For a positive rating, there must be evidence that the project substantially achieved its targeted outputs while ensuring high operational performance.

Rating Scale

6 – Highly Satisfactory: Based on the output execution ratio all the project output targets were reached or are considered on track to be reached by the end of the project in accordance with quality standards and high operational performance.

5 – Satisfactory: Based on the output execution ratio between 90% and 99% of the project output targets were reached or are considered on track to be reached with high operational performance by the end of the project. Corrective actions for off track indicators were implemented in a timely manner to ensure that the end of project targets could be achieved in accordance with high quality standards.

4 – Moderately Satisfactory: Based on the output execution ratio between 75% and 89% of the project output targets were reached or are considered on track to be reached with high operational performance by the end of the project. Corrective actions for off track indicators were implemented in a timely manner to ensure that the end of project targets could be achieved in accordance with quality standards.

3 – Moderately Unsatisfactory: Based on the output execution ratio between 50% and 74% of the project output targets were reached or are considered on track to be reached by the end of the project. Operational performance is moderate and may affect one or more immediate outcome. Corrective actions for off track indicators were not implemented in a timely manner to ensure that the end of project targets could be achieved and reach acceptable operational performance.

2 – Unsatisfactory: Based on the output execution ratio between 35% and 49% of the project output targets were reached or are considered on track to be reached by the end of the project. Poor operational performance jeopardized the achievement of one or more outcomes of the project. Corrective actions were not implemented and closely monitored for off track indicators.

1 – Highly Unsatisfactory: Based on the output execution ratio less than 35% of the project output targets were reached or are considered on track to be reached by the end of the project. Poor operational performance jeopardized the achievement of most expected outcomes and the possibility of stopping or suspending the project is considered.

2.2 Achievement of Outcomes and Impacts

The assessment of outcomes is based on the direct and intermediate outcomes stated in the retrospective project logic model. The overall rating will be based on all dimensions of the intended outcomes which include: i) Economic benefits; ii) Intended social outcomes on targeted beneficiaries iii) Private sector development (PSD); iv) Market failures; v) Infrastructure gaps; vi) Contribution to Bank corporate and strategic goals; taking into account any risk and exogenous factors that affected the achievement of the outcomes as well as all unintended, positive or negative outcomes that the project has demonstrated.

Typical outcomes of a PPP operation cover the following areas:

i) **Economic benefits:** the best indicator of a PPP project's contribution to economic growth is its economic rate of return (ERR) or socioeconomic impact. Ideally, the ERR considers and quantifies the projects economic effects on all its economic stakeholders[4]. Such benefits include, but are not limited to contribution to government revenues resulting from taxes paid by the company; fiscal stability/sustainability, etc.

Rating Scale

6 – Highly Satisfactory: The project has a high ERR (beyond the opportunity cost in the country) based on high quality CBA or socio-economic impact of the company and other stakeholders and high contribution to Government revenues (or less subsidies or fiscal constraints) or fiscal sustainability.

5 – Satisfactory: The project has a high ERR (beyond the opportunity cost in the country) based on high quality CBA or or socio-economic impact of the company and other stakeholders with an acceptable contribution to Government revenues resulting from taxes (or acceptable reduction in subsidies and fiscal constraints) or fiscal sustainability.

4 – Moderately Satisfactory: The project has an average ERR (close to opportunity costs in the country) based on CBA or or socio-economic impact of the company and other stakeholders with an acceptable contribution to Government revenues resulting from taxes (or acceptable reduction in subsidies and fiscal constraints) or fiscal sustainability.

3 – Moderately Unsatisfactory: The project has less than an average ERR (below to opportunity costs in the country) based on moderate quality CBA or socio-economic impact of the company and other stakeholders with less than acceptable contribution to Government revenues resulting from taxes (insufficient reduction of subsidies and fiscal constraints)

2 –Unsatisfactory: The project has a low ERR (well below to opportunity costs in the country) based on insufficient quality CBA or socioeconomic impact assessment of the company and other stakeholders with highly insufficient contribution to Government revenues resulting from taxes (almost no reduction of subsidies and fiscal constraints) and unlikely fiscal sustainability.

1 – Highly Unsatisfactory: The project has a very low ERR (well below to opportunity costs in the country) with no contribution to Government revenues resulting from taxes (no reduction of subsidies and fiscal constraints) and highly unlikely fiscal sustainability.

ii) **Contribution to Intended social and economic outcomes on targeted beneficiaries**: The extent to which the project contributed, or is expected to contribute, to its intended development results in terms of accessibility, affordability, employment, poverty reduction, and economically viable market sectors supported by the project. The analytical method includes stakeholder analysis, i.e., the extent to which the project had its intended impact on employees, suppliers, competitors, and neighbors or a theory-based method is used to established plausible causality to the project (for example, evidence that the company had improved its outreach in meeting the demand/beneficiaries needs.

[4] The universe of entities impacted by a project in addition to the financiers and employees include: government, the rest of society, customers, producers of complementary products, competitors, suppliers and neighbors.

A positive rating on Contribution of Intended Outcomes requires that there is strong evidence that the project contributed (or is likely to contribute) substantially to intended outcomes. When the desired outcome is achieved but there is evidence that the results are primarily due to other factors, the rating is adjusted downward, accordingly. The rating reflects the project's incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. For example,

- If outcome indicators met or exceeded targets, but there is evidence that the change was due mainly to external factors, a less than satisfactory rating is warranted.
- If outcome indicators deteriorated, but there is evidence that the decline would have been worse in the absence of the project, a positive rating is warranted.

Rating Scale

6 – Highly Satisfactory: (i) the project has succeeded in reaching targeted groups; and (ii) there is direct evidence have made strong economic contributions in terms of affordability and accessibility, employment, or poverty reduction, or indirect evidence (from market data) that the market sector(s) supported by the project are major economic contributors to the country economic development.

5 – Satisfactory: (i) the project has succeeded in reaching targeted groups; and (ii) there is direct evidence that the company is economically viable in terms of affordability and accessibility, employment, or poverty reduction, or indirect evidence (from market data) that market sectors supported by the project are economically viable and do not rely on economic distortions to maintain its commercial viability.

4 – Moderately Satisfactory: (i) the project has succeeded in reaching targeted groups; but (ii) there is no strong evidence that the company is economically viable in terms of affordability and accessibility, employment, or poverty reduction and does not rely on economic distortions to maintain its commercial viability.

3 – Moderately Unsatisfactory: (i) the project has failed to reach targeted groups. There is no evidence that the company is economically viable and does rely on economic distortions to maintain its commercial viability.

2 –Unsatisfactory: (i) the project has failed to reach targeted groups. There is no evidence that the company is economically viable and does rely on economic distortions to maintain its commercial viability.

1 – Highly Unsatisfactory: (i) the project has largely failed to reach targeted groups of sub-borrower; and (ii) there is direct evidence or indirect evidence (from market data) that the company is not economically viable and does rely on economic distortions to maintain its commercial viability.

iii) **Contribution to Private Sector Development**. It measures the extent to which the project has spread benefits of growth of productive private enterprises beyond the project company, i.e. on issues such as competition, market expansion, laws and regulations, regulatory frameworks for procurement and contract management, private ownership & entrepreneurship, market development, standards of corporate governance, transfer of technology and dispersion of skills, and the development of physical infrastructure used by other private parties with broad demonstration effects in the local economy and follow-on investments by other investors; domestic capital market development; greater resource allocation efficiency; improvements in standards for corporate governance and business conduct; and development of physical infrastructure used by other private parties.

A substantial and plausible contribution of the project to private sector development must be shown to merit a positive rating. As with the Contribution to Intended Outcomes, the rating reflects the project's incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. "Not Rated" is a possible rating when the project did not contribute to PSD goals beyond its intended outcomes, or evidence is missing or weak.

Rating Scale

6 – Highly Satisfactory: Considering its size, the project had: i) substantial positive effects on growth of productive private enterprises, market expansion and demonstration effect; ii) improved laws and

regulations, regulatory frameworks for procurement and contract management; and iii) improved standards for corporate governance and business conduct.
5 – Satisfactory: the project had: i) good positive effects on growth of productive private enterprises, market expansion and demonstration effect; ii) improved laws and regulations, regulatory frameworks for procurement and contract management; and iii) improved standards for corporate governance and business conduct.
4 – Moderately Satisfactory: The project had: i) demonstrable positive effects on private sector development but a lack of evidence on the sustainability of such effects; ii) acceptable application of laws and regulations, regulatory frameworks for procurement and contract management; and iii) acceptable standards for corporate governance and business conduct. .
3 – Moderately Unsatisfactory: The project made no discernable contribution to PSD, either positive or negative as supported by available evidence; ii) insufficient application of laws and regulations, or non-transparent regulatory frameworks for procurement and contract management; and iii) insufficient standards for corporate governance and business conduct.
2 –Unsatisfactory: The project had mainly negative effects in respect of the Bank's private sector development, with a lack of laws and regulations, or regulatory frameworks for procurement and contract management; and with no standards for corporate governance and business conduct.
1 – Highly Unsatisfactory: The project had substantial negative effects in respect of the Bank's mandate objectives of promoting private sector development in the absence of laws and regulations, or regulatory frameworks for procurement and contract management; or standards for corporate governance and business.

iv) **Market failures**: Upstream and downstream supply linkages of public services using private entrepreneurship with transferred and/or shared risks; introduction of new technology and know-how; enhancement of private entrepreneurship; contribution to improving the PPP enabling environment within an open economy with improved cost-effectiveness.

Rating Scale
6 – Highly Satisfactory: The project had: i) substantial positive effects on Upstream and downstream supply linkages of public services using private entrepreneurship; ii) introduction of technology and know-how; and iii) contribution to improving the PPP enabling environment within an open economy with improved cost-effectiveness.
5 – Satisfactory: the project had: i) good positive effects on Upstream and downstream supply linkages of public services using private entrepreneurship; ii) introduction of technology and know-how; and iii) contribution to improving the PPP enabling environment within an open economy with improved cost-effectiveness
4 – Moderately Satisfactory: The project had: i) demonstrable positive effects on Upstream and downstream supply linkages of public services using private entrepreneurship but a lack of evidence on the sustainability of such effects; ii) acceptable level of introduction of technology and know-how; and iii) acceptable contribution to improving the PPP enabling environment with moderate improvement of cost-effectiveness.
3 – Moderately Unsatisfactory: The project made no discernable contribution to Upstream and downstream supply linkages of public services using private entrepreneurship, either positive or negative as supported by available evidence; insufficient level of introduction of technology and know-how; and iii) insufficient contribution to improving the PPP enabling environment with unsatisfactory cost-effectiveness.
2 –Unsatisfactory: The project had mainly negative effects in respect of the project's effects Upstream and downstream supply linkages of public services using private entrepreneurship, with a lack of introduction of new technology and know-how; and with no effect on the PPP enabling environment. No improved cost-effectiveness is expected.
1 – Highly Unsatisfactory: The project had substantial negative effects in respect of the Bank's mandate objectives of promoting private sector development in the absence of laws and regulations, or regulatory frameworks for procurement and contract management; or standards for corporate governance and business.

v) **Infrastructure Gaps**: It includes the contribution to improve access to infrastructure of beneficiaries including the poor, disadvantaged population and to reduce inequality and regional disparities and a contribution to reduction/fulfillment of the infrastructure gap.

Rating Scale

6 – Highly Satisfactory: The project had: i) a substantial positive effects on access to infrastructure of beneficiaries including the poor, disadvantaged population and to reduce inequality and regional disparities; and ii) a significant fulfillment (or contribution to reduction) of the infrastructure gap in the market sectors that the project is addressing.

5 – Satisfactory: the project has: i) a good positive effects on access to infrastructure of beneficiaries including the poor, disadvantaged population and to reduce inequality and regional disparities; and ii) a high potential for fulfillment (or contribution to reduction) of the infrastructure gap in the market sectors that the project is addressing.

4 – Moderately Satisfactory: The project had: i) demonstrable positive effects on access to infrastructure of beneficiaries including the poor, disadvantaged population and to reduce inequality and regional disparities but a lack of evidence on the sustainability of such effects; ii) acceptable level of fulfillment (or contribution to reduction) of the infrastructure gap in the market sectors that the project is addressing.

3 – Moderately Unsatisfactory: The project made no discernable contribution to access to infrastructure of beneficiaries including the poor, disadvantaged population, either positive or negative as supported by available evidence; insufficient level of of fulfillment (or contribution to reduction) of the infrastructure gap in the market sectors that the project is addressing.

2 –Unsatisfactory: The project had mainly negative effects in respect of the project's effects on access to public services by beneficiaries including the poor, disadvantaged population and to reduce inequality and regional disparities using private entrepreneurship, with a lack of contribution to reduce the infrastructure gap in the market sectors that the project is addressing

1 – Highly Unsatisfactory: The project had substantial negative effects in respect of the Bank's mandate objectives of fulfilling infrastructure gap and on access to public services by beneficiaries including the poor, disadvantaged population and to reduce inequality and regional disparities using private entrepreneurship.

vi) **The project's contribution (or expected contribution) to broad corporate goals** that are not included in the project-specified intended results including contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only). It uses a theory-based approach to establish plausible association between the project and corporate goals. The project's contribution (or expected contribution) to broad corporate goals that are not included in the project-specified intended results including to inclusive growth, and to increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth, employment, as compared to alternatives and other financing options (PuP or PSO only) are discussed in the cross-cutting sections if not soecifically considered in the intended results. It also discusses other factors that could have affected the achievement of those goals. The assessment may be supported by evidence from other evaluations and research.

A substantial and plausible contribution of the project to the achievement of corporate goals must be shown to merit a positive rating. As with the Contribution to Intended Outcomes, the rating reflects the project's incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. "Not Rated" is a possible rating when the project did not contribute to corporate goals beyond its intended outcomes, or evidence is missing or weak.

Rating Scale

6 – Highly Satisfactory: Considering its size, the project had substantial effects and contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only).

5 – Satisfactory: The project had substantial effects and contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only).
4 – Moderately Satisfactory: the project had demonstrable effects and contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only).
3 – Moderately Unsatisfactory: The project made no discernable contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only), either positive or negative as supported by available evidence.
2 –Unsatisfactory: The project had mainly negative effects in respect of the Bank's private sector development, with a lack of laws and regulations, or regulatory frameworks for procurement and contract management; and with no standards for corporate governance and business conduct.
1 – Highly Unsatisfactory: The project had substantial negative effects in respect of the Bank's mandate objectives of promoting private sector development in the absence of laws and regulations, or regulatory frameworks for procurement and contract management; or standards for corporate governance and business

2.3 Unintended Outcomes (positive and/or negative)

Other results caused by the project, positive or negative that are not covered in the above sub-criteria should be assessed and evidence provided. An aggregated rating is obtained based on the Evaluator's judgment on the project unintended positive or negative results. The theory-based approach may establish plausible causality between the project and unintended outcomes. To be included, unintended outcomes must be truly unanticipated, attributable to the project, quantified, of significant magnitude, and at least well evidenced as the project's other outcomes. Where there unintended benefits, an assessment should be made of why these were not "internalized" through project restructuring by modifying the project's intended results. A substantial and plausible contribution of the project to the achievement of unanticipated outcomes must be shown to merit a positive rating. Positive impacts that are attributable to the project merit a positive rating; negative impacts that are attributable to the project merit a negative rating. The rating reflects the project's incremental contribution to observed outcomes, regardless of whether the observed outcomes moved in the "right" or "wrong" direction. "Not Rated" is a possible rating when there were no unintended outcomes or when evidence is missing or weak.

Rating Scale
6 – Highly Satisfactory: Considering its size, the project had substantial unintended positive effects/outcomes with no discernable negative unintended effects on markets, targeted beneficiaries or other stakeholders: employees, suppliers, competitors, and neighbors.
5 – Satisfactory: the project had good unintended positive unintended effects/outcomes with limited negative unintended effects/outcomes on markets, targeted beneficiaries or other stakeholders: employees, suppliers, competitors, and neighbors.
4 – Moderately Satisfactory: the project had demonstrable positive unintended effects/outcomes with few unintended effects/outcomes which may not have negatively affected markets, targeted beneficiaries or other stakeholders: employees, suppliers, competitors, and neighbors, and which may jeopardize the effectiveness of the project.
3 – Moderately Unsatisfactory: The project has no discernable unintended positive effects/outcomes but unintended effects/outcomes have negatively affected markets, targeted beneficiaries or other stakeholders: employees, suppliers, competitors, and neighbors, which have jeopardized the effectiveness of the project.
2 –Unsatisfactory: The project had mainly unintended effects that negatively affected markets, targeted beneficiaries or other stakeholders: employees, suppliers, competitors, and neighbors, which have extensively jeopardized the effectiveness of the project.
1 – Highly Unsatisfactory: The project had substantial unintended effects that have negatively affected markets, targeted beneficiaries or other stakeholders: employees, suppliers, competitors, and neighbors, which have completely jeopardized the effectiveness of the project.

3. EFFICIENCY (Efficient Use of Resources)

The Efficiency assessment examines the project's financial and economic efficiency based on a comparison with appraisal projections and other performance indicators. Changes in performances should also be analyzed to show the incremental impact of the project, i.e., the costs and benefits compared to a without-project counterfactual or alternatives. The implementation efficiency will also be factored in.

i) **Financial Efficiency** assesses the incremental effect of the project on the financial performance of the PPP company. Financial performance is measured by the FRR or ROIC for the project; a comparison of appraisal financial projections; and other performance indicators from the company's financial statements. In evaluating financial performance, observed changes in performance are compared with a without-project counterfactual. The choice of method is appropriate to the project type.

ii) **Economic Efficiency**: It assesses the extent to which the costs involved in achieving project objectives were reasonable in comparison with the project's benefits, and the extent to which the project was implemented at least cost compared to alternative ways of achieving the same results. Cost-benefit analysis is conducted to the extent that data is available and it is reasonable to place a monetary value on project benefits. The costs and benefits of the project (Value for Money) include both private and social costs and benefits, and extend to all affected stakeholders. Cost-effectiveness analysis compares the unit costs of the project, or component costs, with those of similar projects. It requires information on traditional measures of efficiency, e.g., FRR, ERR, NPV, unit rate norms (cost per unit of input or cost per unit of output), and service standards, as well as information on the cost of projects with similar objectives, scope, and design. The assumptions behind the calculations should be fully explained. The project's Economic Efficiency should not be confused with the achievement of improved efficiency of the sector or program being supported. The latter is an outcome and would be included in the assessment the Contribution to Intended Outcomes.

Rating Scale

6 - Highly Satisfactory: The project was implemented as least cost compared to alternatives and had substantially exceeded the financial projections and/or financial indicators as set at appraisal, as well as the cost unit rate norms (highly cost-effective) as compared to alternatives or the without-project counterfactual.

5- Satisfactory*:* The project was implemented as least cost compared to alternatives and had exceeded the financial projections and/or financial indicators as set at appraisal, as well as the cost unit rate norms (cost-effectiveness) as compared to alternatives or the without-project counterfactual.

4 – Moderately Satisfactory: The project was implemented as least cost compared to alternatives but had not exceeded the financial projections and/or financial indicators as set at appraisal, or the cost unit rate norms (cost-effectiveness) as compared to alternatives or the without-project counterfactual.

3 – Moderately Unsatisfactory: The project was not implemented at the least cost compared to alternatives but reached the financial projections and/or financial indicators as set at appraisal, or the cost unit rate norms (cost-effectiveness) as compared to alternatives or the without-project counterfactual.

2 - **Unsatisfactory***:* The project was costly compared to alternatives and well below the financial projections and/or financial indicators as set at appraisal, or the cost unit rate norms (cost-effectiveness) as compared to alternatives or the without-project counterfactual.

1 - Highly **Unsatisfactory***:* The project was highly costly compared to alternatives and the actual financial projections or indicators may affect the sustainability or the continuity of the company.

iii) **Implementation Efficiency (Timeliness)** measures other aspects of efficiency not included in Economic Efficiency, such as aspects of design and implementation that either contributed to or reduced efficiency. Implementation delays are a typical implementation inefficiency. The timeline of implementation is compared with the projected timeline for structuring, due diligence, pre-commitment or approval stage, and reasons for differences are discussed. Other aspects of project design and/or implementation that either added to or reduced costs (e.g., implementation delays) as well as Transaction costs in terms of workload and staff level of efforts (LOE) workload, supervision, administration, procurement and contract management should also be reviewed. The timeliness of project implementation is based on a comparison between the planned and the actual period of implementation from the dates of effectiveness and disbursement. Significant delays or other implementation inefficiencies, including transaction costs would suggest a negative rating for Implementation Efficiency.

Rating Scale

6 – Highly Satisfactory: The ratio of planned preparation timeline, implementation time (as per PAR) and actual preparation timeline and implementation time from the date of effectiveness is expected to be >1, and the transaction cost (staff level of efforts-LOE) is judged highly adequate.

5 – Satisfactory: The ratio of planned preparation timeline, implementation time (as per PAR) and actual preparation timeline and implementation time from the date of effectiveness is expected to be =1, and the transaction cost (staff level of efforts-LOE) is judged adequate.

4 – Moderately Satisfactory: The ratio of planned preparation timeline, implementation time (as per PAR) and actual preparation timeline and implementation time from the date of effectiveness is expected to be 0.9=>1, and the transaction cost (staff level of efforts-LOE) is judged moderately adequate.

3 – Moderately Unsatisfactory: The ratio of planned preparation timeline, implementation time (as per PAR) and actual preparation timeline and implementation time from the date of effectiveness is expected to be 0.7=>0.9, and the transaction cost (staff level of efforts-LOE) is judged insufficiently adequate.

2 – Unsatisfactory: The ratio of planned preparation timeline, implementation time (as per PAR) and actual preparation timeline and implementation time from the date of effectiveness is expected to be 0.5=>0.8, and the transaction cost (staff level of efforts-LOE) is judged inadequate.

1 – Highly Unsatisfactory: The ratio of planned preparation timeline, implementation time (as per PAR) and actual preparation timeline and implementation time from the date of effectiveness is expected to be <0.5, and the transaction cost (staff level of efforts-LOE) is judged highly inadequate.

4. SUSTAINABILITY

The assessment of sustainability considers the extent to which the project has addressed risks during implementation and put in place mechanisms to ensure the continued flow of benefits after completion. It should also evaluate risks to the sustainability of development outcomes and/or the project's benefits, including the resilience to exogenous factors. The overall rating of the sustainability outcome is the mean of the rating of the following four criteria: i) Sustainability of outcomes; ii) Business/Commercial sustainability, iii) v) environmental and social sustainability; iv) institutional sustainability and strengthening of capacities, v) ownership and sustainability of partnerships and..

4.1 Sustainability of Outcomes

The assessment is based on (i) the likelihood that some changes may occur that are detrimental to the continuation of the project's results or expected results and outcomes; and (ii) some of the risks on the operation's results and the changes are materializing. The risks may include technical, financial, economic, social, political, environmental, government ownership/commitment, budgetary constraints, fiscal stability and other stakeholder ownership, institutional support, governance, and exposure to natural disasters. The evaluator may use its own judgment of the uncertainties faced by the operation's results (intended outcomes, unintended outcomes, contribution to corporate goals) over its expected remaining useful life, taking into account any risk mitigation (or sharing) measures already in place and transparent at the time of evaluation.

A positive rating requires strong evidence that the expected value of risks (technical, financial, economic, social, political, environmental, government ownership/commitment, other stakeholder ownership, institutional support, governance, and exposure to natural disasters) is moderate to low.

Rating Scale
6 - Highly Satisfactory: The expected value of risks (technical, financial, economic, social, political, environmental, government ownership/commitment, other stakeholder ownership, institutional support, governance, and exposure to natural disasters) is low, and the likelihood that changes may occur are not detrimental to the continuation of the project's results or expected results and outcomes.
5- Satisfactory*:* The expected value of risks (technical, financial, economic, social, political, environmental, government ownership/commitment, other stakeholder ownership, institutional support, governance, and exposure to natural disasters) is moderate to low, and the changes that may occur are not detrimental to the continuation of the project's results or expected results/outcomes.
4 – Moderately Satisfactory: The expected value of risks (technical, financial, economic, social, political, environmental, government ownership/commitment, other stakeholder ownership, institutional support, governance, and exposure to natural disasters) is moderate, and the changes that may occur are not specifically detrimental to the continuation of the project's results or expected results/outcomes.
3 – Moderately Unsatisfactory: The expected value of risks (technical, financial, economic, social, political, environmental, government ownership/commitment, other stakeholder ownership, institutional support, governance, and exposure to natural disasters) is moderate, and the changes that may occur are not moderately detrimental to the continuation of the project's results or expected results/outcomes.
2 - **Unsatisfactory***:* The expected value of risks (technical, financial, economic, social, political, environmental, government ownership/commitment, other stakeholder ownership, institutional support, governance, and exposure to natural disasters) is high, and the changes that may occur are specifically detrimental to the continuation of the project's results or expected results/outcomes.
1 - Highly **Unsatisfactory***:* The expected value of risks (technical, financial, economic, social, political, environmental, government ownership/commitment, other stakeholder ownership, institutional support, governance, and exposure to natural disasters) is high, and the changes that may occur are highly detrimental to the continuation of the project's results or expected results/outcomes.

4.2 Business/Commercial Sustainability

The forward-looking business/commercial viability of the company, and/or sub-borrowers/fund investees is assessed. It considers the PPP company's adaptability and prospects for sustainability and growth including fiscal and financial returns. Based on projected future financial performance and the performance of the PPP company in comparison to the market or sector peers. This criterion assesses the extent to which funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure the continued flow of benefits, with particular emphasis on financial and fiscal sustainability. An expectation of continued commercial viability in projected market, and fiscal and financial conditions are required for a positive rating.

Rating Scale
6 – Highly Satisfactory*:* 1. PPP company's adaptability and prospects for sustainability and growth including fiscal and financial returns are high. 2. Funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure continued flow of benefits. 3. Actual performance exceeds appraisal projections such that the project has demonstrably met its obligations to lenders and creditors, and has yielded a premium return to its shareholders well in excess of that commensurate with the project risk. 4. The project's process and business goals articulated at approval are surpassed. 5. Performance indicators demonstrate clear outperformance against appraisal estimates. 6. The PPP company's overall profitability and prospects for sustainability and growth are strong, such that it is expected to retain or achieve market-leading status.
5 – Satisfactory: 1. PPP company's adaptability and prospects for sustainability and growth including fiscal and financial returns are adequate. 2. Funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure continued flow of benefits. 3. Actual performance slightly exceeds or close to appraisal projections such that the project has met its obligations to lenders and creditors, and has yielded a premium return to its shareholders in excess of that commensurate with the project risk. 4. The project's process

and business goals articulated at approval are adequate or slightly surpassed. 5. Performance indicators demonstrate clear outperformance against appraisal estimates. 6. The PPP company's overall profitability and prospects for sustainability and growth are adequate, such that it is expected to compare with market-leading status.
4 – Moderately Satisfactory: 1. PPP company's adaptability and prospects for sustainability and growth including fiscal and financial returns are adequate. 2. Actual performance only meets appraisal projections such that the project has demonstrably met its obligations to lenders and creditors, and has yielded the minimally acceptable return to its shareholders commensurate with the project risk. 3. The project's process and business goals articulated at approval are broadly achieved or are deemed within reach albeit with some risk to their realization. 4. Performance indicators are in line with appraisal estimates. 5. The project company's overall profitability and prospects for sustainability and growth are sound, such that it is expected to remain competitive in relation to the market and sector peers.
3 – Moderately Unsatisfactory: 1. PPP company's adaptability and prospects for sustainability and growth including fiscal and financial returns are inadequate. 2. Actual performance has lagged appraisal projections such that the project has demonstrably met its obligations to lenders and creditors, but the return to shareholders is less than that deemed minimally acceptable albeit at least equal to the cost of debt. 3. At least one of the project's process and business goals articulated at approval is not met. 4. Performance indicators have fallen short of appraisal estimates in many key areas. 5. The project company's prospects for sustainability and growth are still promising.
2 – Unsatisfactory: 1. PPP company's adaptability and prospects for sustainability and growth including fiscal and financial returns are inadequate. 2. Actual performance has lagged appraisal projections such that the project has hardly met its obligations to lenders and creditors, and the return to shareholders is less than that deemed minimally acceptable albeit at least equal to the cost of debt. 3. At least one of the project's process and business goals articulated at approval is not met. 4. Performance indicators have fallen short of appraisal estimates in one or more key areas. 5. The project company's prospects for sustainability and growth are weak, such that it is struggling to remain competitive in relation to the market and sector peers.
1 – Highly Unsatisfactory: 1. PPP company's adaptability and prospects for sustainability and growth including fiscal and financial returns are completely inadequate and reliance on subsidies is the option. 2. Actual performance has lagged appraisal projections such that the project has failed to meet its obligations to lenders and creditors and/or has yielded a return to shareholders that is less than the cost of debt. 3. Most of the project's process and business goals articulated at approval are not met. 4. Performance indicators have fallen short of appraisal estimates in the majority of key areas. 5. The project company's prospects for sustainability and growth are weak or negative, such that it is clearly underperforming in relation to the market and sector peers.

4.3 Compliance to Safeguards, Environmental and Social Performance

The Client's compliance with applicable safeguard policies, if any, including implementation of the mitigation plan. Based on the degree of compliance with the Bank's standards in effect at project entry, and the standards prevailing at the time of the evaluation. It assesses PPP company's management of its environmental and social impacts. To the extent that environmental sustainability is an intended outcome of the project and/or is incorporated into the PPP company's business model, these outcomes are assessed under Contribution to Intended Outcomes. The assessment should cover also i) the project's environmental and social performance in meeting the Bank's requirements; and ii) the project's actual environmental and social impacts, including pollution loads, wastes, energy and resource efficiency, biodiversity conservation, workers' and communities' health and safety, public consultation and participation, land acquisition and cultural heritage.

Rating Scale
6 – Highly Satisfactory: The PPP company meets both the Bank's at-approval requirements (including implementation of an ESAP, depending on the environmental categorization of the project) and the Bank's at-evaluation requirements, and the extent of environmental and social change/impacts: (i) go beyond the expectations of the ESAP and key environmental and social requirements, or (ii) have materially improved

overall environmental and social performance, or (iii) have contributed to a significant improvement in the environmental and social performance of local (suppliers or competitors) companies e.g., by raising industry standards, acting as a good practice example, etc..

5 – Satisfactory: The Company is in material compliance with the Bank's at-approval requirements (including implementation of an ESAP, depending on the environmental categorization of the project. Environmental and social change/impacts: (i) meet the expectations of the ESAP and key environmental and social requirements, or (ii) have improved the overall environmental and social performance, or (iii) have contributed to a material improvement in the environmental and social performance of local (suppliers or competitors) companies e.g., by raising industry standards, acting as a good practice example, etc..

4 – Moderately Satisfactory: The Company is in partial compliance with the Bank's at-approval requirements but ESAP is implemented, depending on the environmental categorization of the project). Environmental and social change/impacts: (i) meet the expectations of the ESAP and key environmental and social requirements, but (ii) have partially improved the overall environmental and social performance, and (iii) have partially contributed to an improvement in the environmental and social performance of local (suppliers or competitors) companies e.g., by raising industry standards, acting as a good practice example, etc..

3 – Moderately Unsatisfactory: (a) the PPP company is not in material compliance with the Bank's at-approval requirements, and the ESAP is only partially implemented. Environmental and social change/impacts: (i) do not fully meet the expectations of the ESAP and key environmental and social requirements, and (ii) have partially improved the overall environmental and social performance, or (iii) have partially contributed to an improvement in the environmental and social performance of local (suppliers or competitors) companies e.g., by raising industry standards, acting as a good practice example, etc..

2 – Unsatisfactory: Both: (a) the company is not in material compliance with the Bank's at-approval requirements, and the ESAP is only partially implemented. Environmental and social change/impacts: (i) do not meet the expectations of the ESAP and key environmental and social requirements, and (ii) have not improved the overall environmental and social performance, and (iii) have not contributed to an improvement in the environmental and social performance of local (suppliers or competitors) companies e.g., by raising industry standards, acting as a good practice example, etc. However, the company is addressing deficiencies through ongoing or planned actions; and (b) such non-compliance has not resulted in environmental damage.

1 – Highly Unsatisfactory: Both: (a) the company is not in material compliance with the Bank's at approval requirements (including implementation of an ESAP, if any). Environmental and social change/impacts: (i) don' totally meet the expectations of the ESAP and key environmental and social requirements, and (ii) have not contributed to an improvement in the environmental and social performance of local (suppliers or competitors) companies e.g., by raising industry standards, acting as a good practice example, etc; and (b) mitigation prospects are uncertain or unlikely, or non-compliance resulted in substantial and permanent environmental damage.

4.4 Institutional sustainability and strengthening of capacities

The criterion assesses the extent to which the project has contributed to strengthen institutional capacities - including for example through the use of procurement and contract management best practices. An appreciation should be made with regards to whether or not improved governance practices or improved skills, procedures, incentives, structures, or institutional mechanisms came into effect as a result of the operation. It should include an assessment on the contributions made to building the capacity to lead and manage the PPP contracting process, as well as the extent to which the political economy of decision-making was conducive to Government's commitment to reform and how the design reinforced national ownership of PPP. The assessment should include the extent to which the Bank supported the Government's capacity to conduct Value for Money analysis, procurement, contract management and implementation of the PPP and supported the Government's PPP Unit.

For a positive rating, material effects must be demonstrated for institutional capacities strengthening- including for example through the use of procurement and contract management best practices, improved governance or skills, procedures, incentives, structures, or institutional mechanisms. In case of Bank support to the Government, material effects should be demonstrated on the capacity to conduct Value for Money analysis, procurement, contract management and PPP transaction implementation through the PPP Unit.

Rating Scale

6 – Highly Satisfactory: Considering its size, the Bank capacity strengthening had: i) substantial positive effects on procurement and contract management procedures, governance and skills improvements, structures, or institutional mechanisms; and/or ii) highly improved the Government capacity to conduct Value for Money analysis, procurement, contract management and PPP transaction implementation through the PPP Unit.

5 – Satisfactory: The Bank capacity strengthening had: i) good positive effects on procurement and contract management procedures, governance and skills improvements, structures, or institutional mechanisms; and/or ii) improved the Government capacity to conduct Value for Money analysis, procurement, contract management and PPP transaction implementation through the PPP Unit.

4 – Moderately Satisfactory: The Bank capacity strengthening had: i) moderately positive effects on procurement and contract management procedures, governance and skills improvements, structures, or institutional mechanisms; or ii) moderately improved the Government capacity to conduct Value for Money analysis, procurement, contract management and PPP transaction implementation through the PPP Unit without jeopardizing the effectiveness and the sustainability of the project.

3 – Moderately Unsatisfactory: The Bank capacity strengthening had no discernable effects on or institutional mechanisms; and/or ii) limited Government capacity improvement to conduct Value for Money analysis, procurement, contract management and PPP transaction implementation through the PPP Unit, which have jeopardized the effectiveness and sustainability of the project.

2 –Unsatisfactory: The Bank capacity strengthening had no effects on procurement and contract management procedures, governance and skills improvements, structures, or institutional mechanisms; nor improved the Government capacity to conduct Value for Money analysis, procurement, contract management and PPP transaction implementation, which have extensively jeopardized the effectiveness and sustainability of the project.

1 – Highly Unsatisfactory: The Bank capacity strengthening had no effects on procurement and contract management procedures, governance and skills improvements, structures, or institutional mechanisms; nor improved the Government capacity, which have extensively jeopardized the sustainability of the project.

4.5 Ownership and Sustainability of Partnerships

The assessment determines whether the project has effectively involved relevant stakeholders, promoted a sense of ownership amongst the Government (central and sector ministries) and put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) as required for the sustainability of the PPP.

For a positive rating, the involvement of relevant PPP stakeholders promoted a sense of ownership amongst the Government (central and sector ministries) and has put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) as required for the sustainability of the public private partnership.

6 – Highly Satisfactory: The project has strongly and effectively involved relevant stakeholders, promoted ownership amongst the Government and put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors).

5 – Satisfactory: The project has satisfactorily involved relevant stakeholders, promoted ownership amongst the Government and attempted to put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors).

4 – Moderately Satisfactory: The project has moderately involved relevant stakeholders, although it attempted to put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors).
3 – Moderately Unsatisfactory: The project has not involved relevant stakeholders, although there is a demonstrated attempt to put in place an effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors).
2 –Unsatisfactory: The project has not involved relevant stakeholders, and there is no demonstrated or transparent effort to put in place an effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) which may affect the sustainability of the partnership.
1 – Highly Unsatisfactory: The project has not involved relevant stakeholders, nor demonstrated effort to put in place an effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) which has affected the sustainability of the partnership.

5. Cross-Cutting Issues

It assesses the extent to which have Bank the PPP project contributed or likely to contribute to inclusive growth, with increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, transition to green economy, compared to alternatives and other financing options (Public-public partnerships, PuP or PSO only)?

A positive rating must be allocated in the case of substantial and plausible evidenced contribution of the project to inclusive growth with increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, transition to green economy, if not already taken into consideration in assessing projects contribution to intended or corporate goals. “Not Rated” is a possible rating when the project did not contribute to these cross cutting issues beyond its intended outcomes, or evidence is missing.

Rating Scale
6 – Highly Satisfactory: The project had significantly contributed to inclusive growth with increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, and transition to green economy.
5 – Satisfactory: The project had determinately contributed to inclusive growth with increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, and transition to green economy which positively affected its effectiveness.
4 – Moderately Satisfactory: The project had moderately contributed to inclusive growth with acceptable increase of accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, and transition to green economy which moderately affected its effectiveness.
3 – Moderately Unsatisfactory: The project had moderately contributed to inclusive growth with acceptable increase of accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, and transition to green economy which moderately affected its effectiveness.
2 –Unsatisfactory: The project had no discernable contribution to inclusive growth with increased access of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, and transition to green economy, which had affected its effectiveness.
1 – Highly Unsatisfactory: The project had no discernable contribution to inclusive growth with increased access of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, and transition to green economy, which had highly affected its effectiveness.

6. Bank Performance

Measures the extent to which the Bank identified, facilitated preparation of, and appraised the PPP operation such that it was most likely to achieve its planned outcomes and was additional and consistent with the Bank's fiduciary role.

6.1 Quality at Entry & Additionality

Measures the extent to which the Bank identified, facilitated preparation of, and appraised the operation such that it was most likely to achieve its planned outcomes and was additional and consistent with the Bank's fiduciary role. The assessment includes the quality of the Bank's assessment of the operation as being relevant to the Bank's corporate, country, and sector strategies; the quality of the results framework and the design of the monitoring and evaluation system; the assessment of sponsors, company, management, country & market conditions, market dynamics, project concept, configuration and costs; the appraisal of the financial plan, source of project funds, and assumptions used in the project's financial projections; the assessment of project and political and management/institutional risks, and steps taken to mitigate them; the appraisal of procurement methods, environmental and social risks, and the inclusion of safeguards to mitigate them; and the appropriateness of the investment instrument selected. Quality at Entry for PPP operations also covers the ex-ante non-financial additionality of the Bank, e.g., the extent to which the Bank brought about a fair, efficient allocation of risks and responsibilities; improved the client's functioning in business/management; or improved the client's and the country's capacity including its assistance to establish a PPP hub.

For a positive rating, the Bank should have materially met its operational standards in these areas, and there were no significant shortcomings in project results due to the Bank's performance at project entry.

Rating Scale
6 – Highly Satisfactory: The Bank should have exceeded its prescribed operational procedures such that it has established a new quality standard for PPP projects at entry and additionality assessment. Alternatively, superior project results and/or Bank investment profitability can be directly and unambiguously attributed to the Bank's quality at entry structuring, with fair allocation of risks and responsibilities consistent with its fiduciary role.
5 – Satisfactory: The Bank should have materially met its prescribed operational procedures and quality standards consistent with its fiduciary role. The Bank should have kept itself sufficiently informed to react in a timely manner to any material change in the project and/or company's design and readiness for effective implementation with timely action where needed.
4 – Moderately Satisfactory: The Bank should have materially met its prescribed operational procedures and quality standards consistent with its fiduciary role. However, the Bank was not kept sufficiently informed to react in a timely manner to any material change in the project and/or company's design and readiness for effective implementation.
3 – Moderately Unsatisfactory: The Bank fell short of its prescribed operational procedures and quality standards in one of its quality at entry assessments. However, such shortfall(s) have not had a material effect on the project's development quality.
2 – Unsatisfactory: The Bank fell short of its prescribed operational procedures and quality standards in more than one aspects of its monitoring and supervision of the project and associated investment. However, such shortfall(s) have not had a material effect on the project's development quality.
1 – Highly Unsatisfactory: The Bank fell short of its prescribed operational procedures and quality standards in one or more aspects of its monitoring and supervision of the project and associated investment. As a direct consequence of such shortfall(s), there has been a material, detrimental effect on the project's development quality.

6.2 Quality of administration, Supervision and M&E

For PPP, the quality of supervision includes the completeness of supervision reports in documenting project status and risks; the monitoring of the client company's compliance with the terms of the investment and contractual arrangements with the country authorities and adherence to relevant government regulations and Bank's requirements. The factors related to the Bank's administration of the investment that must be taken into consideration include: The monitoring of the client company's compliance with investment covenants and conditions; the completeness of supervision reports in documenting project implementation and risks; the monitoring of the client company's environmental and social performance; the adequacy and timeliness of the Bank's response to emerging problems or opportunities; the contributions made by Bank representatives on the PPP process; client satisfaction with the Bank's service quality; and the continuity of the Bank's service delivery when monitoring staff changes occur.

For a positive rating, the Bank should have materially met its operational standards in these areas, and there were no significant shortcomings in project development results due to the Bank's supervision performance.

Rating Scale
6 – Highly Satisfactory: The Bank should have exceeded its prescribed operational procedures such that it has established a new quality standard for the monitoring and supervision of projects and their associated investments. Alternatively, superior project development quality and/or Bank investment profitability can be directly and unambiguously attributed to the Bank's execution of its monitoring and supervision responsibilities.
5 – Satisfactory: The Bank should have materially met its prescribed operational procedures and quality standards in its monitoring and supervision of the project and associated investment, following commitment. The Bank should have kept itself sufficiently informed to react in a timely manner to any material change in the project and/or company's performance (or any event or circumstance that could be the basis for a claim under a Bank's guarantee), and have taken timely action where needed.
4 – Moderately Satisfactory: The Bank should have materially met its prescribed operational procedures and quality standards in its monitoring and supervision of the project and associated investment, following commitment. However, the bank was not kept sufficiently informed to react in a timely manner to any material change in the project and/or company's performance.
3 – Moderately Unsatisfactory: The Bank fell short of its prescribed operational procedures and quality standards in one of its monitoring and supervision of the project and associated investment. However, such shortfall(s) have not had a material effect on the project's development quality and/or Bank investment profitability.
2 – Unsatisfactory*:* The Bank fell short of its prescribed operational procedures and quality standards in more than one aspects of its monitoring and supervision of the project and associated investment. However, such shortfall(s) have not had a detrimental effect on the project's development quality and/or Bank investment profitability.
1 – Highly Unsatisfactory: The Bank fell short of its prescribed operational procedures and quality standards in one or more aspects of its monitoring and supervision of the project and associated investment. As a direct consequence of such shortfall(s), there has been a material, detrimental effect on the project's development quality and/or Bank investment profitability.

7. Client Performance

7.1 Non-Financial Performance of the Company

Non-financial performance covers compliance with relevant government regulations and Bank requirements including its corporate social responsibilities. For a positive rating, the PPP company is in material compliance with relevant government regulations and Bank requirements with outstanding social responsibilities.

Rating Scale
6 – Highly Satisfactory: The Company met extensively relevant government regulations and Bank requirement/conditions including its corporate social responsibilities. Alternatively, superior project development quality can be directly attributed to the company non-financial performance.

5 – Satisfactory: The Company met relevant government regulations and Bank requirement/conditions including its corporate social responsibility. Alternatively, superior project development quality can be directly attributed to the company which has taken timely action where needed.
4 – Moderately Satisfactory: The Company has materially met relevant government regulations and Bank requirement/conditions including its corporate social responsibilities. However, the company did not react in a timely manner to enhance its non-financial performance.
3 – Moderately Unsatisfactory: The company did not meet all government regulations and/or requirements/conditions including its social responsibilities. However, such shortfall(s) have not had a material effect on the project's development quality.
2 – Unsatisfactory*:* The company fell short of all government regulations and/or requirements/conditions including its social responsibilities. However, such shortfall(s) have not had a detrimental effect on the project's development quality and/or Bank investment profitability.
1 – Highly Unsatisfactory: The company fell short of all government regulations and Bank requirements/conditions including its social responsibilities. As a direct consequence of such shortfall(s), there has been a material, detrimental effect on the project's development quality.

7.2 Government and PPP Agency Performance

It assesses the extent to which the government and implementing agencies ensured quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of intended outcomes. It includes such aspects as government ownership and commitment; the enabling environment for PPP projects; adequacy of consultations with stakeholders; readiness for implementation, timely resolution of implementation problems, fiduciary management, compliance with environmental and social safeguards, adequacy of monitoring and evaluation of partnerships arrangements, relationships with other donors and stakeholders; and adequacy of arrangements for the transition after contractual ownership transfer and management.

The evaluator should take account of the operational, sector, and country context in weighing the relative importance of each aspect of government and implementing agency performance as they affected outcomes. For a positive rating, there were at most moderate shortcomings in the performance of the government and implementing agency or agencies.

6 – Highly Satisfactory: The government and its implementing agencies should have exceeded the quality of preparation and implementation of the partnership while extensively complying with covenants and agreements, and ensured ownership and commitment towards the achievement of intended outcomes. Alternatively, superior project development quality can be directly and unambiguously attributed to the government partnerships arrangements.
5 – Satisfactory: The government and its implementing agencies should have materially met the quality standards for the preparation and implementation of the partnership while complying with covenants and agreements, and ensuring ownership and commitment towards the achievement of the intended outcomes. The government and its implementing agencies should have reacted in a timely manner to any material change in the project and/or company's performance, and have taken timely action where needed.
4 – Moderately Satisfactory: The government and its implementing agencies should have materially met the quality standards for the preparation and implementation of the partnership while moderately complying with covenants and agreements. However, the government and its implementing agencies have sufficiently reacted in a timely manner to any material change in the project and/or company's performance.
3 – Moderately Unsatisfactory: The government and its implementing agencies fell short of meeting the quality standards for the preparation and implementation of the partnership while insufficiently complying with covenants and agreements. The government and its implementing agencies have not sufficiently reacted and in a timely manner to any material change in the project and/or company's performance. However, such shortfall(s) have not had a material effect on the project's development quality.
2 – Unsatisfactory*:* The government and its implementing agencies fell short of meeting the quality standards for the preparation and implementation of the partnership while not fully complying with

covenants and agreements. The government and its implementing agencies have not reacted in a timely manner to any material change in the project and/or company's performance. As a direct consequence, such shortfall(s) have had a material effect on the project's development quality.
1 – Highly Unsatisfactory: The government and its implementing agencies fell short of meeting the quality standards for the preparation and implementation of the partnership while not complying with covenants and agreements. The government and its implementing agencies have not reacted to any material change in the project and/or company's performance. As a direct consequence, such shortfall(s) have had a detrimental effect on the project's development quality..

8. Bank Investment Profitability

For the Bank to continue to be sustainable, the investments it makes, whether in the form of loans or equity have to be profitable. For loans: The best indicator of the Bank's investment profitability in a project is the net profit contribution (gross income less financing costs, loan loss provisions/ write-offs, transaction costs and administrative costs measured in discounted cash flow terms. However, because of the difficulty in estimating transaction and administrative costs associated with individual projects before the Bank implements a viable cost accounting system, a qualitative approach based on gross profit contribution (gross income less financing costs, loan loss provisions/ write-offs) is recommended. For equity investments, profitability shall be measured by comparing the nominal internal rate of return (also referred to as return on equity (ROE)), computed using projected dividends and capital gains, with the interest rate of a fixed rate loan to the same project company.

For a positive rating, the net profit contribution is sufficient relative to the Bank's target return on capital or overall profitability objectives. Detail by type of operation is contained in Private GPS OPs 20.2 – 20.5.

Rating Scale
6 - Highly Satisfactory: By virtue of the size of investment/loan, its performance or the presence of income-enhancement features, either: (a) the investment/loan net profit contribution exceeds the Bank's target return on capital employed or overall profitability objectives by a factor of 1.25x; or (b) the loan is expected to be paid, or has been paid, as scheduled, and will yield a premium return in comparison to other Bank loans of a similar credit risk.
5- Satisfactory: Either: (a) the loan's net profit contribution is superior in relation to the Bank's target return on capital employed or overall profitability objectives; or (b) the loan is expected to be paid, or has been paid, as scheduled and has yielded the full margin return originally expected during appraisal.
4 – Moderately Satisfactory: Either: (a) the loan's net profit contribution is just sufficient in relation to the Bank's target return on capital employed or overall profitability objectives; or (b) the loan is expected to be paid, or has been paid, as scheduled (or rescheduled) or prepaid, with no loss of capital, and has yielded the full margin return originally expected.
3 – Moderately Unsatisfactory: Either: (a) the loan's net profit contribution falls short of the Bank's target return on capital employed or overall profitability objectives, but there is no expected loss of loan principal; or (b) the loan will not yield the full margin return originally expected by virtue of rescheduling, margin reduction or other concession, but no loss of principal is expected.
2 - **Unsatisfactory**: Either: (a) the loan's net profit contribution falls short of the Bank's target return on capital employed or overall profitability objectives, but there is no expected loss of principal; or (b) the Bank carries modest, non-specific loss reserves (for example due to country conditions) that are not directly related to the loan.
1 - Highly **Unsatisfactory**: Either: (a) the Bank has incurred loss of loan principal or carries specific loss reserves against the loan; or (b) the loan is in non-accrual status or has been rescheduled such that the Bank does not expect to recover its full funding cost, or the Bank has established specific loss reserves, or the loan has been or is expected to be wholly or partially converted to equity as a consequence of its non-performing status.

Annex 10: Country Case Studies – Proposed Template and Outline

Introduction and Background

Country Context

- Relevant political economy developments
- Relevant macroeconomic developments
- Overview of the country's strategy and experience with implementing the PPP agenda
- Country PPP development constraints and main Challenges including regulatory and legislative framework, private investment attractiveness, fiscal sustainability, inclusiveness, environmental and social safeguards and protection.

Bank Assistance Strategy and Program

Bank Country and Sector PPP Assistance Strategy including advisory services, capacity strengthening and transaction services.

PPP Country Portfolio

Contribution to PPP Development Results

Relevance

- How did PPPs evolve in Bank CSPs?
- Did the Bank PPP interventions address country development priorities and beneficiary needs?
- Were Bank PPP assistance and interventions consistent with Bank corporate goals as shown in its 2013-2022 strategy and the "high 5s", and with PSD policy and strategy, industrialization strategy, and other sector or thematic policies and strategies;
- Has the Bank provided strategic advice to client countries in making informed decisions about the nature and level of private sector involvement in sector reforms, the choice between public investment versus PPP, and type of PPPs? Is there evidence that this advice taken on board and knowledge actually delivered?
- Did the Bank assess upfront the country capacity (including the human resources involved) to design, implement, monitor and evaluation PPP investments?
- Are there examples of well-conducted Value for Money analysis, due diligence applying the Public Sector Comparator Model, or other alternatives and options?
- How well is the quality of the design of Bank assistance and relevance of PPP interventions objectives (ToCs) and How these compare to alternatives or other options based on fiscal sustainability, risk pricing and sharing, etc?
- How did the Bank engagement operationally in the country's PPP agenda (both upstream or downstream: lending or non-lending?
- Are Bank interventions well structured with quality due diligence, assessment of development outcomes and additionality?
- Are Bank PPP assistance and interventions based on country beneficiaries and end users' needs assessment with adequate and effective beneficiaries targeting (surveys, ex ante social impact assessment, etc…)?
- Did the Bank commitment change over time (for example, shift from upstream to more transaction oriented work) and if so why? Was the Bank responsive in case country priorities changes or emerged?

EFFECTIVENESS

The portfolio analysis with the field visits provide a more up-to-date and detailed information in particular for countries which have been subject to recent CSPE and PRAs. The ToC as well as the findings of the PPP PRAs and portfolio analysis will be considered together with the information collected during the field visits when answering the questions below at an aggregate level including the strategic level.

To which extent Bank assistance in PPP projects and interventions are effective and yield expected or unexpected development results/outcomes*?*

- Did Bank interventions develop upstream and downstream supply linkages of public services using private entrepreneurship with transferred and/or shared risks? Have new technology and know-how, enhancement of private sector, contribution to improving the PPP environment within an open economy, improved cost-effectiveness materialized?
- To what extent have Bank PPP interventions and project components that targeted the enabling environment and investments for PPPs achieved their stated objectives and expected outcomes?
- Have PPP units, if the have been established, doing what they are expected to do? Are the regulators functional and PPP laws actually used to process PPP transactions, including tendering (procurement) and contract management, risk sharing and pricing, etc…?
- Has the Bank strategically enhanced the public sector's capability to assess and account for contingent liability and recurring expenditures related to PPPs?
- In how far did country parameters (for example governance issues, enabling environment income level, absorption capacity, investment climate, and so forth) or sector parameters (for example lack of cost recovery, size of market) drive the effectiveness of Bank financed PPPs as compared to other options or alternatives?
- Has the Bank upstream support achieved PPP interventions long-term outcomes, and helped countries to execute PPP transactions, procurement, contract management, monitoring and evaluation in a satisfactory manner?
- How useful did country authorities and other stakeholders perceive Bank upstream support when implementing subsequent PPP transactions?
- Subsequently, did PPPs improve access to infrastructure and social services through PPP investments, with or without Bank involvement in PPP transactions?
- How did PPPs work out and is there any evidence that the actual PPPs contributed to improve public service cost effectiveness and inclusive access, quality of service delivery, and increased efficiency? If so, why and why not? Was failure due to shortcomings in upstream work or other Bank or country conditions?
- Did Bank PPP interventions contribute (or expected to contribute) to achieving the Bank corporate goals that are not included specifically in the interventions intended results/outcomes including the contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, sector and thematic and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only)?
- Have PPPs that benefited from Bank downstream support (Advisory Services, Investment Services, lending or non-lending) contributed to improved access to infrastructure and social services?
- Have Bank PPP assistance and interventions contributed to inclusive growth, with increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, transition to green economy, compared to alternatives and other financing options (PuP or PSO only)?
- With regard the governance and anti-corruption, and looking at both, upstream and downstream work, to what extent was corruption an issue along the entire value chain of a PPP (from pipeline development, setting of specific technical standards, project selection preparation, bidding, to finance and contract management and implementation?
- Is there any evidence that corruption led to dropping of projects? Is there any evidence that the lack of competition (lack of equitable opportunities for private sector and other economic participants) had an effect on the risk allocation?
- How well is the country positioned to address systemic corruption risk? What did the Bank do about addressing corruption at the systemic as well as at project level?
- Have Bank PPP assistance and interventions contributed to achieving the Sustainable Development Goals (SDGs) and the transition to green economy? How well was the Bank PPP

assistance conducive to country strategic engagement on SDGs and transition to green economy through PPP interventions?

SUSTAINABILITY

- Have financed PPPs provided sustained services over time, that is, beyond projects' closure/operational maturity?
- How well were PPP interventions resilient to technical, financial, social, political, and other exogenous risks?
- Are there prospects for continued viability of PPP interventions (and companies), continued fiscal stability and financial returns? How well are PPP companies adaptability and prospects for sustainability and growth including fiscal and financial sustainability?
- To which extent the PPP funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure the continued flow of benefits, with particular emphasis on financial and fiscal sustainability?
- Did Bank PPP assistance and interventions contribute to strengthen institutional capacities, with improved governance practices skills, procedures, incentives, structures, or institutional mechanisms (Value for Money analysis, procurement, contract management and implementation of the Government PPP Unit)? Are results traceable?
- Has the Bank effectively involved relevant PPP stakeholders and promoted a sense of ownership amongst the Government (central and sector ministries) and put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) as required for the sustainability of the PPP?
- How well did PPP interventions comply with applicable safeguard policies, if any, including implementation of mitigation plans? How well did PPP companies, the Bank and the country manage environmental and social impacts?

MANAGEMENT OF BANK's PPP INTERVENTIONS

STRATEGIC FRAMEWORK

- Was the Bank PPP engagement selective based on comparative or competitive advantage and strategic (consolidation of Bank positioning in the infrastructure sector for example in the country)?
- How well the Bank equipped itself to strategically deliver in assisting the establishment of pilot PPP hubs within the Bank and in RMCs[5]?
- How well has the Bank fostered the "One-Bank" concept in responding to countries PPP agenda and framework?

PPP OPERATIONAL DIRECTIVES, GUIDANCE AND WORK QUALITY

- Were operational directives and guidance for screening, structuring, due diligence, and approval including ex ante additionality & development outcomes assessment provide for effective and efficient Bank operational work as compared to good practices and other MDB operational processes? (please explain the benchmarks and the comparison analysis)
- What were the roles of the different Bank entities in the country's for Up and Downstream work? how was their work quality and what their added value or shortcomings?
- Has the Bank been able to deliver a country specific PPP solution based on solid assessments of country needs and priorities and also of regulatory, legislative and institutional arrangements?
- How effective and efficient were advisory services and analytical work (ESW), institutional capacity building and technical assistance provided within PPP interventions?
- What drove success or failure during preparation, bidding and finance? In cases of PPP transactions-only, what factors enabled/impaired sustainability/longevity?

EFFICIENCY (Efficient Use of Resources)

[5] Please see the Industrilization Strategy and the Energy paper ????

- To which extent PPP intervention costs in achieving project objectives were reasonable in comparison with the project's benefits, and to which extent PPP interventions were implemented at least cost compared to alternative ways of achieving the same results (mainly with public resources only)? Did observed changes in companies efficiency performance compare with and without-project counterfactual?
- Have Cost-benefit Analyses (CBAs) been conducted at ex ante? To which extent costs and benefits of the PPP project (Value for Money) included both private and social costs and benefits during the PPP life cycle?
- If no, are there any traditional measures of efficiency, e.g., FRR, ERR, NPV, unit rate norms (cost per unit of input or cost per unit of output), and service standards, as well as information on the cost of PPP projects with similar objectives, scope, and design?
- Is there Cost-effectiveness analysis comparing the unit costs of PPP projects, or component costs, with those of similar projects? Please explain assumptions behind the calculations.
- Have other aspects of efficiency not included in economic or financial Efficiency, such as aspects of design and implementation (timeliness), transaction costs, contributed to or reduced efficiency?

COORDINATION AND LEVERAGE

- What's the role of the Bank in the country's PPP agenda and implementation and vis-à-vis other major donors/MDBs?
- Was the Bank more active upstream or downstream vis-à-vis the other players?
- Did the Bank Group provide a comprehensive solution package, including Up and Downstream work or was it only transactional?
- How was coordination of the Bank work with other major players in the PPP agenda of that country, for example, other MDBs, DFID, USAID, AFD, ALSF or other national/international agencies including UN agencies?
- Were there unique roles of OPSD/OSGE with regard to advising on transactions, including pipeline management, project preparation, bidding and finance?
- What did the client and the country PPP agencies/regulators, etc. appreciate most about Bank's work? What went right and/or wrong, and why? What would have happened with better coordination?
- What did the client and the country PPP agencies/regulators appreciate most about the role and contribution of Bank Investment Services, loans with regard to financing PPP transactions? Did they see it responsive, strategic and operational? What should be improved?
- At the country level, has the Bank PPP agenda been adequately coordinated (from the country needs assessment, to Bank's response by Bank regional PPP hubs[6], country strategies, sector strategies and transactions/investments, lending and non-lending)?
- Is there evidence that PPPs have leveraged scarce public sector resources through private sector funds? Is there evidence that PPPs deliver their services in a sustained manner?
- Did PPPs leverage public sector resources through private sector funds? If not, what prevented private investors to contribute?
- Has the Bank leveraged synergies and exploited the comparative advantages of its various public and private sector arms and its products? Can Bank coordination and collaboration be found at the level of specific projects? If not, have efforts been coordinated at regional, sectoral or strategic level?
- What can we learn from successful or failed Bank coordination across the various departments/units contributing to the Bank PPP agenda?
- From a country perspective, is there a need to adjust the Bank organizational structures, processes, and incentives to better enable a coordinated and effective delivery of PPP targeted activities in response to the Bank PPP strategic agenda?
- From the Bank PPP hubs, RECs and Country offices, clients, financiers or counterparts perspective, is the current organizational set-up, allocation of skills and resources, and functions across the Bank

[6] 3 PPP Regional Hubs are functional : Nigeria (Abuja), Southern (Preotria, SARC) and Eastern Africa (EARC)

adequate with regard to implementing the Bank PPP assistance and interventions and PPP strategic agenda ? Are there incentives and directives conducive to an efficient and effective Bank response?
- To which extent have Bank's PPP interventions contributed to managing for results within the Bank and to RMCs?

HAS THE BANK MADE A DIFFERENCE?

- Has the Bank provided solutions adapted to country and project contexts including innovative approaches?
- How effective was the Bank when identifying, facilitating the preparation of, and appraising the PPP operations such that they are most likely to achieve their planned outcomes?
- How the Bank work was additional and consistent with the Bank's fiduciary role, including the assessment of country political and management/institutional risks, and steps taken to mitigate them; appraisal of procurement rules and regulations, environmental and social risks, and the inclusion of safeguards to mitigate them; as well as the appropriateness of the investment instruments selected?
- How well did the Bank bring about a fair, efficient allocation of risks and responsibilities; improved the Government and clients functioning in business/management, sharing responsibilities and risks, or improved the client's and the country's capacity including its assistance to establish a PPP hub (Unit)?
- Was the Bank effective in documenting project status and risks? Monitoring the client companies and country agencies compliance with the terms of the investments, contractual and institutional arrangements as well as with the environmental and social performance, and adherence to relevant government regulations and Bank's requirements?
- How was the adequacy and timeliness of the Bank's response to emerging problems or opportunities for other emerging PPP transactions in the country?

CLIENT AND GOVERNMENT PERFORMANCE

- How well the client and government authorities perform during upstream and downstream work and in ensuring PPP long-term sustainability?
- How well the government and implementing agencies ensured quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of intended outcomes? This includes such aspects as government ownership and commitment; the enabling environment for the projects; adequacy of consultations with stakeholders; readiness for implementation, timely resolution of implementation problems, fiduciary management, compliance with environmental and social safeguards, adequacy of monitoring and evaluation of partnerships arrangements, relationships with other donors and stakeholders; and adequacy of arrangements for the transition after contractual ownership transfer and management.

DRIVERS/FACTORS OF SUCCESS AND FAILURE

- What were the factors enabling or preventing the achievement of PPP expected development outcomes and impacts?
- What are the factors that have played in the achievement of Bank specific, strategic or corporate goals/ objectives and in promoting economic and social infrastructure through PPPs in the country? What are the critical factors that have limited or constrained the achievement of objectives of PPP Bank assistance and interventions?
- How far did country parameters (for example the enabling environment, the country's income level, absorption capacity, investment climate, and so forth) or sector parameters (for example, lack of cost recovery, size of market etc.) drive the success of these PPPs?

PROFITABILITY OF BANK INVESTMENTS

- How profitable is the Bank investments (Net profit contribution, i.e. gross income less financing costs, loan loss provisions/ write-offs, transaction costs and administrative costs); or using a qualitative approach based on gross profit contribution (gross income less financing costs, loan loss provisions/ write-offs)?

STRATEGIC FINDINGS, LESSONS AND RECOMMENDATIONS

- What are the strategic findings drawn from the evaluation?
- What can we learn from cases where the implementation of Upstream and Downstream measures was particularly successful or failed?
- What can we learn from successful or failed Bank PPP assistance and transactions?
- What are the main recommendations?

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Annex 11: Evaluation Questions: Non-Lending TAs, ISPs and ESW

Evaluation Questions	Indicators	Sources of information	Data Collection Methodology
Coherence of PPP TAs, ISPs, Budget support components (General or sectoral), Capacity strengthening and ESW: Quality and alignment to the Bank and country Strategic Objectives?	Alignment of PPP non-lending operations to Bank's institutional priorities and sector strategic objectives and country priorities?	Country development plans, sector strategies documents	Review of Documentation
		Bank CSPs, PSD, Industrialization strategy and other strategic documents	Review of CSPs and PSD and other sector strategies
		Quality at entry assessments	Critical review and trend analysis
		Banks Staff and Field mission	Interviews
Quality of Bank policy dialogue, coordination and partnerships activities on legal and institutional framework, advisory and investment services (structuring, contractual arrangements): Bank strategic positioning, effective Bank PPP hubs, and representation, support of country analytical, knowledge products and dissemination, capacity strengthening and resource mobilization for PPP preparatory work, institutional and regulatory framework, and PPP implementation?	Policy dialogue, coordination and partnership thematic areas in alignment to global and sector strategic objectives, institutional priorities for PPPs in the Bank and countries	Country development plans, sector strategies documents	Review of Documentation
	No. and Volume of satisfactory TAs, ISPs G-S Budget Support components, advisory services, training and capacity strengthening alignment to global, sectoral or thematic strategic objectives and institutional priorities for PPPs	Bank CSPs, PSD, Industrialization strategy and other strategic priorities	Review of CSPs and PSD and other sector strategies
	PPP portfolio improvement indices (QaE, QaS, reduced problematic PPP and cancellations	Quality at entry assessments ; PPP cancellations	Critical review and trend analysis
	Activities of PPP hubs and focal points	Bank Staff	Interviews
		Policy Dialogue Debriefings	Notes and BTORs fact findings
		Activity reports	Review of available activity reports
To which extent the generated analytical work, advisory services and knowledge products have been used by country and Bank policymakers, project managers and other Stakeholders?	References made in Bank publications, country PPP Units' pamphlets and PPPs and publications	Bank publications, country PPP Units' pamphlets on PPP and publications	Review of documentation
	Reference made in country development plans and sector strategies	Country development plans, sector strategies and other related PPPP documentation	Review of documentation
	References in specialized websites (PPIAF, NEPAD, AIF, AUC etc.,…)	Websites and publications	Web Search
		Quality at entry assessments	Critical reviews
		Bank Staff and field work	Interviews

Evaluation Questions	Indicators	Sources of information	Data Collection Methodology
To which extent Bank non-lending activities (PPP TAs, ISPs, Budget support components (General or sectoral), Capacity strengthening and ESW) were harmonized with other donors and actors (avoiding duplication) to promote the PPP enabling environment, regulatory, legislative and institutional framework enhancement (PPP law and PPP unit establishment)?	Other donors non-lending activities in reference to PPPs enabling environment	CASs, Country economic memoranda,	Review of documentation
	No. and consistent Bank consultations with other donors	QaE assessments, BTOR,	Review of QaE, BTORs
	No. And volume of other donors non-lending activities to PPPs	Other donors publications on PPP portfolios (PPIAF, WB, IFC, AFD, etc..)	Review of documentation
	No. of joint missions during the PPP design and implementation cycle	Joint missions BTOR, Debriefing notes	Review of documentation
	No. and Volume of co-financing or parallel financing	PPIAP and other donors publications	Review of documentation
To which extent Bank non-lending activities (PPP TAs, ISPs, Budget support components (General or sectoral), Capacity strengthening and ESW) were harmonized with other donors and actors (avoiding duplication) to promote the PPP enabling environment, regulatory, legislative and institutional framework enhancement (PPP law and PPP unit establishment)?	Other donors non-lending activities in reference to PPPs enabling environment	CASs, Country economic memoranda,	Review of documentation
	No. and consistent Bank consultations with other donors	QaE assessments, BTOR,	Review of QaE, BTORs
	No. And volume of other donors non-lending activities to PPPs	Other donors publications on PPP portfolios (PPIAF, WB, IFC, AFD, etc..)	Review of documentation
	No. of joint missions during the PPP design and implementation cycle	Joint missions BTOR, Debriefing notes	Review of documentation
	No. and Volume of co-financing or parallel financing	PPIAP and other donors publications	Review of documentation
To which extent Bank PPP non-lending activities have been focused on knowledge production and use, country strategies adaptation and transformation towards closing the infrastructure gaps, equality, inclusion and sustainable development of public services delivered by PPPs?	Expected results aligned to adaptation and transformation towards using PPPs for closing the infrastructure gaps, equality, inclusion and sustainable development of public services delivered by PPPs	CSPs, Non-lending results frameworks, PENs, PCNs and PAR of PPP TAs, ISPs, Budget support components (General or sectoral), Capacity strengthening and ESW	Review of documentation and results frameworks
	Changes in country development priorities using PPPs as an adaptive and transformative vehicle towards infrastructure gaps, equality, inclusion and sustainable development	Country national and sector development documentations	Review of country documentation and publications
	PPP laws or decrees justifying PPPs as an adaptive and transformative vehicle towards using PPPs for closing infrastructure gaps, equality, inclusion and sustainable development	PPP laws, Decrees, legal, legislative and institutional frameworks documentation and publications	Review of country documentation and publications

Evaluation Questions	Indicators	Sources of information	Data Collection Methodology
To which extent the Bank (through its hubs or other instruments such as budget support) has focused on strengthening national/regional capacities in contractual management and procurement systems, monitoring and evaluation (M&E) and results orientation of PPPs?	No. and volume of ISP, TAs, BSO components on contractual management and procurement systems strengthening, monitoring and evaluation (M&E) and results orientation of PPPs	ISP, TAs, BSO components documentation	Review of Bank documentation
	Changes in country governance structures of PPP contractual management and procurement systems	Country regulatory and institutional frameworks publications and documentation	Review of country documentation and publications
	No. of Bank workshops, seminars and training sessions on PPP and dissemination of PPP contractual management and procurement good practices	Bank Staff and ALSF (joint work)	Interviews of Bank and ALSF staff Review of documentation
What are the factors that have permitted/contributed to Bank non-lending activities (TAs, ISPs, BSO components etc.) achievements?	Satisfactory performance of PPPs non-lending activities	TAs, ISPs and BSO supervision and completion reports	Critical review of supervision and completion reports
	Internal vs external (exogenous) factors	TAs, ISPs and BSO supervision and completion reports	Critical review of supervision and completion reports
		Other donors documentations and publications	Review of documentation and publications
		Bank, country and other donors Staff	Interviews
What has worked or has not worked and why? What are the lessons to be learned in future Bank non-lending activities?	Lessons used in new Bank lending and non-lending activities and interventions	Bank Documents (country PPP portfolio reviews, CSPs, PPP evaluation notes, concept notes and due diligence and PARs)	Critical review of Bank documents
	Lessons used in new Bank policies and strategies for PPPs as a strategic response to country private sector development	Bank Documents (policies, strategies, project documentations)	Critical review of Bank documents
	Lessons used in new Bank coordination and partnership activities and interventions in PPP regulatory, legislative and institutional frameworks and structuring	Bank Documents (policies, strategies, project documentations) Bank and other donors/cofinanciers staff	Critical review of Bank documents

PPP NON-LENDING REVIEW NOTE – Proposed Template and Outline

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   - Evolution of national/regional or international capacities for PPPs
   - Overview of country/regional development strategies and experience with PPP non-lending
   - PPPs non-lending activities constraints and main Challenges

3. BANK GROUP NON-LENDING ASSISTANCE TO PPPs
   - Bank Non-Lending Assistance to PPP
     - Bank policy dialogue, coordination and partnerships activities on legal and institutional framework, advisory and investment services (structuring, contractual arrangements): Bank strategic positioning, effective Bank PPP hubs, and representation, support of country analytical, knowledge products and dissemination, capacity strengthening and resource mobilization
   - Bank's role in PPP preparatory work, institutional and regulatory framework, and PPP implementation including capacity strengthening for contractual management, procurement, monitoring and evaluation

4. CONTRIBUTION OF NON-LENDING ACTIVITIES TO PPP DEVELOPMENT RESULTS
   - Strategic alignment to Bank's PPP policies and strategies
   - Alignment to country/regional PPP policies & strategies
   - Quality of the design including risk analysis and mitigation
   - Quality of front-end work and additionality at the national sector level

   - Use of Non-lending activities and results in country and Bank policies and strategies
   - Contribution of Bank Non-Lending activities and interventions to promote the PPP enabling environment, regulatory, legislative and institutional framework enhancement (PPP law and PPP unit establishment)

   - Contribution to knowledge production and use, country strategies adaptation and transformation towards closing the infrastructure gaps, equality, inclusion and sustainable development of public services delivered by PPPs
   - Contribution to strengthening national/regional capacities in contractual management and procurement systems, monitoring and evaluation (M&E) and results orientation of PPPs

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   - Positive, Negative and Exogenous Factors
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Annex 12: Portfolio Review Note – Proposed Template and Outline

KEY EVALUATION QUESTIONS
PPP PORTFOLIO ANALYSIS OUTLINE

- i. Table of Content
- ii. Acronyms and Abbreviations
- iii. Executive summary

I. INTRODUCTION
II. PORTFOLIO OVERVIEW

- QUALITY AT ENTRY AND STRATEGIC ALIGNMENT
  - PPP Operations with Relevant Strategic Alignment
  - PPP Operations rated satisfactory (QaE)
  - Operations with Satisfactory ADOA Rating
  - PPP operations with Satisfactory Credit and Risk Management Assessment
  - Lapse of Time Structuring, Due diligence and Approval
  - Time to first disbursement (months)
- QUALITY DURING IMPLEMENTATION
  - Disbursement ratio (%)
  - Operations at risk (%)
  - Time taken to procure project goods and works (months)
- PORTFOLIO MANAGEMENT
  - PPP Operations rated satisfactory (QaS)
  - Projects managed from field offices
  - Projects no longer at risk (%)
  - Nonperforming Loans
  - Operations eligible for cancellation (%)
- QUALITY AT EXIT
  - Matured operations rated satisfactory at XSR and XSREN (%)
  - Net disconnect of project ratings (%)
- PPP PORTFOLIO PIPELINE
  - PPP operations with Satisfactory Alignment to actual Bank strategic objectives and the "High 5s"

III. PORTFOLIO QUALITY AT ENTRY

- A. Strategic alignment
- B. Project design and readiness review (including TAs and ISPs)
- C. ADOA Ratings
- D. Risk Assessment and Ratings
- E. Lapse of Time Structuring, Due diligence and Approval
- F. Lapse of time to eligibility for first disbursement
- G. Accessibility to additional resources, TAs and Grants

IV. PORTFOLIO QUALITY DURING IMPLEMENTATION

- A. Overall performance
- B. Time to procure project goods and works
- C. Achievement of Outputs

V. PORTFOLIO MANAGEMENT

- A. Quality of Supervision
- B. PPP Projects at risk
- C. Non-Performing Loans and Cancellations
- D. Assessing PPP projects financial performance including Investments profitability

VI. PORTFOLIO QUALITY AT EXIT

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A. PPPs Contribution to enhanced visibility
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Annex 1: Definition of concepts and key performance indicators
Annex 2: Net commitments 2006-2015 (by year, region, sector and financing instruments)
Annex 3: Non-Performing Loans and Cancellation

Annex 13: Sector Synthesis Notes – Proposed Template and Outline

Introduction and Purpose of the Sector Synthesis Note
The purpose of the Sector Synthesis Note is to aggregate the findings and conclusions of the PRAs and Country Case Studies at a sector level which assess the quality of Bank assistance in supporting RMCs PPP agenda and implementation of the PPP sector financed transactions as well as its contribution to achieving high development results in terms of inclusive accessibility, affordability, poverty reduction, gender, youth and regional disparities. The Sector Review Notes will also assess how well the Bank has managed PPP interventions in a particular sector in terms of Bank work quality, additionality, as well as policy dialogue, ESW, Advisory services, sector analytical capacity and institutional strengthening, work coordination, leverage and scaling up.

The Sector Review Note is an aggregation of Country Case Studies and PRAs. The synthesis will help identify what has worked and what has not worked at the sector level and why based on a comparison of PPP in the sector to derive the specific drivers of success and failure of PPP interventions at a sector level, and how the Bank has really made a difference by assessing its contribution to the sector development effectiveness by closing the infrastructure and inclusiveness gaps, for example.
The Sector Review Note Outline is presented below.

SECTOR REVIEW NOTE – Proposed Template and Outline

Introduction and Background
General Development related to the Sector
PPP development constraints and main Challenges including regulatory and legislative framework, private investment attractiveness, fiscal sustainability, inclusiveness, environmental and social safeguards and protection.

Bank Sector Assistance Strategy and Program
Bank Sector PPP Assistance Strategy including advisory services, capacity strengthening and transaction services
PPP sector Portfolio

Overall Contribution to Sector Development Results
Relevance

- How did PPPs evolve in Sector policies and Strategies?
- Did the Bank PPP interventions address development priorities the sector level and beneficiary needs?
- Were Bank PPP assistance and interventions consistent with Bank corporate goals as shown in its 2013-2022 strategy and the “high 5s”, and with PSD policy and strategy, industrialization strategy, and other sector or thematic policies and strategies;
- Has the Bank provided strategic advice to country sector policy-makers in making informed decisions about the nature and level of private sector involvement in sector reforms, the choice between public investment versus PPP, and type of PPPs? Is there evidence that this advice taken on board and knowledge actually delivered?
- Did the Bank assess upfront the sector authorities capacity (including the human resources involved) to design, implement, monitor and evaluation PPP investments?
- Are there examples of well-conducted Value for Money analysis, due diligence applying the Public Sector Comparator Model, or other alternatives and options?
- How well is the quality of the design of Bank assistance at the sector level and relevance of PPP interventions objectives (ToCs) and How these compare to alternatives or other options based on fiscal sustainability, risk pricing and sharing, etc?

- How did the Bank engagement operationally in the sector PPP agenda (both upstream or downstream: lending or non-lending?
- Are Bank interventions well structured with quality due diligence, assessment of development outcomes and additionality in the sector?
- Are Bank PPP assistance and interventions based on beneficiaries and end users' needs assessment with adequate and effective beneficiaries targeting (surveys, ex ante social impact assessment, etc…) at the sector level?
- Did the Bank commitment change over time (for example, shift from upstream to more transaction oriented work) and if so why? Was the Bank responsive in case sector priorities changes or emerged?

EFFECTIVENESS

The portfolio analysis with the field visits provide a more up-to-date and detailed information in particular for sectors that have been subject to recent thematic studies.

- To which extent Bank assistance in PPP projects and interventions are effective and yield expected or unexpected development results/outcomes?
- Did Bank interventions develop sector upstream and downstream supply linkages of public services using private entrepreneurship with transferred and/or shared risks? Have new technology and know-how, enhancement of private sector, contribution to improving the PPP environment within an open economy, and improved cost-effectiveness in the sector materialized?
- To what extent have Bank PPP sector interventions and project components that targeted the enabling environment and investments for PPPs achieved their stated objectives and expected outcomes?
- Have PPP units, if the have been established, doing what they are expected to do? Are the regulators functional and PPP laws actually used to process PPP transactions, including tendering (procurement) and contract management, risk sharing and pricing, etc…?
- Has the Bank strategically enhanced the sector's capability to assess and account for contingent liability and recurring expenditures related to PPPs?
- In how far did sector parameters (for example lack of cost recovery, size of market) drive the effectiveness of Bank financed PPPs in the sector as compared to other options or alternatives?
- Has the Bank upstream support in the sector achieved long-term outcomes, and helped sector authorities (and policy-makers) to execute PPP transactions, procurement, contract management, monitoring and evaluation in a satisfactory manner?
- How useful did sector authorities and other stakeholders perceive Bank upstream support when implementing subsequent PPP transactions?
- Subsequently, did PPPs improve access to infrastructure and social services through PPP investments, with or without Bank involvement in PPP transactions?
- How did PPPs work out and is there any evidence that the actual PPPs contributed to improve public service cost effectiveness and inclusive access, quality of service delivery, and increased efficiency? If so, why and why not? Was failure due to shortcomings in upstream work or other Bank or country sector conditions?
- Did Bank PPP sector interventions contribute (or expected to contribute) to achieving the Bank corporate goals that are not included specifically in the interventions intended results/outcomes including the contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, sector and thematic and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only)?
- Have Bank PPP assistance and interventions in the sector contributed to inclusive growth, with increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth employment, transition to green economy, compared to alternatives and other financing options (PuP or PSO only) at the sector level?
- With regard the governance and anti-corruption, and looking at both, upstream and downstream work, to what extent was corruption an issue along the entire value chain of a PPP in the sector

(from pipeline development, setting of specific technical standards, project selection preparation, bidding, to finance and contract management and implementation?
- Is there any evidence that corruption led to dropping of projects? Is there any evidence that the lack of competition (lack of equitable opportunities for private sector and other economic participants) had an effect on the risk allocation?
- Have Bank PPP assistance and interventions in the sector contributed to achieving the Sustainable Development Goals (SDGs) and the transition to green economy? How well was the Bank PPP assistance conducive to country strategic engagement on SDGs and transition to green economy through PPP interventions at the sector level?
- Have PPPs in the sector that benefited from Bank downstream support (Advisory Services, Investment Services, lending or non-lending) contributed to improved access to infrastructure and social services?

SUSTAINABILITY
- Have financed PPPs in the sector provided sustained services over time, that is, beyond projects' closure/operational maturity?
- How well were PPP interventions in the sector resilient to technical, financial, social, political, and other exogenous risks?
- Are there prospects for continued viability of PPP interventions (and companies) in the sector, continued fiscal stability and financial returns? How well are PPP companies adaptability and prospects for sustainability and growth including fiscal and financial sustainability in the sector?
- To which extent the PPP funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure the continued flow of benefits, with particular emphasis on financial and fiscal sustainability in the sector?
- Did Bank PPP assistance and interventions in the sector contribute to strengthen institutional capacities, with improved governance practices skills, procedures, incentives, structures, or institutional mechanisms (Value for Money analysis, procurement, contract management and implementation of the Government PPP Unit) in the sector?
- Has the Bank effectively involved relevant PPP stakeholders and promoted a sense of ownership amongst the sector authorities and policy-makers and put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) as required for the sustainability of the PPP in the sector?
- How well did PPP interventions the sector comply with applicable safeguard policies, if any, including implementation of mitigation plans? How well did PPP companies, the Bank and the sector authorities and stakeholders manage environmental and social impacts?

MANAGEMENT OF BANK's PPP INTERVENTIONS
STRATEGIC FRAMEWORK
- Was the Bank PPP engagement in the sector selective based on comparative or competitive advantage and strategic (consolidation of Bank positioning in the sector for example)?
- How well has the Bank fostered the "One-Bank" concept in responding to PPP agenda and framework in the sector?

PPP OPERATIONAL DIRECTIVES, GUIDANCE AND WORK QUALITY
- Were sector specific operational directives and guidance for screening, structuring, due diligence, and approval including ex ante additionality & development outcomes assessment providing for effective and efficient Bank operational work in the sector as compared to good practices and other MDB operational processes? (please explain the benchmarks and the comparison analysis)?
- What were the roles of the different Bank entities for PPP Up and Downstream sector work? How was their work quality and what their added value or shortcomings?

- Has the Bank been able to deliver a sector specific PPP solution based on solid assessments of sector priorities and also of regulatory, legislative and institutional arrangements at the sector level?
- How effective and efficient were advisory services and analytical work (ESW), institutional capacity building and technical assistance at the sector level provided within PPP interventions in the sector?
- What drove success or failure during preparation, bidding and finance PPP projects in the sector? In cases of PPP transactions-only, what factors enabled/impaired sustainability/longevity?

EFFICIENCY (Efficient Use of Resources)

- To which extent PPP intervention costs in achieving sector goals and objectives were reasonable in comparison with benefits, and to which extent PPP interventions in the sector were implemented at least cost compared to alternative ways of achieving the same results (mainly with public resources only)? Did observed changes in companies efficiency performance compare with and without-project counterfactual in the sector?
- To which extent costs and benefits of PPP project (Value for Money) in the sector included both private and social costs and benefits during the PPP life cycle?
- If no, are there any traditional measures of efficiency, e.g., FRR, ERR, NPV, unit rate norms (cost per unit of input or cost per unit of output), and service standards, as well as information on the cost of PPP projects in the sector with similar objectives, scope, and design?
- Have other aspects of efficiency not included in economic or financial Efficiency, such as aspects of design and implementation (timeliness), transaction costs, contributed to or reduced efficiency in the sector?

COORDINATION AND LEVERAGE

- What's the role of the Bank in the Sector PPP agenda and implementation and vis-à-vis other major donors/MDBs?
- Was the Bank more active upstream or downstream vis-à-vis the other players in the sector?
- Did the Bank Group provide a comprehensive solution package, including Up and Downstream work at the sector level or was it only transactional?
- How was coordination of the Bank work at the sector level with other major players in the PPP agenda, for example, other MDBs, DFID, USAID, AFD, ALSF or other national/international agencies including UN agencies?
- Were there unique roles of OPSD/OSGE/GECL, etc… with regard to advising on transactions, including pipeline management, project preparation, bidding and finance in the sector?
- What did the sector PPP agency/regulator, etc. at the sector level appreciate most about Bank's work? What went right and/or wrong, and why? What would have happened with better coordination at the sector level?
- What did the sector PPP agency/regulator appreciate most about the role and contribution of Bank Investment Services, loans with regard to financing PPP transactions in the sector? Did they see it responsive, strategic and operational? What should be improved at the sector level?
- At the Sector level, has the Bank PPP agenda been adequately coordinated (from the sector needs assessment, to Bank's response by Bank regional PPP hubs [7], sector strategies and transactions/investments, lending and non-lending)?
- Is there evidence that PPPs have leveraged scarce public sector resources through private sector funds in the sector? Is there evidence that PPPs deliver their services in a sustained manner at the sector level?
- Did PPPs leverage public sector resources through private sector funds in the sector? If not, what prevented private investors to contribute at the sector level?
- Has the Bank leveraged synergies and exploited the comparative advantages of its various public and private sector arms and its products at the sector level? Can Bank coordination and

[7] 3 PPP Regional Hubs are functional : Nigeria (Abuja), Southern (Preotria, SARC) and Eastern Africa (EARC)

collaboration be found at the level of the sector? If not, have efforts been coordinated at the sectoral strategic level?

- What can we learn from successful or failed Bank coordination across the various departments/units contributing to the Bank PPP agenda in the sector?
- From the Sector perspective, is there a need to adjust the Bank organizational structures, processes, and incentives to better enable a coordinated and effective delivery of PPP targeted activities in the sector in response to the Bank PPP strategic agenda at the sector level?
- From the Bank PPP hubs, RECs and Country offices, clients, financiers or counterparts perspective, is the current organizational set-up, allocation of skills and resources, and functions across the Bank adequate with regard to implementing the Bank PPP assistance and interventions and PPP strategic agenda at the sector level? Are there incentives and directives conducive to an efficient and effective Bank response at the sector level?
- To which extent have Bank's PPP interventions contributed to managing for results within the Bank and to RMCs?

HAS THE BANK MADE A DIFFERENCE?

- Has the Bank provided solutions adapted to the sector and project contexts including innovative approaches at the sector levels?
- How effective was the Bank when identifying, facilitating the preparation of, and appraising the PPP operations in the sector such that they are most likely to achieve their planned outcomes?
- How the Bank work was additional and consistent with the Bank's fiduciary role, including the assessment of sector management/institutional risks, and steps taken to mitigate them; appraisal of procurement rules and regulations, environmental and social risks, and the inclusion of safeguards to mitigate them; as well as the appropriateness of the investment instruments selected at the sector level?
- How well did the Bank bring about a fair, efficient allocation of risks and responsibilities; improved the sector authorities and policymakers and clients functioning in business/management, sharing responsibilities and risks, or improved the client's and the capacity including its assistance to establish a PPP hub (Unit)?
- Was the Bank effective in documenting project status and risks at the sector level? Monitoring the client companies and sector agencies compliance with the terms of the investments, contractual and institutional arrangements as well as with the environmental and social performance, and adherence to relevant secot/government regulations and Bank's requirements?
- How was the adequacy and timeliness of the Bank's response to emerging problems or opportunities for other emerging PPP transactions in the sector?

CLIENT AND GOVERNMENT PERFORMANCE

- How well the client and sector authorities perform during upstream and downstream work and in ensuring PPP long-term sustainability in the sector?
- How well the sector authorities and implementing agencies ensured quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of intended outcomes? This includes such aspects as sector authorities and policymakers' ownership and commitment; the enabling environment for the projects; adequacy of consultations with stakeholders; readiness for implementation, timely resolution of implementation problems, fiduciary management, compliance with environmental and social safeguards, adequacy of monitoring and evaluation of partnerships arrangements, relationships with other donors and stakeholders operating in the sector; and adequacy of arrangements for the transition after contractual ownership transfer and management.

DRIVERS/FACTORS OF SUCCESS AND FAILURE

- What were the factors enabling or preventing the achievement of PPP expected development outcomes and impacts at the sector level?
- What are the factors that have played in the achievement of Bank specific, strategic or corporate goals/ objectives and in promoting the sector economic and social infrastructure through PPPs in

the sector? What are the critical factors that have limited or constrained the achievement of objectives of PPP Bank assistance and interventions in the sector?

- How far did sector parameters (for example the enabling environment, the country's income level, absorption capacity, investment climate, and so forth) or project parameters (for example, lack of cost recovery, size of market etc.) drive the success of these PPPs in the sector?

WEIGHTED AVERAGE PROFITABILITY OF BANK INVESTMENTS

- How profitable are the Bank investments (Net profit contribution, i.e. gross income less financing costs, loan loss provisions/ write-offs, transaction costs and administrative costs); or using a qualitative approach based on gross profit contribution (gross income less financing costs, loan loss provisions/ write-offs) measured by its average profitability weighted by Bank investments amounts?

LESSONS AND RECOMMENDATIONS

- What can we learn from cases where the implementation of Upstream and Downstream measures was particularly successful or failed at the sector level?
- What can we learn from successful or failed Bank PPP assistance and transactions at the sector level?

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Annex 14: Evaluation Report – Proposed Template and Outline

0. EXECUTIVE SUMMARY

The executive summary is the most vital part of the evaluation report simply because some audience may only read this part to judge the quality of the entire report. In this sense, we IDEV always emphasizes the critical importance of the executive summary. The summary should be prepared in a succinct manner with a clear storyline that will interest the audience and hold their attention.

In the above regard, the executive summary should include the followings but not limited to:

- Background, objective and methodology – Up to a half page
- Overview of findings and recommendation – Up to three to four paragraphs
- Overall ratings – With a chart
- Bank's contribution to PPP – Up to two to three pages with a clear storyline, including both findings and recommendations, that covers relevance, effectiveness, sustainability and cross cutting issues
- Bank's management of PPP – Up to two to three pages with a clear storyline, including both findings and recommendations that covers efficiency, coherence, coordination and managing for development results.

1. INTRODUCTION AND BACKGROUND

Global Development Context for PPP in Africa

RMCs PPP development constraints and main challenges including regulatory and legislative framework, private investment attractiveness, fiscal sustainability, inclusiveness, environmental and social safeguards and protection.

Evaluation Design and Organization of the Report

2. STRATEGIC FIT OF BANK ASSISTANCE TO PPPs – Framework and Portfolio

a) Bank Strategic Framework for PPP and resources deployment in support to PPP in RMCs
b) Bank PPP Assistance Strategy including advisory services, capacity strengthening and transaction services
c) Benchmarking the Bank with other MDBs and active bilateral agencies
d) Bank PPP Portfolio

3. BANK'S CONTRIBUTION TO RMCs DEVELOPMENT RESULTS

3.1 RELEVANCE OF PPP INTERVENTIONS

- Relevance of the Bank PPP interventions at strategic level
    - Were the Bank PPP assistance and interventions consistent with Bank corporate goals of its 2013-2022 strategy and the "high 5s" including "Industrialize Africa"?
    - Were the Bank PPP assistance and interventions consistent with the Bank PSD policy and strategy and the Bank industrialization strategy?
    - Has the Bank provided strategic advice to country/sector policy-makers in making informed decisions about the nature and level of private sector involvement in global and sector reforms, the choice between public investment versus PPP, and type of PPPs? Is there evidence that this advice taken on board and knowledge actually delivered?
- Relevance of the Bank PPP interventions at country/sector level
    - Were the Bank PPP assistance and interventions consistent with Bank Country Strategy Papers (CSPs)?
    - Were Bank PPP assistance and interventions consistent with Bank's sector or thematic policies and strategies?
    - Did the Bank PPP interventions address RMCs development priorities?
    - Did the Bank assess upfront the country/sector authorities' capacity (including the governing structure and human resources involved) to design, implement, monitor and evaluation of PPP investments?

- How did the Bank engagement operationally in the country/sector PPP agenda (both upstream or downstream: lending or non-lending? And how it compares with other donors (MDBs and Bilateral Agencies)
    - Has the Bank been able to deliver a country/sector specific PPP solution based on solid assessments of country/sector priorities and also of regulatory, legislative and institutional arrangements at the country/sector level?
- Relevance of Bank PPP interventions with beneficiary needs
    - Are the Bank PPP assistance and interventions based on beneficiaries and end users' needs assessment with adequate and effective beneficiaries targeting (surveys, ex ante social impact assessment, etc…) at the country/sector level?
    - Did the Bank commitment change over time (for example, shift from downstream to upstream or to more transaction oriented work) and if so why? Was the Bank responsive and innovative in case of country/sector priorities changes or new development issues in sector or national economy?

3.2 EFFECTIVENESS

The portfolio analysis with the field visits, PRAs, country case studies and sector reviews, etc. provide a more up-to-date and detailed information in particular for countries/sectors that have been subject to recent assistance strategy evaluations and thematic studies.

- Achievement of outputs
    - To what extent are the Bank assistance to PPP projects and interventions effective and yield expected outputs*?*
- Achievement of outcomes
    - To what extent are the Bank assistance to PPP projects and interventions effective and yield expected development outcomes*?*
    - To what extent have the Bank PPP interventions and project components that targeted the enabling environment and investments for PPPs achieved their stated objectives and expected outcomes?
    - Did the Bank interventions develop upstream and downstream supply linkages of public services using private entrepreneurship with transferred and/or shared risks? Have new technology and know-how, enhancement of private sector, contribution to improving the PPP environment within an open economy, and improved cost-effectiveness in the country/sector materialized?
    - Has the Bank upstream support in the country/sector achieved long-term outcomes such as poverty reduction, inclusive growth, gender and regional disparities and transition to green growth, and helped country authorities (and policy-makers) to execute PPP transactions, procurement, contract management, monitoring and evaluation in a satisfactory manner?
    - How useful did country/sector authorities and other stakeholders perceive Bank upstream support when implementing subsequent PPP transactions?
    - Subsequently, did PPPs improve access to infrastructure and social services through PPP investments, with or without Bank involvement in PPP transactions?
    - Have PPPs in the country/sector that benefited from Bank downstream support (Advisory Services, Investment Services, lending or non-lending) contributed to improved access to infrastructure and social services with shared responsibility and increased RMCs leadership?
    - How effective was the Bank when identifying, facilitating the preparation of, and appraising the PPP operations such that they are most likely to achieve their planned outcomes?
    - **Benchmarking:** To what extent have the Bank PPP interventions achieved its outputs and outcomes as compared to those achieved by other MDBs? (Please explain the benchmarks and the comparison analysis.)
- Cross-cutting issues

- To what extent have the Bank interventions contributed to the issues including i) inclusive growth; ii) increased accessibility to social and economic infrastructure; iii) gender equality and youth employment; and iv) transition to green economy?

- PPP Units
  - Have PPP units, if the have been established within a country's system, doing what they are expected to do? Are the regulators functional and PPP laws actually used to process PPP transactions, including tendering (procurement) and contract management, risk sharing and pricing, etc…?
  - How well did the Bank bring about a fair, efficient allocation of risks and responsibilities; improved the country/sector authorities and policymakers and clients functioning in business/management, sharing responsibilities and risks, or improved the client's and the capacity including its assistance to establish a PPP hub (Unit)?
- Barriers and enablers affecting outcomes
  - What were the factors enabling or preventing the achievement of PPP expected development outcomes and impacts?
  - What are the factors that have played in the achievement of Bank specific, strategic or corporate goals/ objectives and in promoting the sector economic and social infrastructure through PPPs? What are the critical factors that have limited or constrained the achievement of objectives of PPP Bank assistance and interventions and to be a partner of choice in PPP lending and non-lending activities?
  - In how far did country/sector parameters (for example lack of cost recovery, size of market) drive the effectiveness of Bank financed PPPs as compared to other options or alternatives?
  - How did PPPs work out and is there any evidence that the actual PPPs contributed to improve good governance and fiscal sustainability through public service cost effectiveness and inclusive access, quality of service delivery, and increased efficiency of public resource allocations? If so, why and why not? Was failure due to shortcomings in upstream work or other Bank or country/sector conditions?
  - How effective and efficient were advisory services and analytical work (ESW), institutional capacity building and technical assistance at the sector level provided within PPP interventions?
  - What drove success or failure during preparation, bidding and finance PPP projects in the sector?
- Unintended outcomes/consequences
  - To which extent Bank assistance to PPP projects and interventions yield unexpected development outcomes?
  - Did Bank PPP country/sector interventions contribute (or expected to contribute) to achieving the Bank corporate goals that are not included specifically in the interventions intended results/outcomes including the contribution to the 2013-2022 Strategic goals, PSD strategy, industrialization strategy, sector and thematic and to the High 5s; as compared to alternatives and other financing options (PuP or PSO only)?
  - Have Bank PPP assistance and interventions in the country/sector contributed to achieving the Sustainable Development Goals (SDGs) and the transition to green economy? How well was the Bank PPP assistance conducive to country strategic engagement on SDGs and transition to green economy through PPP interventions at the country/sector level?
  - With regard the governance and anti-corruption, and looking at both, upstream and downstream work, to what extent was corruption an issue along the entire value chain of a PPP in the sector (from pipeline development, setting of specific technical standards, project selection preparation, bidding, to finance and contract management and implementation?

- o Is there any evidence that corruption led to dropping of projects? Is there any evidence that the lack of competition (lack of equitable opportunities for private sector and other economic participants) had an effect on the risk allocation?
- Value for money
  - o Are there examples of well-conducted Value for Money analysis, due diligence applying the Public Sector Comparator Model, or other alternatives and options?

3.3 SUSTAINABILITY

- Have financed PPPs in the sector provided sustained services over time, that is, beyond projects' closure/operational maturity?
- Technical soundness
  - o How well were PPP interventions in the sector resilient to technical risks?
- Financial and economic sustainability
  - o How well were PPP interventions in the sector resilient to financial risks?
  - o Has the Bank strategically enhanced the country/sector capability to assess and account for contingent liability and recurring expenditures related to PPPs?
  - o Are there prospects for continued viability of PPP interventions (and companies) in the sector, continued fiscal stability and financial returns? How well are PPP companies adaptability and prospects for sustainability and growth including fiscal and financial sustainability in the country/sector?
  - o To which extent the PPP funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure the continued flow of benefits, with particular emphasis on financial and fiscal sustainability in the country/sector?
- Environmental and social sustainability
  - o How well were PPP interventions in the sector resilient to environmental and social risks?
  - o How well did PPP interventions comply with applicable safeguard policies, if any, including implementation of mitigation plans? How well did PPP companies, the Bank and the country authorities and stakeholders manage environmental and social impacts?
- Institutional sustainability
  - o How well were PPP interventions in the sector resilient to political and other exogenous risks?
  - o Did Bank PPP assistance and interventions in the sector contribute to strengthen institutional capacities, with improved governance practices skills, procedures, incentives, structures, or institutional mechanisms (Value for Money analysis, procurement, contract management and implementation of the Government PPP Unit) in the sector?
- Ownership and partnership
  - o Has the Bank effectively involved relevant PPP stakeholders and promoted a sense of ownership/leadership amongst the country/sector authorities and policy-makers and put in place effective partnership with relevant stakeholders (e.g. Private sector company, local authorities, beneficiaries, CSOs, donors) as required for the sustainability of the PPP in the country/sector?
- **Benchmarking**
  - o To what extent will the results achieved by the Bank PPP interventions be sustained as compared to those achieved by other MDBs? (Please explain the benchmarks and the comparison analysis.)
- Barriers and enablers affecting sustainability
  - o What worked and what did not work to secure the sustainability of PPP interventions?
  - o In cases of PPP transactions-only, what factors enabled/impaired sustainability/longevity?

- How the Bank work was additional and consistent with the Bank's fiduciary role, including the assessment of sector management/institutional risks, and steps taken to mitigate them; appraisal of procurement rules and regulations, environmental and social risks, and the inclusion of safeguards to mitigate them; as well as the appropriateness of the investment instruments selected?

4. BANK'S MANAGEMENT OF PPP INTERVENTIONS

4.1 SELECTIVITY - PPP INTERVENTIONS STRATEGY FRAMEWORK

- Was the Bank PPP engagement in the country/sector selective based on comparative or competitive advantage and strategic (consolidation of Bank positioning in the country/sector for example)?

4.2 EFFICIENCY (Efficient Use of Resources)

- Time efficiency
  - To what extent were the Bank PPP interventions delayed at project start-up (from loan approval to first disbursement)?
  - To what extent were the Bank PPP interventions delayed at project implementation (from first disbursement to completion)?
  - What worked and what did not work to secure the time efficiency? What are the key drivers?
- Cost efficiency
  - Were the Bank PPP intervention completed within the estimated costs at project appraisal?
  - What worked and what did not work to secure the cost efficiency? What are the key drivers?
- Cost effectiveness
  - To what extent were the Bank PPP intervention costs in achieving sector goals and objectives reasonable in comparison with benefits?
  - To which extent were the Bank PPP interventions in the sector implemented at least cost compared to alternative ways of achieving the same results (mainly with public resources only)? Did observed changes in companies efficiency performance compare with and without-project counterfactual in the sector?
- Feasibility assessment (economic and financial analysis) and sensitivity analysis
  - When undertaking a feasibility assessment, to what extent did costs and benefits of PPP project (Value for Money) include both private and social costs and benefits during the PPP life cycle?
  - If no, are there any traditional measures of efficiency, e.g., FIRR, EIRR, NPV, unit rate norms (cost per unit of input or cost per unit of output), and service standards, as well as information on the cost of PPP projects in the sector with similar objectives, scope, and design?
  - What kind of methodologies have been applied to the sensitivity analyses? Are there any project samples that rigorous risk analysis tool (such as Monte-Carlo simulation or Latin Hypercube) was applied and used for the feasibility assessment?
  - Have other aspects of efficiency not included in the economic or financial analysis, such as the aspects of design and implementation (timeliness), transaction costs, contributed to or reduced efficiency in the sector?
- **Benchmarking**
  - To what extent have the Bank PPP operations been efficiently implemented, as compared to other MDB operational processes? (Please explain the benchmarks and the comparison analysis.)
- Barriers and enablers affecting efficiency
  - What worked and what did not work to secure the efficiency of PPP interventions?
  - In cases of PPP transactions-only, what factors enabled/impaired efficiency?

4.3 COORDINATION AND LEVERAGE

- Inside the Bank
  - How well has the Bank fostered the "One-Bank" concept in responding to PPP agenda and framework in the country/sector?
  - What were the roles of the different Bank entities and decentralized hubs for PPP up and downstream sector work? How was their work quality and what their added value or shortcomings?
  - Were there unique roles of OPSD/OSGE/GECL, etc… with regard to advising on transactions, including pipeline management, project preparation, bidding and finance in the country/sector?
  - From the sector perspective, is there a need to adjust the Bank organizational structures, processes, and incentives to better enable a coordinated and effective delivery of PPP targeted activities in the country/sector in response to the Bank PPP strategic agenda?
  - How was the adequacy and timeliness of the Bank's response to emerging problems or opportunities for other emerging PPP transactions?
- Outside the Bank – with donors
  - What's the role of the Bank in the PPP agenda and implementation and vis-à-vis other major donors/MDBs?
  - Was the Bank more active upstream or downstream vis-à-vis the other players in the country/sector?
  - Did the Bank Group provide a comprehensive solution package, including up and downstream work at the country/sector level or was it only transactional?
  - How was coordination of the Bank work at the country/sector level with other major players in the PPP agenda, for example, other MDBs, DFID, USAID, AFD, ALSF or other national/international agencies including UN agencies?
- Outside the Bank – with RMCs
  - What did the sector PPP agency/regulator, etc. at the country/sector level appreciate most about Bank's work? What went right and/or wrong, and why? What would have happened with better coordination at the country/sector level?
  - What did the sector PPP agency/regulator appreciate most about the role and contribution of Bank Investment Services, loans with regard to financing PPP transactions in the country/sector? Did they see it responsive, strategic and operational? What should be improved at the country/sector level?
  - At the country level, has the Bank PPP agenda been adequately coordinated (from the country/sector needs assessment, to Bank's response by Bank regional PPP hubs[8], country/sector strategies and transactions/investments, lending and non-lending)?
- Leverage
  - Is there evidence that PPPs have leveraged scarce public sector resources through private sector funds in the country/sector? Is there evidence that PPPs deliver their services in a sustained manner?
  - Did PPPs leverage public sector resources through private sector funds in the country/sector? If not, what prevented private investors to contribute at the country/sector level?
  - Has the Bank leveraged synergies and exploited the comparative advantages of its various public and private sector arms and its products at the country/sector level? Can Bank coordination and collaboration be found at the level of the country/sector? If not, have efforts been coordinated at the country or sectorial strategic level?
- Barriers and enablers affecting coordination
  - What can we learn from successful or failed Bank coordination across the various departments/units contributing to the Bank PPP agenda in the country/sector?

[8] 3 PPP Regional Hubs are functional : Nigeria (Abuja), Southern (Preotria, SARC) and Eastern Africa (EARC)

- From the Bank PPP hubs, RECs and Country offices, clients, financiers or counterparts perspective, is the current organizational set-up, allocation of skills and resources, and functions across the Bank adequate with regard to implementing the Bank PPP assistance and interventions and PPP strategic agenda? Are there incentives and directives conducive to an efficient and effective Bank response?

4.4 PROFITABILITY OF BANK INVESTMENTS

- How profitable are the Bank investments (Net profit contribution, i.e. gross income less financing costs, loan loss provisions/ write-offs, transaction costs and administrative costs); or using a qualitative approach based on gross profit contribution (gross income less financing costs, loan loss provisions/ write-offs)?

4.5 INNOVATION

- Has the Bank provided solutions adapted to the sector and project contexts including innovative approaches at the country/sector levels?

4.6 MAMAGING FOR DEVELOPMENT RESULTS

- To what extent have the Bank PPP interventions contributed to managing for results within the Bank and to RMCs?
- Quality at entry
    - How well is the quality of the design of Bank assistance at the country/sector/thematic level and relevance of PPP interventions objectives (ToCs) and how these compare to alternatives or other options based on fiscal sustainability, risk pricing and sharing, etc.?
    - Are Bank interventions well structured with quality due diligence, assessment of development outcomes and additionality?
    - **Benchmarking:** Were sector-specific operational directives and guidance for screening, structuring, due diligence, and approval including ex-ante additionality & development outcomes assessment providing for effective and efficient Bank operational work in the sector as compared to good practices and other MDB operational processes? (Please explain the benchmarks and the comparison analysis.)
- Monitoring
    - Was the Bank effective in documenting project status and risks at the country/sector level? Monitoring the client companies and sector agencies compliance with the terms of the investments, contractual and institutional arrangements as well as with the environmental and social performance, and adherence to relevant sector/government regulations and Bank's requirements?

5. CONCLUSIONS, LESSONS AND RECOMMENDATIONS

- What are the major findings from relevance of the strategic fit and the benchmarking exercise, the contribution to development results and in managing Bank's PPP upstream and downstream interventions and Bank's institutional effectiveness?
- Has the Bank made a real difference and how the Bank is or will be a partner of choice for PPP?
- What can we learn from successful or failed Bank PPP assistance and transactions?
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