

African Development Bank Group



IDEV

Independent Development Evaluation
Évaluation indépendante du développement

Evaluation of the Bank's Utilization of the Public Private
Partnership Mechanism (2006 - 2016)
INCEPTION REPORT- Volume 1
Main Report

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Abbreviations & 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
PSO	Private Sector Operation
RECs	Regional Economic Communities
RMC	Regional Member Country
ROT	Rehabilitate-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

Executive Summary

Background and Impetus of Evaluation

The present Inception Report is a second step towards a comprehensive evaluation of the Bank's utilization of its Public Private Partnership (PPP) mechanism for the 2006-2016 period. It is consecutive to a stocktaking exercise which resulted in the presentation of a stocktaking report to the Board of Directors' Committee on Operations and Development Effectiveness (CODE) of the African Development Bank (thereafter AfDB or "the Bank"). The Stocktaking Report highlighted the lack of operational definition of the concept of PPP, the absence of framework or structure to guide the implementation of PPP operations, as well as the relatively modest level PPP financing characterized by its high concentration in the energy sector at the AfDB. The Stocktaking Report also recommended that a follow-up independent evaluation consisting of both a retrospective and prospective components of the Bank's utilization of its PPP mechanism is conducted.

The Inception phase of the follow-up evaluation included a scoping mission. The mission which aimed at assessing the available background information, identifying and assessing the quality of available data, identifying information gaps, as well as finalizing a suitable methodology, took place at the Headquarters of the AfDB's in Abidjan, from October 10th to 21st, 2016. The mission allowed multiple in-depth discussions with Task Managers within the department in charge of private sector operations (OPSD) and other relevant stakeholders within the Bank.

Contextual Issues around PPPs

At the global level, contextual key drivers for the use of PPPs have included exponentially growing populations and the widely observed urbanization phenomena. Although PPPs might not represent 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, 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.

Multilateral development Banks (MDBs) have lately focused on infrastructure and its demonstrated effect on achieving sustainable economic growth in developing countries. In this context, for most MDBs, PPPs are of great relevance. Several MDBs explicitly feature PPPs either in stand-alone strategy documents or as integral part of sectorial/corporate strategies. The World Bank and the three Regional Development Banks (AsDB, AfDB, and IaDB) have PPP approaches which recognize the importance of both upstream as well as downstream support. These approaches to delivering their respective PPP responses also differ, from rather central with one unit managing the PPP agenda to an explicit matrix approach, such as in the AsDB or the World Bank Group.

Creating an enabling environment for PPPs emerges as a common success factor in many countries. The work of all MDBs acknowledges the significance of or directly supports the creation of an enabling environment, including policy and sector reform. In this perspective, although a unified PPP legal framework is lacking in some places, most African countries have adopted a national policy or have at least a PPP law in the pipeline, particularly during the last six years. These legal frameworks and national policies are expected to create more opportunities for PPPs and facilitate the implementation of PPP operations.

Bank's PPP Interventions

From a strategic point of view, the Bank places strong emphasis on infrastructure and PPPs as intervention instrument to overcome the bottlenecks that have hampered developing countries' ability to attract foreign direct investments (FDI). In this perspective, the Bank intends to scale up infrastructure financing by leveraging its financial resources. The scaling-up will include PPPs as an intervention instrument to leverage additional resources from the private sector and improve risk transfer to the parties that are better equipped to deal with it.

The Bank's Private Sector Development Strategy 2004-2007 and its subsequent update 2008-2012 introduced PPPs as an instrument for Bank operations. The New Partnership for African Development's

(NEPAD) Infrastructure Project Preparation Facility (IPPF) established by the Bank in 2005 equally offered another stimulus for PPPs in Africa. More recently, the Bank's new Private Sector Development Strategy 2013-2017 highlighted PPPs as key intervention instruments. Also, the Bank Governance Strategy and Action plan document stressed the strengthening of PPP policy, legislation and regulatory frameworks for infrastructure development as a work-stream for its Governance pillars while improving the policy, legal and regulatory frameworks for Business Enabling Environment (e.g investment codes and tax regimes), of PPPs, including the analytical capacity for PPPs selection, preparation, monitoring and evaluation.

Similarly, the Bank developed an operational framework for the participation of the private sector in funding the infrastructure investments (as PPIs or PPPs) in conjunction with its private sector development strategy, where PPPs figure prominently. At present, three PPP hubs are managed by the Bank and are located in Pretoria for Southern Africa, Nairobi for Eastern Africa and Abuja for the Western part of Africa. The Bank Group Industrialization Strategy for Africa, approved in April 2016 as one of the Bank's High-Fives, intends to manage up to thirty (30) hubs across the continent.

During the period under review (2006 – 2016), the Bank's PPP portfolio consisted initially of 39 projects, totaling USD 2.4 billion. However, the stocktaking exercise identified only 33 projects, representing a total financing from the Bank of USD 1.87 billion (or UA 1.45 billion) as being PPP-structured operations, with contractual obligations between the public and private parties for the provision of infrastructure services. Further analysis as part of the Inception phase of the evaluation identified 32 PPP operations for the 2006-16 period, of which the private sector and public sector windows of the Bank respectively financed 29 and three (3).

The Bank commitments for these PPP projects represent 12% of its total net commitments for reviewed the period. This percentage varies across the African regions with a concentration in the North region, representing 27% of the total PPP commitments during the period. The sectorial distribution of the Bank's PPP portfolio shows a strong concentration in the power sector, which represents 63% of the Banks PPP net commitments over the covered period. The transport sector follows with ten (10) PPP projects approved, totaling UA 446.7million. The total Bank commitments for PPP were unequally distributed across the years with an average yearly commitment of UA 142 million. This very low level of PPP financing when compared to the Bank's total annual financing for the same period confirms the need for a concerted effort to boost PPP infrastructure project development and financing to help close the infrastructure gap in Africa as committed in the High Fives and the Ten-Year Strategy.

On the enabling environment side, the Bank financed Eighteen (18) PPP-related Institutional Support Projects (ISPs) in 15 countries. The bulk of the PPP-related ISPs was for the creation of the PPP legal and regulatory framework and the development of PPP Units (77% of net amounts), while only few (1.4%) were allocated to operationalizing the PPP Dialogue platform. Nevertheless, the development of the PPP policy framework represent the third of the total ISP numbers but only 17.7% of the total net approval amounts (with an average of UA11,4 million per project). In addition to these PPP-related ISP projects, the Bank has funded technical assistance for PPP projects via the FAPA fund as well as a loan to build capacity for PPP infrastructure.

Evaluation Purpose, Methodology and Design

The purpose of the present evaluation is to inform future PPP strategic framework and operational plans utilizing PPP mechanism as a Bank's strategic response the infrastructure gap and to increase the potential of scaling-up PPP interventions towards achieving the Bank corporate goals encapsulated in the "High Fives" as well as in the Ten Year Strategy (TYS) and the Private Sector Development Policy and Strategy.

The evaluation will cover the 32 project-lending operations and the twenty one (21) non-lending activities as well as the Bank's advisory services, economic and sector work (ESW), coordination and partnership as well as its institutional support to RMCs during the 2006-2016 period. These also include activities that promote good governance and capacity to improve the PPP business enabling environment and private sector development in RMCs, as well as Bank's direct budget support to enhance RMCs policy framework and institutional settings in support of PPP mechanism. However, due to their importance in the Bank's infrastructure lending portfolio (94% of the portfolio), the transport and energy sectors (power and renewable energy) will constitute the main sectors to be considered for this evaluation.

The evaluation will provide key stakeholders with (AfDB Board, senior management, RMCs, development partners and CSOs) an evidence-based assessment of the Bank's role in supporting PPPs, the potential for PPPs to promote sustainable social and economic development, and identify the extent to which this potential is currently being realized. The evaluation will also promote accountability and learning and will focus on two main (2) issues: i) the achievement of development results in the context of PPP operations; and ii) the management of Bank's PPP interventions. It will equally include a formative aspect (forward looking approach) with the objective of strengthening future Bank's engagement in closing the infrastructure gap on continent through increased utilization of PPP financing mechanisms.

The evaluation will be based on a "Theory of Change Approach" which considers the Bank's PPP operations in countries' development context in assessing the extent to which PPP expected outcomes achieved and contributed to sustainable development, the conditions and reasons for the achievement of, or failure to achieve the outcomes and goals (impacts). The theory of change presents the context of PPP evaluation, the inputs and outputs as well as the immediate, intermediate and final outcomes and impact.

The Development Assistance Committee (DAC) Principles for Evaluation of Development Assistance, the DAC Quality Standards for Development Evaluation and the Good Practice Standards of the Evaluation Cooperation Group in conducting the assessment at the various levels will be used as reference guides. Specific guiding principles to include gender equality and disadvantaged groups into this approach are inclusion, participation and fair power relations. Field Discussions with CSOs, community groups and beneficiaries will help assist in implementing these guiding principles.

The evaluation will rely on internal and external documentation, triangulated statistical data at project level, country or development agencies, and will comprise an in-depth literature review of various available sources particularly of the MDBs. Official country statistical and administrative data will be, to the extent possible, corroborated and/or triangulated with other available sources, particularly from the Bank, the International Monetary Fund (IMF), The World Bank (WB), the International Finance Corporation (IFC), and the United Nations (UN) agencies, with specific reference to the various study reports or data analyses. The Bank PPP hubs, Regional Economic Communities (RECs) and Country offices, clients, financiers or counterparts will also constitute an important source of information.

The chosen methodology is one of mixed methods with the utilization of participatory processes at project/intervention (lending or non-lending), country and sector levels. The combination of the application of quantitative and qualitative methodologies will allow the identification of good practices, lessons learned and recommendations on the way forward.

As the majority of MDBs and bilateral development agencies have full-fledged work programs on PPPs, an analysis of the strategic relevance of PPPs across these agencies, the nature of their support, their organizational and institutional arrangements and solutions to deliver on their respective PPPs will help draw useful lessons to the Bank. This analysis will benchmark their experience with implementing as well as identifying the emerging issues in managing PPPs. IDEV will develop and refine a multi-pronged communication strategy throughout the conduct of the evaluation in order to share, disseminate, and consult on interim and final evaluation findings.

Evaluation Activities and Work Plan

The Evaluation will be conducted at project, country and sector levels and will culminate into the presentation of overall findings, conclusions, lessons learnt and recommendations of Bank assistance and support to the PPP mechanism. It will be conducted in four (4) major phases: i) Documentation and Literature Review; ii) Field Data Collection and Analysis; iii) Evaluation Findings and Conclusions Sharing; and iv) the Reporting Phase.

The main outputs of the evaluation include the preparation of nine (9) country case studies, three (3) sector synthesis reports, the ISP and non-lending activities report, the Benchmarking report, and the CODE Synthesis Report. Technical annexes included in the Volume 2 of the Inception Report provide detailed methodological guides tools and templates as well as a list of bibliography.

The Communication strategy for this evaluation includes the organization of technical workshops to share findings with relevant stakeholders within and outside the Bank, and the use of a participatory approach in developing high quality recommendations by engaging experts as well as the potential end users of the evaluation results.

It is expected that a Consulting firm will conduct the evaluation within a duration of fifteen (15) months. A level of effort of 164 person-weeks (or 41 person-months) is estimated. This will include three (3) bilingual PPP sector experts specialized in the power, transport, and renewable energy sectors, and a team leader with high level experience in monitoring and evaluation of PPP interventions. The evaluation may also need more expertise from the legal, legislative, judiciary and procurement to complement the institutional and legislative country environments.

1. Introduction and Background

The Independent Development Evaluation department (IDEV) of the African Development Bank Group launched an independent evaluation of the Bank's utilization of its Public Private Partnership (PPP) mechanism for the 2006-2015 period. The initial phase of the evaluation resulted in the presentation of a stocktaking report on the Bank's utilization of its PPP mechanism between 2006 and 2014 to the Board of Directors' Committee on Operations and Development Effectiveness (CODE)¹. The Stocktaking Report recommended that a follow-up independent evaluation consisting of a retrospective component and a prospective component of the Bank's utilization of its PPP mechanism is conducted.

The purpose of the PPP evaluation is to inform future PPP strategic framework and operational plans utilizing PPP mechanism as a Bank's strategic response to the infrastructure gap on the continent and increase the potential of scaling-up PPP interventions towards achieving the Bank corporate goals encapsulated in the "High Fives", the Ten Year Strategy (TYS), as well as the Private Sector Development Policy and Strategy².

The objectives of the inception phase launched in August 2016 are four-fold: i) assessing the available background information; ii) identifying and assessing the quality of available data; iii) identifying information gaps; and iv) finalizing a suitable methodology for the evaluation.

In this context, a scoping mission which included a visit to the AfDB's Headquarters in Abidjan took place from October 10th to 21st, 2016. The mission allowed multiple in-depth discussions with Task Managers within the department in charge of private sector operations (OPSD) and other relevant stakeholders within the Bank.

The present inception report summarizes the review of the relevant documentation and data, as well as the results of interviews with the main stakeholders involved in the preparation and implementation of PPP operations at the Bank. The report also specifies the proposed approach to operationalize the evaluation. In this perspective, after the introductory section above, the report includes definitions and concepts related to PPP projects. The third section describes the rationale, purpose, scope and expected outcomes of the evaluation, and the fourth section presents the contextual analysis of the PPPs, findings, recommendations and lessons learned from previous Bank's work. The fifth section presents an overview of the Bank's PPP interventions between 2006 and 2016, including the strategic context of the Bank's PPP interventions as well as the Bank's PPP Portfolio. The sixth section deals with the Evaluation conceptual model and methodology. The seventh section highlights the key Evaluation activities and the work plan for the evaluation.

2. Definitions and Concepts

There is no standard universally accepted definition of the concept of PPP. All proposed definitions of PPP have been influenced by the lens/approach through which one would explore the concept of PPP, namely, the governance or managerial, financial management, developmental, or discursive approach to PPP. The context of past PPP evaluations conducted by the EIB (2005), Danida (2008), the Asian Development Bank, the World Bank Group's Independent Evaluation Group (2014) and the various bilateral and multilateral donor agencies such as the IMF, the OECD led to suggest operational definitions. Although these definitions vary from one agency to another, they appear to have common characteristics (see Annex 1: Towards an operational definition). These are: 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.

PPP refers to a mechanism which involves the public and private sectors working in co-operation to provide infrastructure and services. It is fundamentally about bringing together the expertise of the private and public sectors and allowing each sector to do what it does best in order to deliver projects and services in the most efficient manner. One of the most commonly used forms of PPP involves an arrangement between public and private sector entities for delivering a service, traditionally provided by the public sector, on a long term

¹ Bank Group Utilization of the Public-Private Partnership Mechanism (2006-2014) –Stock taking Report- ADB/BD/IF/2016/01 ADF/BD/IF/2016/01- January 2016

² Private Sector Development Strategy 2013-2017 ("Supporting the Transformation of the Private Sector in Africa"), 2013

basis usually involving major capital investment. PPPs have a wide multitude of shapes and forms such as Service Contract, Management Contract, Affermage or Lease Contract, Concession, Build–operate–transfer (BOT) and Joint Venture.

Such an arrangement usually involves a concession where a private sector partner takes on the responsibility for providing a public service, including construction, maintenance and sometimes operation of the necessary infrastructure. However, the former definition does not include the element of balanced risk-sharing between the public contracting authority and the private partner which is the most important factor in the success of PPP ventures. A more explicit definition, albeit congruent in substance with the afore-mentioned, is the following by EBRD of 2007: “An infrastructure PPP is a long-term contractual agreement between a public agency (federal, state or local) and a private sector party to secure the funding, construction or refurbishment, operation and maintenance of an infrastructure project and the delivery of a service that traditionally has been provided by the public sector.” And, “A balanced transfer of risk between the public contracting authority and the private partner is a key feature of successful PPPs where individual risk components of the project are ideally allocated to the party best able to manage them.”³

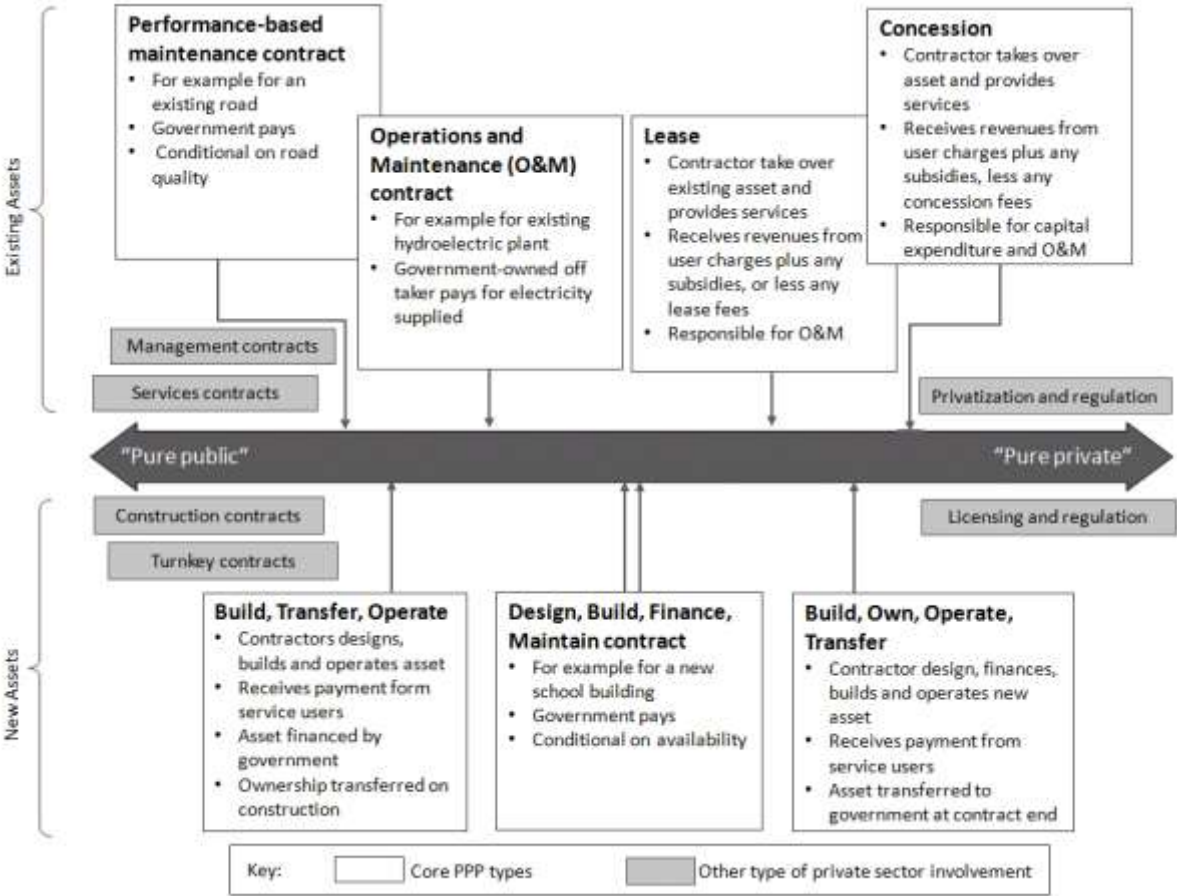


Figure 1: PPP Trajectory from Public to Private

Sources: WBI 2012; World Bank Institute and Public Private Infrastructure Advisory Facility 2012 (<http://www.ppiaf.org/sites/ppiaf.org/files/documents/Note-One-PPP-Basics-and-Principles-of-a-PPP-Framework.pdf>).

The World Bank Group Support to Public-Private Partnerships - Lessons from Experience in Client Countries, FY02–12 (http://ieg.worldbank.org/Data/reports/chapters/ppp_eval.pdf) also annotates that “This definition appears to be a common denominator across the PPP concepts of the World Bank Group, International Monetary Fund, and the Organization for Economic Co-operation and Development (WBI 2012; IMF 2004; OECD 2008) and translates into a well-defined spectrum of contractual arrangements.

³ EBRD Information Paper of March 2007: Public Private Partnership and EBRD

These arrangements have in common that they are long term, usually bundling design, construction, and maintenance and possibly operation, and contain performance-based elements with private capital at stake.” This definition is congruent with AfDB’s governance department (OSGE)’s definition: “*PPP refers to a form of financing mechanism where the public and private sectors come to an agreement in jointly establishing and/or operating a public investment project or activity*”. More detailed definitions are presented in Annex 1 of the Inception Report’s Volume 2 (Technical Annexes).

For the purpose of this Evaluation, the same definition was used to validate the list of Bank-financed PPP projects under the public as well the private sector windows⁴. The following three minimum criteria were used to determine whether a project is considered as a PPP:

1. The private entity interacting with the government for delivery of a public infrastructure service. Projects with state-owned companies acting as operators are excluded.
2. The existence of long term cooperation agreement (in a concession, contract management, or implementation arrangement as defined in Annex 1 of the Volume 2 of the Inception Report- Technical Annexes).
3. A mutually accepted risk-sharing principle between the two entities that clearly states the contractual arrangements of the partnership.

The list of PPP projects using these criteria is presented in Annex 3 of the Volume 2 of the Inception Report (Technical Annexes).

3. Rationale, Purpose, Scope and Expected Outcomes of the Evaluation

3.1 Rationale and Purpose

Given the increasing emphasis placed on PPPs as a means of closing the continent’s infrastructure gaps and promoting social and economic development, it is important that credible, evidence-based information is available to guide decision-making and promote the efficiency and effectiveness of the Bank's PPP interventions over the next few years that will contribute to:

- Improve access to cost effective public goods and services as well as social and economic infrastructure;
- Promote good governance and fiscal sustainability in RMCs;
- Enhance the Bank’s role as a partner of choice for PPP lending and non-lending in line with its policy and strategy to achieve its corporate goals and mandate.

IDEV carried out a stocktaking of the Bank’s experience with PPP in 2014⁵. The stocktaking exercise has set the stage for the present evaluation and reviewed the conceptualization and operationalization of the Bank’s PPP strategic framework and interventions over the period 2006-2014. The Stocktaking Report highlighted that:

- i) While PPPs have been an area of focus for the senior management at the Bank, there is no operational PPP definition, and the Bank does not have an operational framework or a structure in place to guide the implementation of PPPs;
- ii) The level of PPP financing at the Bank has been relatively modest mainly due to a lack of PPP capacity and expertise, with the majority of PPPs being concentrated in the energy sector.

The same report also recommended that an in-depth evaluation of a cluster of the Bank’s PPP projects is needed in order to provide an independent assessment of the relevance and performance of this cluster of projects, while taking into account the countries’ context and particularities of the PPP business model.

⁴ PPP sector reforms financed through Budget Support Operations as well as PPP-related Institutional Support Operations (ISP) will be also considered for this evaluation.

⁵ Bank Group Utilization of the Public-Private Partnership Mechanism (2006-2014) –Stock taking Report- ADB/BD/IF/2016/01 ADF/BD/IF/2016/01- January 2016

The purpose of this follow-up PPP evaluation is thus three-fold: i) Assess to what extent the objectives and corporate goals of Bank PPP assistance/interventions achieved their development results; ii) Assess to what extent Bank PPP assistance/interventions have been effectively managed; and iii) identify factors that enable and/or hinder successful implementation and achievement of objectives and harvest lessons from past experiences to inform Bank's future use of its PPPs mechanism.

The evaluation will provide key stakeholders (AfDB Board, senior management, RMCs, development partners and CSOs) an evidence-based assessment of the Bank's role in supporting PPPs, the potential for PPPs to promote sustainable social and economic development, and identify the extent to which this potential is currently being realized. Furthermore, the evaluation will identify lessons and recommendations pertaining to the Bank's support to RMCs using the PPP mechanism that will guide and inform the implementation of the 2013-2017 AfDB Group Private Sector Development Strategy, the High Fives⁶ and the 2013-2022 Ten Year Strategy as well as the Industrialization Strategy.⁷

3.2 Scope of the Evaluation

The evaluation will cover the 2006-2016 period and as such will review both the Bank's lending and non-lending activities within the context of PPP. For the lending part, the evaluation will cover 32 operations. These operations include infrastructure projects in the transport and energy sectors. As to the non-lending and institutional support part, the evaluation will cover 21 operations, of which 18 are ISPs and three (3) are Technical Assistance (TAs) projects under the Fund for African Private Sector Assistance (FAPA). These include institutional support operations and TA projects that promote good governance in RMCs, and build RMCs' capacity to improve their respective PPP policies, business enabling environment, and private sector development. The review will also include Economic and Sector Works (ESWs), Bank's advisory services, as well as coordination and partnerships.

The evaluation will be conducted at project, country and sector levels and will culminate into the presentation of overall findings, conclusions, lessons learned and recommendations of Bank assistance and support to the PPP mechanism.

3.3 Expected Institutional Outcomes

In delivering and disseminating the evaluation, IDEV expects to contribute to the following institutional outcomes:

- Promote accountability and learning by assessing the effectiveness of Banks support to PPP operations and formulating forward looking recommendations and identifying lessons learned to strengthen the Bank's future support to various sectors using the PPP mechanism;
- Guide Bank policies as well as country and sector strategies with credible, evidence based information on the effectiveness of the Bank's support to infrastructure PPPs in the field;
- Inform Management decisions with credible, independent and evidence-based information about good practices in promoting RMCs sustainable development results through the support of PPPs;
- Enhance the Bank's support for infrastructure and private sector development in Africa through credible, evidence-based recommendations on how Bank interventions can better contribute to the goals of RMCs using PPP modalities while ensuring an appropriate quality at entry and managing for results in the context of PPP interventions.
- Position the Bank as the Financial Institution (FI) of Choice for Africa through providing credible, independent, evidence-based and accessible information and making available cumulative knowledge to the donor community and specialized organs in charge of PPP policy advice and delivery.

⁶ 'Light Up and Power Africa', 'Feed Africa', 'Industrialize Africa', 'Integrate Africa', and 'Improve Quality of Life for Africans'.

⁷ The Bank Group Industrialization Strategy for Africa states that: "The Bank will leverage its understanding of Private Sector funding to support the development of industrial infrastructure & PPP frameworks. The Bank intends to develop 30 PPP units across Africa and help them structure their initial deals. Moreover, the Bank Group will scale up the use of its program based instruments to support attainment of conducive macroeconomic environment, regulatory reform and policy dialogue that are necessary to ensure that private sector operations are embedded in a favorable environment". (Source: Bank Group Industrialization Strategy for Africa: ADB/BD/WP/2016/46 ADF/BD/WP/2016/36 - 12 April 2016 page 14.)

3.4 Limitations

Despite its timeliness and potential value, this evaluation is subject to notable methodological and practical challenges, as confirmed by staff interviews during the scoping mission that took place during the inception phase. The most important limitations identified are listed below:

- (i) Despite the definition that OPSD has been using so far, the Bank lacks a clear official definition for PPPs;
- (ii) The Bank has a scattered strategy for PPP interventions⁸ and lacks a comprehensive PPP policy and strategy;
- (iii) The Bank lacks dedicated staff to guide the Bank's activities in this area; and
- (iv) The scarcity of data⁹ available to evaluate the effectiveness of the completed interventions due to limited emphasis on managing for results and monitoring PPP projects for the achievement of development outcomes.¹⁰

Considering these challenges, in-depth case studies need to be conducted to rigorously assess the context in which PPPs are implemented and contributed to the achievement of Bank's development results, particularly "High Fives" priority areas.

4. Contextual analysis of PPPs, Findings, Recommendations and Lessons Learned from previous MDBs' Work

4.1 Overall context of the utilization of PPPs in Africa

Africa has enjoyed more than a decade of rapid economic growth, especially Sub-Saharan Africa, with the continent producing nearly half or the twenty fastest-growing economies between 2011 and 2015. Building on this momentum will, however, require rapid infrastructure development. As much as US \$93 billion will be required annually to meet Africa's infrastructure needs through to 2020, with only half of that amount currently being met, according to the African Development Bank. This infrastructure bottleneck threatens to slow the continent's progress, and effective models of infrastructure development are now essential to achieve sustainable growth. Public-private partnerships (PPPs) are emerging as a tool to achieving growth and bridging the infrastructure gap.

A growing body of international evidence points¹¹ to the importance of an enabling and favorable regulatory environment and robust institutional framework in developing sustainable and efficient PPP infrastructure projects. By leveraging the strengths of both public and private actors, PPPs benefit from both the management and technical know-how of the private sector to deliver public services, and the public sector's abilities to guarantee the security of private investments and provide the legal and regulatory certainties that private investors need. Moreover, cash-strapped governments can take advantage of financing arrangements that the private sector can provide. When well designed, with proper cost recovery, appropriate risk allocation and investor protection, PPPs can drive essential infrastructure in a context of limited government budgets. The challenge is thus to ensure both strong rules and regulations, as well as effective implementation. PPP projects are difficult to execute and require robust regulatory and institutional architectures, high levels of technical capacity, political will and social consensus.

PPPs are on the agenda of African policymakers, with many countries passing new laws, policies and regulations to facilitate PPPs, particularly during the last six years. Although a unified PPP legal framework is lacking in some places, most African countries have adopted a national policy or have at least a PPP law

⁸ Recent Bank sector policy documents in particular the Industrialization Strategy for Africa and the New Deal on Energy for Africa mentioned the PPP mechanism as to support the sector strategy framework.

⁹ Especially quantitative data to evaluate the effectiveness

¹⁰ 20 operations were fully disbursed out of 32 projects in the 2016 portfolio and only 6 XSRs have been completed.

¹¹ See [Annex 2](#) in Volume 2 of the Inception Report: PPP in the Global Context (Some Recent Lessons from a literature review)

in the pipeline¹². According to the Economist’s Unit (EIU) Infrascopes¹³, most African governments¹⁴ are actively building PPP frameworks, with an uptick in new laws since 2009, but the implementation is lagging in ten out of 15 countries. Countries with PPP-specific legal frameworks in place are: South Africa, Kenya, Morocco, Egypt, Côte d’Ivoire, Tanzania, Tunisia, Cameroon, Nigeria and Zambia. There has been a particular uptick in new PPP-specific laws and policies over the last six years: Zambia (2009), Egypt and Tanzania (2010), Côte d’Ivoire (2012), Kenya (2013) and Morocco (2015). Of the remainder, three countries have PPP laws under policy development or moving through the parliamentary or presidential approval process (Rwanda since 2009, Ghana since 2013, Uganda since 2012). In two countries only, DRC and Angola, is there is no clear roadmap towards a PPP framework.

It is to be noticed that the Economist Intelligence Unit (EIU) Benchmarking Index is composed of six components: 1) country’s legal and regulatory framework for private sector participation in infrastructure; 2) design and responsibilities of institutions that prepare, award, and oversee PPP projects; 3) government’s ability to uphold laws and regulations for concession, as well as success rate and their success rate (operational maturity); 4) business, political and social environment for investment; 5) financial facilities for funding infrastructure; and 6) the quality of subnational framework and experiences in PPPs. Table 1 below presents the Index scoring and ranking of the fifteen (15) surveyed countries.

Table 1: Business Environment for Public-Private Partnerships in Africa

Rank	Country	Overall Score	Judgement	
1	South Africa	70.7	Mature	
2	Morocco	51.8	Emerging	
3	Kenya	51.4	Emerging	
4	Egypt	51.0	Emerging	
5	Tanzania	48.6	Emerging	
6	Côte d’Ivoire	45.5	Emerging	
7	Tunisia	45.4	Emerging	
8	Uganda	45.1	Emerging	
9	Rwanda	43.5	Emerging	
10	Ghana	43.0	Emerging	
11	Cameroon	38.2	Emerging	
12	Nigeria	36.8	Emerging	
13	Zambia	34.2	Emerging	
14	Angola	31.4	Emerging	
15	Democratic Republic of the Congo	20.6	Nascent	
Judgement by EIU Infrascopes	MATURE (80.0–100)	DEVELOPED (60.0–79.9)	EMERGING (30.0–59.9)	NASCENT (0–29.9)

Source: The Economist, The Intelligence Unit (EIU): Evaluating the environment for public-private partnerships in Africa-The 2015 Infrascopes, 2015.

As it is shown in Table 1 and Figure 2, only the Republic of South Africa has the most developed enabling environment for PPP, while the other surveyed countries have an emerging or nascent environment.

¹² World Bank PPIA: PPPs Institutional Capacity Building in the UEMOA Region - <https://ppiaf.org/program/building-public-private-partnerships-institutional-capacity-uemoa-region>

¹³ Evaluating the Environment for Public-private Partnerships in Africa, The 2015 Infrascopes-

¹⁴ A more depiction of the regional context will be part of the in-depth literature review to give an overview of the PPP enabling environment and markets in Africa based on the PPIAF-PPI database.

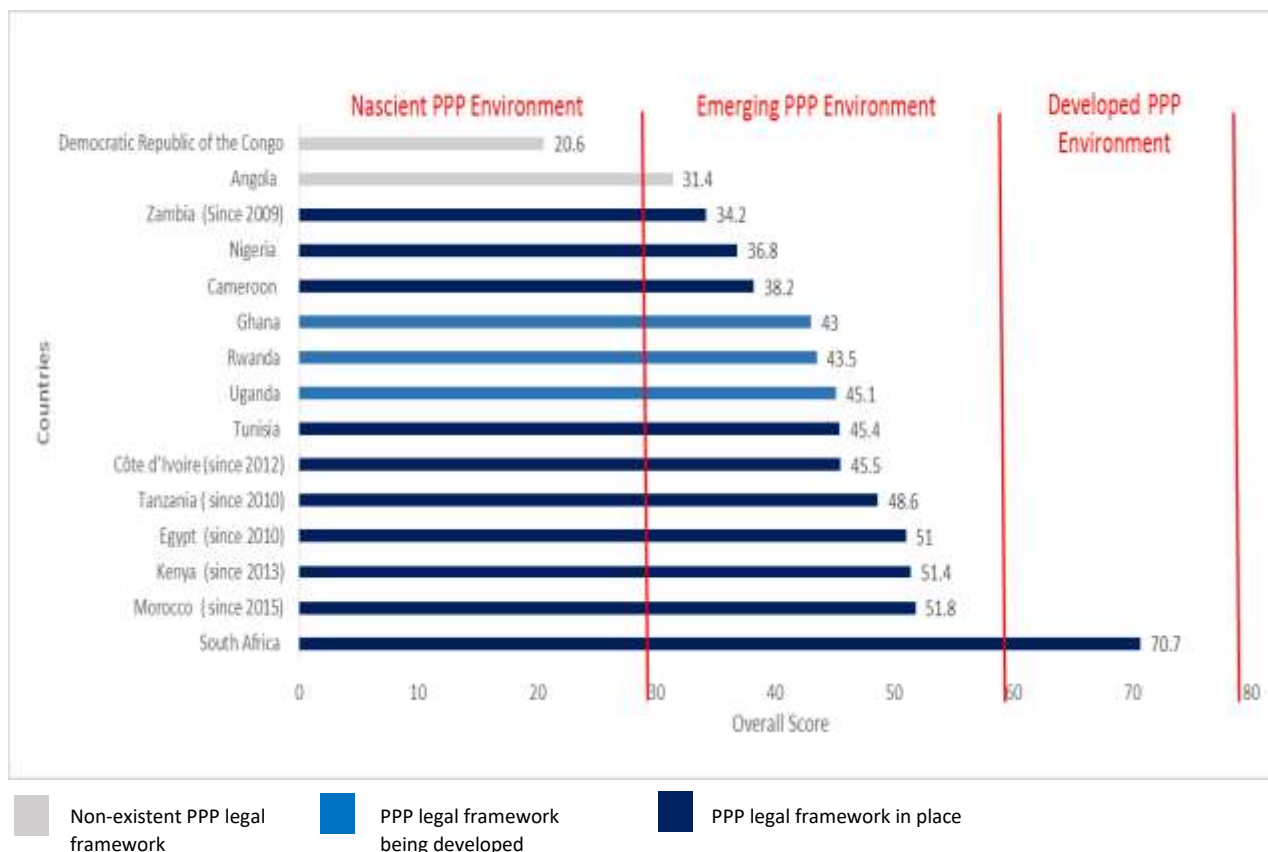


Figure 2: EIU Overall Scores – The 2015 Infoscope evaluating the PPP environment in Africa

Source: The Economist, The Intelligence Unit (EIU): Evaluating the environment for public-private partnerships in Africa-The 2015 Infoscope, 2015.

4.2 Strategic Context of the Bank’s utilization of PPP

From a strategic point of view, the Bank places strong emphasis on infrastructure and PPPs as intervention instrument to overcome the bottlenecks that have hampered developing countries’ ability to attract foreign direct investments. In this perspective, the Bank intends to scale up infrastructure financing by leveraging its financial resources. The scaling-up will include PPPs as an intervention instrument to leverage additional resources from the private sector and improve risk transfer to the parties that are better equipped to deal with it.

The Bank’s Private Sector Department (OPSD) estimated that “inadequate infrastructure is holding back Africa’s economic growth by 2% each year and reducing firms’ productivity by as much as 40%” and that “infrastructure financing needs are estimated at \$93 billion per annum, with a financing gap estimated at USD48 billion”.¹⁵ The same source is further stating that “On just about every measure of infrastructure coverage, African countries lag behind their peers in the developing world”¹⁶. The most comprehensive and detailed account on Africa’s infrastructure needs is based on the project “Africa Infrastructure Country Diagnostic (AICD)”, a multi-party financed undertaking that was commissioned by the Infrastructure Consortium for Africa (ICA) following the 2005 Group of Eight (G8) summit at Gleneagles, Scotland. The results of this initiative are presented in the 2010 publication “Africa’s Infrastructure”.¹⁷ The recommendations were the followings:

¹⁵ Presentation ‘GAMA 2013 – Khartoum’ by AfDB’s PSD, Slide No. 11; Africa Infrastructure Country Diagnostic report, Finding 1: <http://infrastructureafrica.org/system/files/Africa's%20Infrastructure%20A%20Time%20for%20Transformation%20FULL%20TEXT.pdf>; a more detailed account is provided in the following 2010 co-publication of the Agence Française de Développement and the World Bank: <http://infrastructureafrica.org/system/files/Africa%27s%20Infrastructure%20A%20Time%20for%20Transformation%20FULL%20TEXT.pdf>; Part 1, Chapter 1

¹⁶ Finding 2:

<http://infrastructureafrica.org/system/files/Africa's%20Infrastructure%20A%20Time%20for%20Transformation%20FULL%20TEXT.pdf>

¹⁷<http://infrastructureafrica.org/system/files/Africa%27s%20Infrastructure%20A%20Time%20for%20Transformation%20FULL%20TEXT.pdf>

- Address Africa’s infrastructure efficiency gap as a pressing policy priority;
- Make greater efforts to safeguard maintenance spending;
- Tackle inefficiency through institutional reform;
- Include line ministries and budgetary processes on the institutional reform agenda;
- Use administrative and regulatory reforms to get full value from existing infrastructure;
- Pursue regional integration to reduce infrastructure costs;
- Take a spatial view of infrastructure development priorities;
- Rethink infrastructure social policy;
- Find practical ways to broaden access to infrastructure services; and
- Close the infrastructure funding gap.

The Bank’s Private Sector Development Strategy 2004–2007 and its subsequent update 2008–2012 introduced PPPs as an instrument for Bank operations¹⁸. The New Partnership for African Development’s (NEPAD) Infrastructure Project Preparation Facility (IPPF) established by the Bank in 2005 equally offered another stimulus for PPPs in Africa¹⁹. More recently, the Bank’s new Private Sector Development Strategy 2013-2017 highlighted PPPs as key intervention instruments. Its operational priorities to address key structural and investment climate challenges include “support initiatives that improve the institutional and operational frameworks for public-private partnerships (PPPs); including strengthening the analytical capacity for their selection, evaluation and monitoring, as well as transaction-level project preparation” (AfDB 2013; p.10). Similarly, the Bank’s 2013-2022 Ten-Year Strategy (TYS) equally emphasizes infrastructure development, regional economic integration, and private sector development, as main channels through which it will deliver quality and sustainable growth. The latest strategy bids on a wider use of PPPs, co-financing arrangements and risk-mitigation instruments to draw in new investors.

Within the framework of the Ten-Year Strategy and Private Sector Strategy, the Bank Group Industrialization Strategy for Africa, approved in April 2016 as one of the Bank’s High-Fives, focuses on the development of industrial infrastructure and PPP frameworks. The Strategy aims at assisting to establish 30 PPP units across Africa by 2025 and help them structure their initial deals.

The Bank proposed developing project financing facilities to support PPPs for infrastructure in Africa. In July 2013, AfDB management presented to its board the concept note for the Africa 50 Fund (named for the \$50 billion infrastructure gap the continent faces). The Africa 50 Fund is a response to requests from the African heads of state to create a mechanism to finance critical infrastructure. It is envisaged that the fund will have two components: project development and project finance. It is to be financed with \$10 billion in equity and \$40 billion in lending, and the initial aim is to raise \$3 billion in equity.

Other Bank sector strategies such as the Bank Group Strategy for the New Deal on Energy for Africa 2016 – 2025²⁰, state that “Within its organization, the Bank will build the PPP Unit's capabilities to be able to adapt IPP frameworks to the local conditions, in collaboration with the countries. The Bank will also provide technical assistance support for countries to draft reforms to enable and/or scale up private sector participation.

For the Water Supply and Sanitation (WSS) sector interventions²¹, whether through debt or PPP, the private sector financing has not played a meaningful role.²² This can be ascribed to a number of factors such as the familiarity, primarily by the public sector, of the risk mitigation measures available for W&S investments,

¹⁸ The Bank Group Private Sector Development (PSD) strategies and policies date back to October 1989. A PSD strategy was approved in 2004, and was updated in 2008 to last through 2012. Emphasis was given to “the promotion of Public Private Partnerships (PPPs) by developing broader financing options, supporting training for business skills and brokering PPPs for basic services.” (AfDB 2004; p. iv).

¹⁹ The New Partnership for Africa’s Development (NEPAD) is an economic development program of the African Union. It was adopted at the 37th session of the Assembly of Heads of States and Governments in July 2001 in Lusaka, Zambia. It aims at providing an overarching vision and policy framework for accelerating economic co-operation and integration among African countries. Its Infrastructure Project Preparation Facility (IPPF) is a fund set to assist in developing high-quality infrastructure proposals and is managed by the African Development Bank since 2007/ 2008.

²⁰ ADB/BD/WP/2016/23/Rev.3/Final ADF/BD/WP/2016/18/Rev.3/Final -3 June 2016 page 24

²¹ Leveraging Private Sector Investment in Water and Sanitation through the Use of Guarantees (Draft executive summary - October 2016) (Not released)

²² The only case is the Kigali PPP Water Supply project that is currently in the pipeline.

and the lack of awareness by the private sector, of the opportunities in the W&S sector, through the use of guarantees although available but not used.

In the Governance sector, the Bank strategy and action plan document²³ stressed the strengthening of PPP policy, legislation and regulatory frameworks for infrastructure development as a work-stream for its Governance pillars while improving the policy, legal and regulatory frameworks for Business Enabling Environment (e.g investment codes and tax regimes), of PPPs, including the analytical capacity for PPPs selection, preparation, monitoring and evaluation. By supporting PPPs and improving their policy and legal basis, this would also promote green private sector investments especially green infrastructure investments.

The Staff interviews which have taken place during the scoping mission undertaken in October 2016, confirmed the absence of formal specific guidelines for PPP transactions and the lack of coherence or coordination with other departments directly or indirectly involved in PPP such as OSGE. The sector departments which are involved in the preparation and appraisal phase intervene less in downstream activities. Furthermore, there is a lack of capacity at the regional level to originate and develop PPP in the region despite the existence of three (3) regional hubs in Nairobi, Pretoria and Abuja, created with the objective of strengthening country capacities in implementing PPPs.

Furthermore, there are no distinct structuring and due diligence procedure for PPP or any other Private Sector Operation (PSO) infrastructure project. All projects follow the same presidential directive for due diligence and structuring of PSOs. Advisory services and upstream activities are the weakest area in the Bank. Few capacity building were initiated by regional departments alone or with the help of the Africa Legal Services Facility (ALSF) particularly in East and North Africa. Origination of PPP suffers from same deficiencies as for all PSO transactions due to lack of experienced staff.

Procurement policies and procedures were revised to allow more flexibility in selecting PPP private companies with a specific guidance note for PPP. The involvement of the Procurement department in the due diligence activities helped Bank clients in applying good practices for the selection of the best private companies for PPP and also in contracting and implementing the PPP. Few RECs adopted best practices for PPP and procurement policies (West African Monetary and Economic Union-UEMOA for example). The major difficulties faced by governments are much more related to meeting the contractual obligations (budget, fiscal sustainability and social impact). PPP contracts are generally output-based contracts with O&M self-funding. This poses sustainability issues if shadow telling and maintenance contract are not in place.

The Governance Department (OSGE) is increasingly involved in analyzing the PPP policy framework, particularly the regulatory environment, with the PPP implementation framework, and in some cases, capacity building/strengthening activities. A specific coordination unit (focal point) with OSGE is in charge of coordinating ISPs and assist in implementing TAs in countries including fragile states. Furthermore, OSGE with its global budget support operations include some specific reforms or actions towards enhancing country capacity to host PPP projects and strengthen or establish PPP units. OSGE lacks specialized staff to handle PPP advisory services and to scale up PPP transactions using instruments such as partial guarantees or equity participation. Moreover, there are no explicitly PPP studies but some standalone ESWs to support PPP transactions and structure critical components. For example, advisory services were provided to governments and private companies in the railway sector in Africa but during the preparation or the structuring phase of infrastructure projects whereby Bank staff provide advices on the legal framework and PPP structure (Kigali railway and Abidjan-Lagos highway etc.).

Few PPP transactions were financed in the industrial sector, such is the case of the Industrial Park in Kenya (yet at approval stage). Some PPP transactions in social sectors (education or health) are under preparation (Nigeria Babalola University and Gambia Horizon Clinic). The sector departments such as OITC or OWAS lack expertise in PPP upstream activities, equivalent to IFC project services. PPP focal points and advisors at new VP front office are suggested within the new structure with a special unit with high level experts/resource persons.

²³ Governance Strategic Framework and Action Plan - Gap II) 2014-2018 (ADB/BD/WP/2013/119/Rev.2 ADF/BD/WP/2013/87/Rev.2 - 29 avril 2014) pages 7, 11, 13 and 17.

4.3 Findings, recommendations and lessons learned from previous evaluative work by MDBs²⁴

Multilateral development Banks (MDBs) have lately focused on infrastructure and its demonstrated effect on achieving sustainable economic growth in developing countries. In this context, and given the scarcity of public resources, PPP arrangements are increasingly viewed as important mechanisms capable of bridging the public resource gap, whilst meeting the infrastructure need. The growing popularity of the PPP concept is also due to other contextual factors, particularly in the developing world. They are: i) the exponentially growing populations; ii) the widely observed urbanization phenomena; and iii) the increasingly ambitious economic growth aspirations. For most MDBs, PPPs are of great relevance, and several feature PPPs explicitly either in stand-alone strategy documents or as integral part of sectorial/corporate strategies. Despite the strategic relevance of PPPs, it is difficult to judge the magnitude of support that PPPs have received collectively by MDBs—because of the lack of a consistent PPP definition and system to capture the share of operational activities devoted to PPPs.

Across the MDBs, the World Bank and the three Regional Banks (AsDB, AfDB, and IaDB) have PPP approaches that recognize the importance of upstream as well as downstream support. In particular, the World Bank Group recognizes the importance of upstream work given the role it plays in policy and sector reform work to create the necessary regulatory and legal frameworks. In addition, it runs IFC advisory services as Government-facing service in structuring PPPs, with positioning the World Bank group at the center of the financial consortium (with a MIGA guarantee).

Based on the AsDB evaluation of PPPs, the institution seems to be rethinking its approach to PPPs. Another study at the AsDB referred to the infrastructure financing aspect of the institution associated with high levels of project cancellations. Leadership in developing PPP projects is essential to maximize the chance for full disbursement and implementation.²⁵ The AsDB has created a separate PPP department to enhance their development contribution. This contrasts with the EBRD approach which focuses mostly on downstream transactions. The EIB is different in that the bulk of its transactions are in the EU, which has fairly well-developed institutional frameworks and thus focuses on finance and stimulating peer learning between its member countries. Compared to its peers, the World Bank Group offers the widest and deepest set of services and products, a conclusion corroborated by IEG's nine country missions (2014).

Organizationally, a best practice for managing PPPs has yet to emerge. MDBs take different approaches to delivering their PPP response, from rather central approach with one unit managing the PPP agenda to an explicit matrix approach, such as at the AsDB or the World Bank Group.

The interdependency of PPPs' success and an enabling environment emerge as common success factors. The work of all MDBs either acknowledges the significance of or directly supports the creation of an enabling environment, including policy and sector reform. With regard to improving access to finance, MDBs' financing in developing countries is usually undertaken in conjunction with other development banks. Several MDBs are contemplating project financing facilities to catalyze financing for PPPs. Some of this is being triggered by the urgent needs for infrastructure many regions face and the need to open up new approaches to finance.

With regard to implementing these strategic plans, some have come up with specific roadmaps and matrix management structures. In particular, the AsDB undertook an evaluation of PPPs that has triggered a rethinking of the institution's approach to PPPs and has moved to make the process more strategic and less opportunistic. Its 2012-2020 operational plan for PPPs²⁶ turns strategy in implementation more readily. The four pillars²⁷ of its operational plan also help define the PPP instruments the AsDB will offer.

Similarly, the Bank developed an operational framework for the participation of the private sector in funding the infrastructure investments (as PPIs or PPPs) in conjunction with its private sector development strategy,

²⁴ Excerpt from the Evaluation of the Utilization of PPP Mechanism: A stocktaking exercise (January 2016)

²⁵ Institutional Comparative Review of AsDB's private sector operations, June 2016.

²⁶ Public-Private Partnership Operational Plan 2012-2020: Realizing the Vision for Strategy 2020: The Transformational Role of Public-Private Partnerships in Asian Development Bank Operations, 2012

²⁷ Pillars of Public-Private Partnership Operational are the following: Advocacy and capacity Development, enabling environment, project Development, and project Financing.

where PPPs figure prominently. Furthermore, the Bank has helped Nigeria Government in 2013 to establish a PPP hub aimed at building capacity on the public side. This has helped establish a stronger legislative base for PPP initiatives in the country. At present, three PPP hubs are managed by the Bank are located in Pretoria for Southern Africa, Nairobi for Eastern Africa and Abuja for the Western part of Africa. The Bank intends to manage more hubs located in the different regions.

According to IDEV's "Lessons learned: Public-Private Partnerships"²⁸ which uses independent Development Evaluation department of the Bank's "Evaluation Results Database" for drawing lessons and recommendations²⁹, the main lessons/recommendations are:

Policy and Strategy Levels

- The Bank should make use of PPPs to simultaneously aid the improvement of the business climate, the upgrading of the private sector through capacity building, training and advice, along with the provision of financial services. Policy should define how to encourage PPP building on the comparative advantages of each sector.
- The Bank should act as a catalyst by promoting PPPs, which can mobilize greater resources and improve service delivery. Good strategic planning should aim at maximizing the contribution to the local economy and upper level outcomes, such as regional integration, tourism development or urban mobility.
- The Bank, along with governments and other donors should ensure that wider societal targets are not undermined in partnerships, given that PPPs are typically oriented towards financial issues. Effective and efficient PPPs should rely on common goals, where the private partner acquires a sense of social responsibility on one hand and the public actor a sense of managerial culture on the other.
- Replication of successful PPP models from other regional settings should fully take into account local characteristics and conditions. Even the so-called "good practices" within a country or a region cannot be directly transferred to other countries, as the factors having an impact on the adoption and implementation of PPPs within the domains of politics, the economy, administration, and the legal system vary across substantially countries, and developed and developing regions.
- PPP projects should be complemented by the Bank's policy work, technical know-how and post transaction support. Especially in developing countries, it is necessary to support the development of a second type of infrastructure, the so-called "soft infrastructure" in order to take full advantage of physical infrastructure. Its aim is to improve human capital, namely attitudes, knowledge and soft skills.

Project Level Recommendations

- In the design of water and sanitation projects, the Bank should consider including more PPPs, supported by effective competition between operators and an effective regulatory system³⁰. In this context, non-lending assistance needs to be invigorated and enhanced in order to further improve the enabling environment for PPPs. This can pave the way for private sector financing of infrastructure projects, particularly those that have an economic advantage in the regional spread.
- Factors associated with less successful PPPs or outright failures included: poor contract preparation; inadequate risk management; absence of competitive and transparent tendering procedures; poor or inadequate monitoring and enforcement of covenants; inadequate skill and absorption capacity (more on the public, though occasionally also on the private sector side). Such factors on the 'downstream' side are not infrequently accompanied or even amplified by deficiencies on the 'upstream' side, including: inadequate legal, regulatory and arbitration frameworks; enforceability of covenants; corruption and

²⁸ <http://idev.afdb.org/sites/default/files/documents/files/2015%20Lessons%20Learned%20PPPs.pdf>

²⁹ This information was drawn from the "Evaluation Results Database", covering the period 2001 to 2012, and extracted from 11 documents of 5 different types, featuring 12 countries and over 6 sectors, using the keywords "public-private partnerships", "public-private" and "PPP".

³⁰ Consultations with Bank staff from OWAS revealed that the Bank has no PPPs in the Water sector.

political instability; local labor market constraints eventually exacerbated by restrictive visa procedures for required expat staff; inadequate local supply base coupled with import restrictions.

- On the positive side, the promising factors include: availability of services through PPPs earlier than via the public sector financing avenue; higher budget discipline (i.e. a lesser propensity for cost-overruns); expedient procurement process; efficiency and effectiveness gains associated with the private sector input; technology and know-how transfer expectedly more distinct; demonstration effects to other communities; pricing of services reflecting market/economic costs (a blessing in disguise) and reduced ‘free-rider positions’.

The PPP evaluation can thus extend the conclusions of available evaluative documentation further into the relevancy, policy alignment, development effectiveness, value for money and additionality. The value for money proposition, in particular, presents considerable challenges. In this regard, as any credible assessment needs to take into account factors that are not always explicit even in standard forms of procurement (e.g., quality of the service provision and the overall costs and associated risks). Higher explicit costs might occur in some of PPPs underlying components, such as transaction costs, relative costs of finance, and those related to monitoring and supervision.

Another aspect to examine is ongoing discussion currently taking place by various bilateral and multilateral donor of using blending in PPP projects. Blended PPP projects involve financing schemes which include private funds (debt/equity) and contribution from funds (grants / financial instruments). Preliminary findings from Europe point to benefits being project delivery on time and on budget, innovations in asset and service delivery, greater professionalism in project management and implementation, new risk mitigation mechanisms and bridging market gaps through the provision of additional liquidity and financial viability to projects³¹.

Within this context, the Bank might also consider devising and implementing the most appropriate ex-ante and ex-post tools to ensure that a credible and workable future assessment process might take place to dig deeper into development results.

5. Overview of Bank’s PPP Interventions: The Bank’s PPP portfolio during 2006-2016³²

5.1 PPP Lending Portfolio

During the period under review (2006 – 2016), the Bank’s PPP portfolio consisted initially of 39 projects, totaling USD 2.4 billion. These projects were designated as projects undertaken on PPP mode by the Bank’s operations departments. However, further analysis carried out by IDEV, as part of the stocktaking exercise, concluded that only a total of 33 projects representing a total financing from the Bank of UA 1.45 billion (USD 1,8 billion) could be identified as being PPP-structured operations, with contractual obligations between the public and private parties for the provision of infrastructure services. The final PPP portfolio for the review period validated by OSPD stands at 32 projects (see Annex 3 of Volume 2 of the Inception Report).

The composition of the PPP operations financed by the Bank over the 2006-2016 period and validated by OSPD (32 projects) used the criteria defined in Table 2 below.

Table 2: Composition of PPP Portfolio using the defined criteria

Defined Criteria for PPP projects	No. PPP Projects
Infrastructure Service Delivery By:	
- Public Companies	-
- Private Companies	32

³¹ PPP Concessional financing types should however be treated with transparency and in a targeted manner. This issue will be treated in the in-depth literature review, in particular the risk of misallocation of resources when injecting grants in PPPs that would otherwise not be financially feasible.

³² The present portfolio review is based on information collected in the Bank’s SAP system for the period 2006-2016. It was updated after consultation with the relevant operational departments.

Defined Criteria for PPP projects	No. PPP Projects
Type of PPP Arrangements:	
- BOOT/DBOOT (Including PPA)	17
- BOO (including PPA)	12
- Concession Agreement	3
Tenure:	
- 20 years	9
- 25 years	6
- 30 years	5
- 35 years	2
- 40 years	1
- Not Specified	9
Risk Sharing Arrangements³³:	
- Government Support under Implementation agreement or Support Letter of Agreement Support for payment default	13
- Interconnection to National Grid Agreement	6
- Viability financing support, Foreign exchange risk guarantees, tariff adjustments, Price indexation mechanisms, revenue guarantees	7
- Fuel/gas supply	2
- Investment protection, investment promotion agreement	1
- Not specified	9

The majority of the PPP projects are run by private companies (or with minimal public shareholders). The tenure in 20 years and above showing the long-term cooperation and partnership. The risk sharing arrangements are well specified (at least for 23 PPP projects) in a concession agreement or in an implementation arrangement with the government whereby government's obligations are well specified in terms of support in case of payment default, tariff adjustments, price indexation and revenue guarantees or in fuel or gas continuous supply. The government's responsibility in investment protection and investment promotion was also specified but only for one PPP project.

Out of these 32 PPP projects, three (3) have been financed under the public sector window of the Bank, while the private sector window financed the lion share of 29 projects. The three (3) projects financed by the public sector window of the Bank fall under the Energy sector department (ONEC), and amount to UA 404.7 million in total net commitments. These three (3) PPP projects represent 9.4% and 27.7% of the number of PPP projects and the Bank's total net commitment to PPP projects, respectively. The public sector window financing of PPP projects was in the Power sector in two countries, namely Morocco and Zambia comprising two solar energy projects in Morocco (Parc Éolien de Tanger and Complexe Solaire de Ouarzazate) for a total amount of UA 314.4million and a power transmission project in Zambia for a total amount of UA 90.2million.

Table 3: Bank Total Net Commitment to Infrastructure Projects by Region 2006-2016 (in UA Million)

Region	Bank net commitment (in UA Million)		Total	Bank net commitment (in percentage of Bank total net commitment)		Total
	PPP	NON-PPP		PPP	NON-PPP	
North	422,43	2871,99	3294,42	13%	87%	100%
West	278,37	1082,55	1360,92	20%	80%	100%
Central	112,61	920,39	1033,00	11%	89%	100%
East	294,81	2683,67	2978,48	10%	90%	100%
South	298,77	3090,52	3389,29	9%	91%	100%
Multi-regional	161,25	459,11	620,36	26%	74%	100%
Total	1568,24	11108,23	12676,47	12%	88%	100%

Source: IDEV (SAP Data)

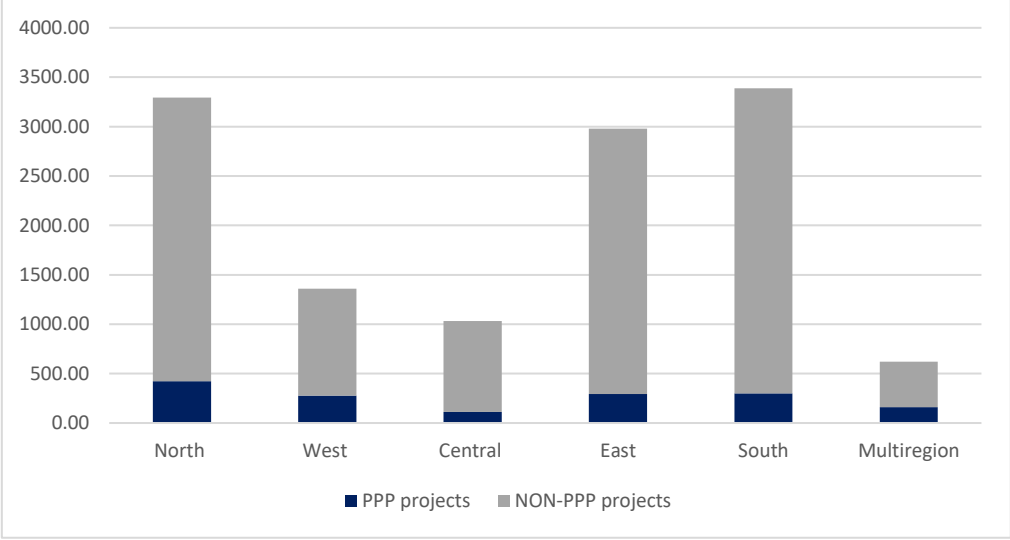
The 29 projects financed by the private sector window (OPSD) of the Bank amounted to a UA 1.053 Billion and were concentrated in the Power and Transport sectors with sixteen (16) and ten (10) projects, respectively. The two (2) latter sectors represent a total of 89.6% of the number of private sector window PPP project financing, and 95.4% of the total net commitment to private sector-financed PPP projects. Of

³³ The detailed information on the PPP projects will be collected during the data collection Phase of the Evaluation (See Section 7 below)

the sixteen (16) power sector PPP projects financed by the private sector window of the Bank, ten (10) are electricity projects. The total financing for these ten (10) electricity PPP projects amounts to UA268.5 Million, which represents 48% of the Bank’s net commitment to the Power sector PPP projects. Clean energy, with three (3) projects only represents 18% of this sub-portfolio in terms of commitments. As far as the transport sector is concerned, the ten (10) PPP projects financed by OPSD amounted to UA 446.7 Million, representing 42.4% of the total private sector window financing of PPP projects.

The Bank commitments for these PPP projects represent 12% of the total commitments during the period. This percentage varies across the region as shown in Table 3 and figure 3 below with a concentration in the North region representing 27% of the total PPP commitments during the period.

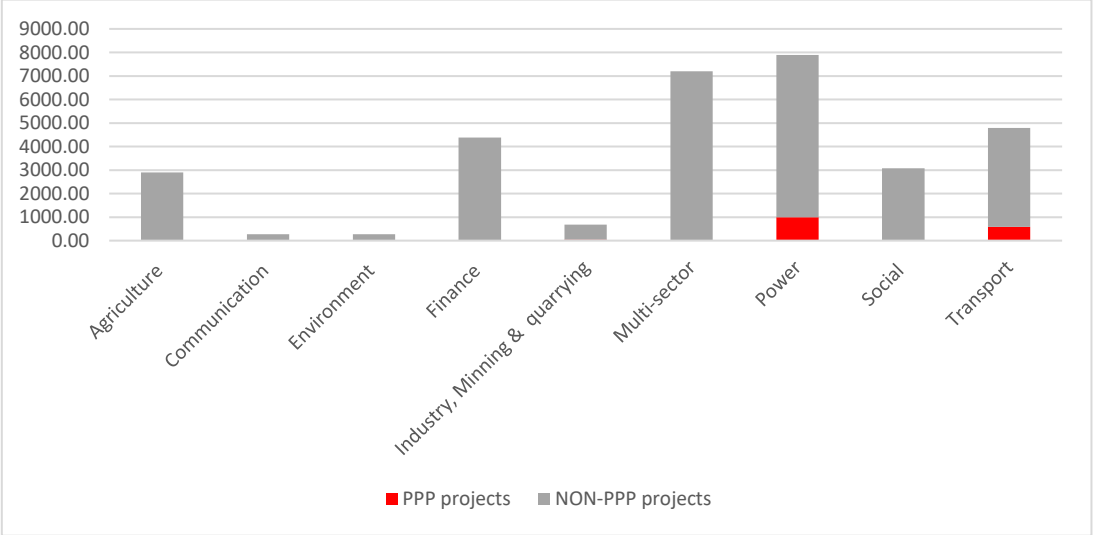
Figure 3: Regional Distribution of the Bank's Total Net Commitments 2006-2016 (in UA Million)



Source : IDEV (SAP data)

The distribution of Bank Net Commitments by sector (PPP and Non-PPP) is shown in the following figure 4.

Figure 4: Sectoral Distribution of Bank Net Commitments 2006-2016 (in UA Million)

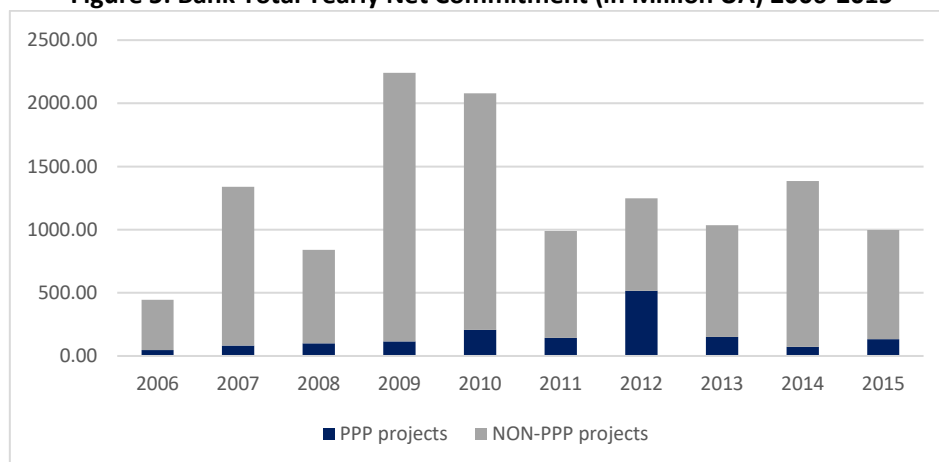


Source: IDEV (SAP data)

On a yearly basis (Figure 4), the total Bank commitments for PPP and Non-PPPs were unequally distributed across the years with an average of UA 142 million per year for PPPs which took shape in 2012 (33% of the total commitments for the year). The very low volume of PPP projects on an annual basis relative to the Bank’s total of projects annually seems to require a concerted effort to boost PPP infrastructure project

development and financing and help to close the infrastructure gap in Africa as committed through the High Fives and the Ten-Year Strategy.

Figure 5: Bank Total Yearly Net Commitment (in Million UA) 2006-2015



Source: IDEV (SAP data)

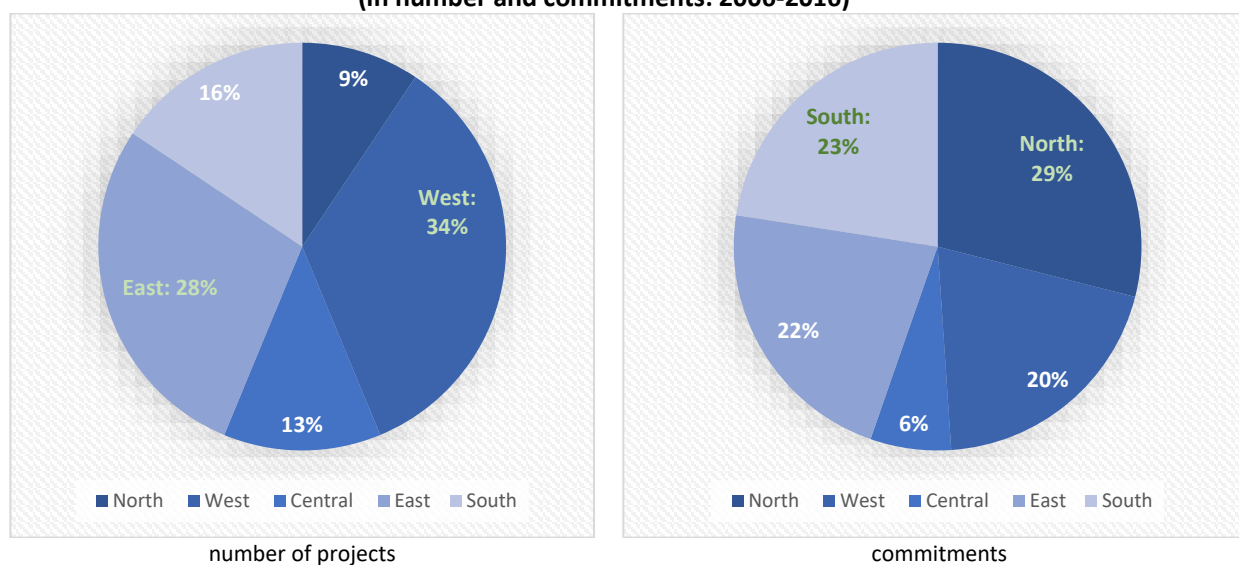
The Bank's PPP portfolio in terms of number of projects is concentrated in the West and the East part of Africa (62%), while in terms of commitment amounts, the Bank's PPP portfolio is concentrated in the North and South (52%) as shown in Table 4 and Figures 6 below.

Table 4: List of PPP portfolio distributed by region 2006-2016

	Countries	Number of Projects	% Share	Net commitment (in M UA)	% Share	Sectors
North	Morocco	2		368,1		Power
	Tunisia	1		54,1		Transport
	Sub-Total	3	9.4	422,2	29.0	
West	Cape Verde	1		11,3		Power
	Cote d'Ivoire	3		111,9		Transport, Power
	Ghana	2		28,3		Tourism, Power
	Nigeria	1		34,9		Transport
	Senegal	3		70,5		Transport, Power
	Togo	1		33,9		Transport
	Sub-Total	11	34.4	290,8	20.0	
Central	Cameroon	3		88,6		Power
	Madagascar	1		4,7		Power
	Sub-Total	4	12.5	93,3	6.4	
East	Djibouti	1		55,9		Transport
	Kenya	2		134		Power
	Multinational	2		28,2		Transport
	Rwanda	1		16,6		Power
	Seychelles	1		5,9		Communication
	Uganda	2		80,4		Power
	Sub-Total	9	28.1	321	22	
South	South Africa	2		237,6		Power, Transport
	Zambia	3		90,8		Power, Mining
	Sub-Total	5	15.6	328,4	22.6	
Total		32	100.0	1455,7	100.0	Power (19), Transport (10), Tourism (1), Communication (1), Mining (1)

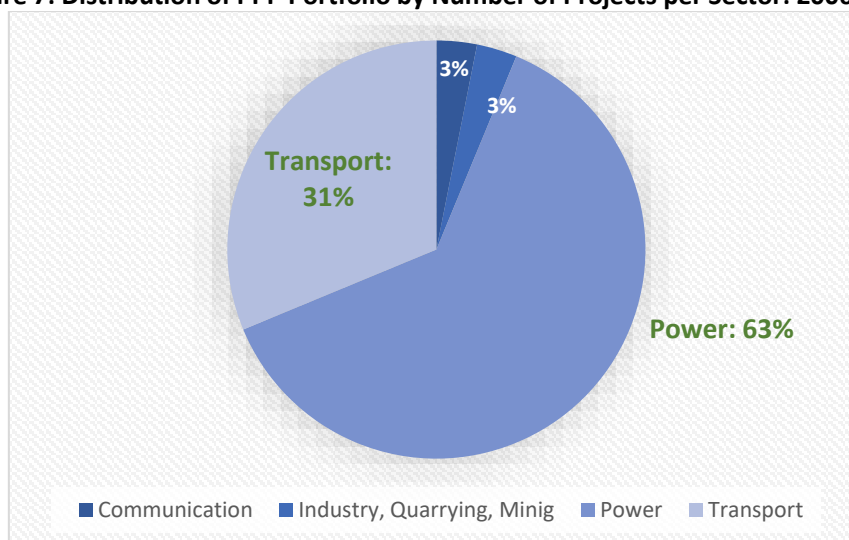
Source: IDEV (SAP Data)

Figure 6: Regional Distribution of the Bank's PPP portfolio (in number and commitments: 2006-2016)



The distribution of the Bank's PPP portfolio by sector shows a strong concentration in the power sector in both volume and number. The Bank approved 20 PPP projects in the power sector for the 2006-2016 period³⁴, totaling UA 962 million in net commitments. This represents 63% of the Bank's PPP net commitments over the covered period. The transport sector follows with ten (10) PPP projects approved, totaling UA 446.7 million. One (1) Information Communication Technology (ICT) project was also approved by the Bank for a total amount of UA 5.96 million. Similarly, the Bank approved one (1) project in the industry and mining sector, totaling UA 42.4 million. See figure 8 below.

Figure 7: Distribution of PPP Portfolio by Number of Projects per Sector: 2006-2016



Source: IDEV (SAP data)

Out of the 32 projects in the 2006-2016 PPP portfolio, 23 operations, representing 72% of the projects were totally disbursed, with only 6 of them having Expanded Supervision Reports (XSRs). See Annex 3 of the Volume 2 of the Inception Report (Technical Annexes). Annex 4 of the Volume 2 of the Inception Report (Technical Annexes) presents other statistical data of the Portfolio.

³⁴ Power sector PPP projects are spread throughout five sub-sectors: hydro; thermal; wind; solar and Coal/gas/oil-fired power stations with a total of 958.9 UA million. Solar power projects score highest with in total USD 385million (40%).

5.2 Enabling Environment Operations (Institutional Support and Other Non-lending Activities)

The Bank financed Eighteen (18) PPP-related Institutional Support Projects (ISPs) in 15 countries (See Annex 5 in Volume 2 of the Inception Report: PPP-Related ISPs). The total net commitment for these operations is UA 387.4 million with an average amount of UA 21.5 million per operation. The regional distribution indicate that 99% of the total amount committed is concentrated in the Central (UA 247.5 million) and Northern (UA 137.4 million) regions. In terms of number of projects, 77% are concentrated in Central (6 projects) and Eastern (8 projects) Africa, followed by the Southern region with two (2) projects in Mauritius and Namibia, and the Northern and Western regions with one (1) project each. Two (2) ISPs have recently been approved, twelve (12) are ongoing, and four (4) were completed. These ISPs have served Enabling environment factors such as highlighted in Table 5.

Table 5: Distribution of PPP-related ISPs by Enabling Factors

Enabling Environment Factors	No.	Net Approvals (UA million)	Countries
PPP Unit Development	3 (16.7%)	138.795 (35.8%)	Cape Verde, DRC, Tanzania
Operationalization of PPP dialogue platform	3 (16.7%)	5.335 (1.4%)	Chad, Comoros, Mauritania
PPP Legal and Regulatory Framework	4 (22.2%)	161.613 (41.7%)	Congo, Ethiopia, Gabon, Seychelles
PPP Policy Framework	6 (33.3%)	68.482 (17.7%)	Ethiopia, Madagascar (2), Mauritius, Seychelles, Zimbabwe
Capacity Building & Feasibility Studies (incl. Training, Study tours, capacity needs assessments)	2 (11.1%)	12.787 (3.3%)	Namibia, Tanzania
Total	18 (100%)	387.4 (100%)	15 countries

Source – OSGE and IDEV

As shown in Table 5 above, the bulk of the PPP-related ISPs was for the creation of the PPP legal and regulatory framework and the development of PPP Units (77% of net amounts) while only few (1.4%) were allocated to operationalizing the PPP Dialogue platform which may be explained by the increased commitment of African countries to create the enabling environment for PPPs. Nevertheless, the development of the PPP policy framework represents the third of the total number of ISPs but only 17.7% of the total net approval amounts (with an average of UA 11,4 million per project).

In addition to these PPP-related ISPs, the Bank has funded technical assistance for PPP projects as well as a loan to build capacity for PPP infrastructure in Nigeria. OPSD provided the technical assistance via the FAPA fund and three PPP projects were identified over the review period. Table 6 below shows the details of these projects.

Table 6: Technical Assistance for PPP Projects by FAPA as of 31 December 2013³⁵

Country	Project Name	Approval Date	Amount (US)	Short Objective/Description
Regional	Gambia River Basin Development (OMVG)	22-Jun-2006	\$800,000	To finance the services of an Advisory Mission to propose to the Authorities of the Gambia River Basin Development Organization (OMVG) a public-private partnership (PPP) option to optimize the implementation of three power projects. Co-financed with NEPAD IPPF.
Regional	Central Africa IT Backbone	8-Dec-2008	\$501,760	Finalize the pre-investment studies and prepare the project for implementation (technical and environmental studies, harmonization of national and regional ICT legislation); establish a PPP operation for the implementation, operation and maintenance of the CAB project. Co-financed with NEPAD IPPF.
Regional	Public Private Partnership (PPP) Port survey	19/12/2013	\$491 450	Identification of Bank interventions for Public Private Partnership (PPP) Port projects.

Source: IDEV

³⁵ http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Fund_for_African_Private_Sector_Assistance__FAPA__Portfolio_TABLE_as_of_31_December_2013.pdf

It is important to note that few of these countries mentioned above have active PPP portfolio under the private sector window³⁶. Also, on the governance side, several departments have responsibilities for PPPs but with no single focal point. The line departments that support infrastructure (energy, water, transport) work both upstream and downstream on PPPs. The Private Sector Operations Department works on private sector development, as well as equity and loan participations directly with private sector. The Governance, Finance, and Economic Management Department works on upstream public sector management, including accounting for financial exposure. The Regional Integration and Trade Department acts as the secretariat for the Infrastructure Consortium of Africa (ICA), as well as being the point of contact with other Africa-based institutions, such as the United Nations Economic Commission of Africa and the African Union and their infrastructure units.

6. The Evaluation Conceptual Model and Methodology

6.1 Evaluation Questions and Focus

The PPP Evaluation is expected to provide answers to the following three overarching sets of questions:

- a. To what extent Bank's PPP interventions are relevant and additional, effective, efficient and yield to sustainable development results and social impact and contribute to inclusive growth, employment, reduction of local disparities and transition to green economy?
- b. To what extent the Bank's policy, strategy and institutional settings including operational guidelines and directives governing the PPPs generation, portfolio management, monitoring and evaluation are relevant and contribute to RMCs PSD and social development impact?
- c. What has worked and what has not worked and why? what are the factors of success and failure that enable and/or hinder successful implementation and achievement of objectives, and what are the lessons of experience including policy implications and potential improvements to inform Bank's future use of PPPs as an intervention instrument.

The Evaluation will thus focus on two main (2) issues, namely the achievement of development results in the context of PPP operations and the management of Bank's PPP interventions; and will comprise a forward looking aspect for future Bank's engagement in closing the infrastructure gap on the Continent through increased PPP investments. In order to allow for a robust synthesis of results information to support the evaluation, a set of preliminary evaluation sub-questions related to the two above-mentioned main areas of focus has been prepared and is presented below:

1. **Achievement of Development Results** – This set of issues will examine how and why development results were achieved or not under the Bank's PPP mechanism. Focus will be on the following issues: Relevance, Effectiveness, Efficiency, Sustainability, Cross-cutting issues (inclusive growth, employment, reduction of regional disparities, gender and youth equality and transition to green economy.
 - To what extent Bank PPP projects and interventions are relevant, effective, efficient, and sustainable?"
 - To what extent have Bank PPP projects and interventions contributed to inclusive growth, employment, and to increased accessibility of the poor and disadvantaged population to social and economic infrastructure including equality for gender and youth, compared to alternatives and other financing options (PuP or PSO only)?"
 - What has worked and what has not worked and why? And what are the key factors of success or failure and/or sectorial experience for higher development results and social impact of PPP projects at the Bank in the context of future PPP hubs?
 - What lessons could be drawn from Bank's PPP engagement?

³⁶ This can be explained by the disconnect between the demand side for ISPs and the actual active portfolio while possible lack of coordination between OPSD and OSGE may exist in delivering the advisory services and capacity building activities on PPs.

2. **Management of Bank's PPP Interventions** – This set of issues will focus on what the Bank has achieved on the ground. Focus will be on the following issues: future strategic framework of Bank's PPP engagement, operational directives and guidance for screening, undertaking due diligence and approval including ex ante additionality and development outcomes assessment, leverage, partnership and coordination, cumulative learning and knowledge management, advisory services and analytical work (ESW), institutional capacity building and technical assistance, innovation and scaling up, and managing for development Results:

- What is the actual and future strategic framework guiding the Bank's PPP engagement (for example, through early involvement in infrastructure project development and a hands-on Infrastructure Project Preparatory Facility)?
- How operational directives and guidance for screening, due diligence and approval including ex ante additionality and development outcomes assessment are effective and efficient as compared to good practices and other MDB operational processes and procedures?
- What are the highlights of the current PPP portfolio (both lending and non-lending interventions) of the Bank?"
- What is the actual and future role of the Bank and to which extent was it effective and efficient in ensuring leverage, partnership and coordination?
- How effective and efficient are advisory services and analytical work (ESW), institutional capacity building and technical assistance provided within PPP interventions?
- How the cumulative learning and knowledge has been used?
- To which extent have Bank's PPP interventions contributed to managing for results within the Bank and RMCs?

6.2 Evaluation Design and Approach

The evaluation is based on a "Theory of Change Approach" which considers the Bank's PPP operations in countries' development context in assessing the extent to which PPP expected outcomes achieved and contributed to sustainable development, the conditions and reasons for the achievement of, or failure to achieve the outcomes and goals (impacts). The theory of change presents the context of PPP evaluation, the inputs and outputs as well as the immediate, intermediate and final Outcomes and Impact. The detailed theory of change is presented in Table 7 below.

Table 7: PPP Evaluation – Theory of Change

Context:				
The continent suffers from a huge infrastructure gap, insufficient private sector involvement in public investments due to weak enabling environment including transparency and good governance. Increased budget constraints and insufficient public spending (weak public finance management) and non-transparent procurement policies and procedures limited the development of PPPs as a solution to promote private sector development, access to infrastructure and reduction of regional disparity and inequality.				
Inputs:				
AfDB High 5s, Private Sector Development (PSD) Strategy, PPP sector policies and strategies AfDB lending and non-lending activities incl. AAA, ESW, TA, PBO, policy dialogue and capacity building Other donor's lending and non-lending activities; Coordination and co-financing				
Outputs:				
<ul style="list-style-type: none"> • 5 pilot regional PPP Hubs • Improved lending and non-lending instruments for the Bank's PPP interventions • RMC PPP laws • RMC sector investment policies and strategies • RMC procurement system and contract management • Regulatory framework for Public Finance Management (PFM) • Improved supervision and M&E of PPP projects • Increased donor coordination and partnership 				
Immediate Outcomes:	Intermediate Outcomes:	Final Outcomes:	Goals:	Impact:
<ul style="list-style-type: none"> • Longer-term investments by AfDB through PPP mechanisms • Enhanced RMCs capacities in leading PPP investment program • Shared responsibility and increased RMCs leadership with effective M&E and public management systems 	<ul style="list-style-type: none"> • Improved AfDB regional decentralization, additionality and institutional effectiveness • Cost-effective (Value for Money) PPPs • Sustainable sector development strategies of PPPs in RMCs 	<ul style="list-style-type: none"> • AfDB as a partner of choice for PPP lending and non-lending • Improved access to cost effective public goods and services/social and economic infrastructure • Good governance incl. fiscal sustainability in RMCs 	<ul style="list-style-type: none"> • Achievement of AfDB corporate goals and mandate • Poverty alleviation / Reduction of inequality and regional disparity • Inclusive growth and transition to green economy 	Contribution to sustainable development in RMCs
Hypothesis and Assumptions:				
<ul style="list-style-type: none"> ✓ 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. 				

The results chain articulation is presented in Annex 6 of the volume 2 of the Inception Report (Technical Annexes). The outcome and impact indicators need, however, to be defined on the basis on the contextual analysis at project and country levels as well as of the related assumptions/risks analysis.

6.3 Evaluation Criteria and Sources of Data

a) Evaluation Criteria

The Evaluation will mainly use as reference guides the Development Assistance Committee (DAC) Principles for Evaluation of Development Assistance,³⁷ the DAC Quality Standards for Development Evaluation,³⁸ and the Good Practice Standards of the Evaluation Cooperation Group³⁹ in conducting the assessments at the various levels. Specific guiding principles to include gender equality and disadvantaged groups into this approach are inclusion, participation and fair power relations. Field Discussions with CSOs, community groups and beneficiaries will help assist in implementing these guiding principles.

The following Evaluation Matrix presents the main Evaluation questions and criteria related to the achievement of development outcomes and the management of Bank's PPP interventions as well as the data sources and data collection methodology. It will serve as an umbrella for the different levels of assessment: project lending or non-lending interventions or country levels, and aggregation (sector and overall results).

³⁷ OECD (1991). *Principles for Evaluation of Development Assistance*. Development Assistance Committee; Paris.

³⁸ OECD (2010). *Quality Standards for Development Evaluation*. Development Assistance Committee, Paris.

³⁹ Of particular relevance to this Evaluation are the *Good Practice Standards for Country Strategy and Program Evaluations* (2008); the *Good Practice Standards for the Evaluation of Public Sector Operations* (February 2012), and the *Good Practice Standards for the Evaluation of Private Sector Investment Operations, Fourth Edition*. November 2 and the ECG Harmonized Evaluation Criteria and Rating, 2013.

Table 8: Evaluation Criteria, Questions, Sources and Data Collection Methods

Evaluation Criteria/Issues	Evaluation questions	Sources of Data/data collection methods
1 – Achievement of Development Results		
PPP Relevance:	To what extent Bank assistance to PPPs and interventions are <i>relevant</i> ?	Country Case Studies field-based or desk work based PRAs. Other Field and desk work; Interviews with Actors and Stakeholders
Strategic alignment to Bank’s policies and strategies including MTS and TYS	Are Bank assistance and PPP interventions aligned to Bank corporate, sector and thematic policies?	CSPs, CSPEs, Bank corporate, sector and thematic policies and strategies Country case studies Interviews of actors and stakeholders
Alignment to country policies, strategies	Are Bank assistance and PPP interventions aligned/appropriate to country development priorities and strategies, policy environment and development needs (fulfilling the infrastructure gaps)?	Country development plans, infrastructure investment plans, PPP policies and strategies Country case studies Interviews of actors and stakeholders
Relevance of Objectives and Quality of the design including risk analysis and mitigation	How relevant are the PPP interventions objectives? How is the quality of the design of Bank assistance compared to alternatives or other options based on fiscal sustainability, risk pricing and sharing, etc.	Structuring and due diligence reports, PEN, PCN and PAR, ADOA notes, Credit Notes Bank interventions ToCs and risk analysis. Country Value for money (VfM) analysis Country case studies PPIAF & EIU documentation Other donors documents
PPP Effectiveness (See Theory of Change⁴⁰ and Annex-7 for details):	To what extent Bank assistance in PPP projects and interventions are effective and yield development results?	CSPEs; Cluster Evaluations; XSR; XSREN; Country Case Studies; field-based or desk-work based PRAs. Other Field and desk work; Interviews with Actors and Stakeholders
Sustainability	Are Bank PPP assistance and PPP interventions sustainable and will continue after the support of the Bank or other donors?	Country case studies Field-based or desk-work based PRAs. Other Field and desk work; Interviews with Actors and Stakeholders CBAs, Socioeconomic analysis Interviews with actors, stakeholders and beneficiary surveys
PPP Cross-cutting issues	To what extent Bank PPP assistance and interventions have contributed or are likely to contribute to inclusive growth?	Country case studies Field-based or desk-work based PRAs. Other Field and desk work; Interviews with Actors and Stakeholders
2 – Management of Bank’s PPP interventions		
PPP Strategic Framework	What is the strategic framework guiding the Bank’s PPP engagement?	CSPs, CSPEs, Bank corporate, sector and thematic policies and strategies
Selectivity	Was Bank PPP engagement selective based on comparative or competitive advantage and strategic (consolidatioof Bank positioning in the infrastructure sector and the country)	CSPs, CSPEs, Bank corporate, sector and thematic policies and strategies Country case studies Interviews of Project assessment teams, actors and stakeholders
Quality of front-end work and additionality	Are Bank interventions well structured with quality due diligence, assessment of development outcomes and additionality?	Structuring and due diligence reports, PEN, PCN and PAR, ADOA notes, Credit notes Country case studies and PRAs Other donors (PPIAF etc...) guidelines and benchmarking studies
PPP operational directives and guidance	How operational directives and guidance for screening, structuring, due diligence, and approval including ex ante additionality & development outcomes assessment are effective and efficient as compared to good practices and other MDB operational processes?	Bank Manuals and guidelines for screening and structure infrastructure projects and PPP Specific guidelines for PPP procurement and contract management ALSF guidance notes on PPP agreements ADOA guidelines and specific templates for PPP interventions Bank corporate, sector and thematic policies and strategies Other donors (PPIAF etc...) guidelines and benchmarking studies Country case studies Interviews of Project assessment teams, actors and stakeholders
Efficient Use of resources	Are Bank PPP interventions efficient and contributed to ensure an efficient use of resources including financial, economic and institutional efficiency?	Country case studies Field-based or desk-work based PRAs. Other Field and desk work; Interviews with Actors and Stakeholders CBAs, Socioeconomic analysis

⁴⁰ See Table 7 and Annex-6 for details.

Evaluation Criteria/Issues	Evaluation questions	Sources of Data/data collection methods
		Interviews with actors, stakeholders and beneficiary surveys
Bank's role and contribution to leverage, partnership and coordination	What is the role of the Bank and to what extent was it effective and efficient in ensuring leverage, partnership and coordination?	CSPs, CSPEs, Bank corporate, sector and thematic policies and strategies Country case studies Interviews of Project assessment teams, donors, actors and stakeholders
Policy Dialogue, ESW, Advisory services, analytical capacities and institutional strengthening	How effective and efficient are advisory services and analytical work (ESW), institutional capacity building and technical assistance provided within PPP interventions?	CSPs, CSPEs, Bank corporate, sector and thematic policies and strategies Country case studies Interviews of OPSD, OSGE, ALSF, ORPF, EDRE, Project assessment teams, donors, actors and stakeholders
Innovation and Scaling Up	Has the Bank provided solutions adapted to country and project contexts including innovative approaches?	CSPs, CSPEs, Bank corporate, sector and thematic policies and strategies Country case studies Interviews of OPSD, OSGE, ALSF, ORPF, EDRE, Project assessment teams, donors, actors and stakeholders
Contribution to Managing for Development Results	To what extent have Bank's PPP interventions contributed to managing for results within the Bank and to RMCs?	CSPs, CSPEs, Bank corporate, sector and thematic policies and strategies Country case studies Interviews of OPSD, OSGE, ALSF, ORPF, EDRE, Project assessment teams, donors, actors and stakeholders
Factors of Success or Failures	What are the critical factors of success or failure	CSPs, CSPEs, Bank corporate, sector and thematic policies and strategies Country case studies Interviews of OPSD, OSGE, ALSF, ORPF, EDRE, Project assessment teams, donors, actors and stakeholders
Overall Assessment, Conclusions, Lessons and Recommendations	Overview of findings, conclusions and Lessons to be learned	

Specific and detailed evaluation questions, criteria and data collection methods, derived from the main evaluation matrix are developed at project level (Annex 7) and country level assessments (See Annex 10) of volume 2 of the Inception Report. Annex 8 presents the PPP Project Evaluation Guide and Template while Annex 9 presents the Project Results Assessment (PRA) Rating Guidance Notes. Detailed evaluation questions, criteria and data collection methods for non-lending TAs, ISPs and ESW are also developed (Annex 11). In addition to the guidance, a quality assurance (QA) will be implemented internally. The QA will be guided by a form and involve a concurrent review of PRAs by typically two (2) IDEV staff, followed by a comparison/discussion to qualify each PRA (as meeting the minimum quality threshold for inclusion in the synthesis or to be reviewed or rejected).

A PPP portfolio review will also be conducted to generate standard portfolio Key performance indicators (KPIs) such as the disbursement ratio, average size, composition (green-field, brown-field projects), quality at entry and at exit, potentially problematic and project at risk, and evolution over time by sector, regions, income countries etc., and will respond to the following questions:

- To what extent were PPP operations aligned to the Bank strategic vision (PSD and other high level strategic objectives in priority areas)? How has the Bank deployed its instruments to support PPP? To which extent the PPP portfolio Pipeline is aligned to the strategic objectives of the actual Bank strategies and the “High 5s”? To what extent have PPP operations contributed to enhanced Bank’s visibility, institutional effectiveness and efficiency, and development effectiveness (including sustainable development or SDGs)?
- To what extent do the quality and performance of PPP portfolio adhere to established quality at entry criteria, timelines; cost estimates, and implementation performance, financial performance (nonperforming loans) including the financial returns it has generated for the Bank (Investments profitability)? How is the Bank managing PPP investment risks (assessing and pricing investment risk)?
- What are the underlying causes for PPP interventions financing effectiveness and disbursement delays? To what extent does quality-at-entry default have a cost and/or negative impact on the PPP portfolio performance?
- To what extent ADOA ratings and implementation contribute to desired outputs and outcomes?

- How effective was portfolio management at HQ and field offices in reducing PPP projects at risk and operations cancellation? What is the quality at exit of matured operations based on XSR and XSREN and what is the Net disconnect of project ratings? What are the critical factors of success or failure?

The Guiding Template of the Portfolio Review is presented in Annex 12 of Volume 2 of the Inception Report. Furthermore, due to the particular importance of the PPP-related ISPs, Policy Dialogue, ESW, Advisory services, analytical capacities and institutional strengthening initiatives, specific questions, criteria and data collection methods were developed to carry-out an in-depth assessment. Specifically, the review will answer the following questions:

- To which extent PPP TAs, ISPs, Budget support components (General or Sectoral), Capacity strengthening and ESW are consistent and aligned to the Bank and country Strategic Objectives?
- What is the 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?
- To which extent the generated analytical work, advisory services and knowledge products have been used by countries and Bank policymakers, project managers and other Stakeholders?
- 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)?
- 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?
- What are the factors that have permitted/contributed or limited to Bank non-lending activities (TAs, ISPs, BSO components etc.) achievements?
- What has worked or has not worked and why? What are the lessons to be learned in future Bank non-lending activities?

b) Sources of Information

The evaluation will rely on internal and external documentation, triangulated statistical data at project level, country or development agencies, and will comprise an in-depth literature review of various available sources particularly of the MDBs. Official country statistical and administrative data will be, to the extent possible, corroborated and/or triangulated with other available sources, particularly from the Bank, IMF, WB, IFC, and UN agencies with specific reference to the various study reports or data analyses. The Bank PPP hubs, RECs and Country offices, clients, financiers or counterparts will also be an important source of information.

PPP projects documentation such as PCN, PAR, ADOA, CSN, PSR, PCRs, XSRs as well as country documentation (CSPs, CSPE, CPPRs,...), ex ante social impact study and PRAs conducted within the Country Strategy and Program Evaluations (CSPEs) under the Comprehensive Evaluation of Bank assistance 2004-2015 will be used as background documentation for this evaluation. Country sources of information will be related to economic and social data, regulatory and legislative framework, private investment attractiveness, fiscal sustainability, inclusiveness, environmental and social safeguards as well as PPP funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows), Value for Money analysis, procurement, contract management and implementation of the Government PPP Unit. These will be the central and sector ministries, private sector companies, local authorities, beneficiaries, CSOs, donors (MDBs, DFID, USAID, AFD, ALSF), PPP agencies/regulators.

Other sources of secondary qualitative and quantitative data and/or perceptions will be gathered through interviews, mini-surveys or surveys with relevant counterparts, government officials, beneficiaries, investors, industry associations, civil society organizations, academia, and other suitable stakeholders, complemented by data gathering and site visits (See the detailed evaluation output templates in the technical Annexes (Volume 2 of the Inception Report).

6.4 Evaluation and Data Collection methodology

The chosen methodology is one of mixed methods with the utilization of participatory processes at project/intervention (lending or non-lending), country and sector levels. The combination of the application of quantitative and qualitative methodologies will allow the identification of good practices, lessons learned and recommendations on the way forward. More importantly, it will make use of:

- A retrospective results framework approach and Contribution Analysis (CA) (see above) using multiple data sources and triangulation.
- Discussions with key stakeholders (country officials, CSOs and beneficiaries) within the framework of semi-structured or field surveys will favor their enrolment in the process while seeking their views on key findings and conclusions
- Cost-benefit analysis (CBA) of infrastructure PPPs to determine the socio-economic benefits.
- An inclusive and gender-responsive approach (mainly at project level).
- Structured surveys of Bank Task Managers and co-financiers or partners (such as ALSF, PPIAF, etc..) will also be implemented, particularly through the benchmarking exercise.
- An analysis of external factors and unintended effects to sustain the Attribution/Contribution Analysis.

a) Project Level Assessment (Lending Activities)

The evaluation will mainly focus on the infrastructure projects (power and transport) as they constitute 94% of total PPP portfolio (see section 5). The detailed project level assessment or Project Result Assessment (PRA) will be conducted by either the Consultant/ Consulting firm hired to support the PPP evaluation process, or internally. Sixteen (16) PRAs will be field-based for totally disbursed or completed and close to completion projects and desk work-based for purposively selected active or completed projects to complement the country case and sector studies. It is to be highlighted that simplified PRAs will be prepared for on-going or active projects which will focus on actual implementation performance and likelihood of potential results. Detailed guidance is provided in order to minimize risks of non-consistent assessment across countries.

b) Assessment of Non-Lending Activities

The assessment will be conducted at all ISPs (18 interventions) as well as all identified non-lending activities and will be aggregated at country, sector and overall levels.

c) Country Level Assessment

Nine (9) Country Case Studies will be carried out to answer the questions provided for in the Evaluation Results Matrix. The purpose is to assess the quality of Bank assistance in supporting RMCs PPP agenda and implementing the PPP financed transactions as well as contributing to achieving high development results in terms of inclusive accessibility, affordability, poverty reduction, gender, youth and regional disparities. Country case studies will also assess how well the Bank has managed PPP interventions in terms of the work quality, additionality, policy dialogue, ESW, Advisory services, analytical capacity and institutional strengthening, work coordination, leverage and scaling up.

Country Case Studies will be based on an in-depth analysis of Bank's assistance strategies to develop infrastructure through PPP modalities using Bank's financing instruments (investment lending, guarantees, partial guarantees, equity participation, risk management, etc...) as well as non-lending activities such as ESWs and knowledge products, ISP, TAs, policy dialogue, donor coordination and leverage. The in-depth analysis will also look for variation factors and contrast findings across countries/RMCs taking into account the contextual effects. The country case studies will seek to:

- Collect data on long term performance of AfDB supported PPP interventions;
- Collect feedback from country stakeholders, including government, implementing partners and beneficiaries;

- Verify the results achieved through Bank’s support to PPPs in the selected countries using comparison analysis;
- Assess the relevance, alignment and selectivity of Bank’s contribution including its additionality through policy development, economic and sector work, and institutional capacity building of countries utilizing PPP to promote hard and social infrastructure;
- Test the Results Framework of Bank interventions which involve support to PPPs;
- Identify the factors which contribute or limit the achievement of sustainable development results (including fiscal and institutional) through PPPs;
- Provide descriptive examples to support the broader evaluation, both in terms of good practices that require improvement.

The individual countries are selected through application of a stratification procedure in order to obtain a good coverage of the Bank's support to PPPs in terms of:

- Geographic distribution (North, South, Central, East, West);
- Level of sophistication of the regulatory environment and institutional framework⁴¹ in developing sustainable and efficient PPP projects;
- Sectoral distribution of Bank’s support (energy, transport, social and lending/non-lending, policy dialogue and towards PPP development);

The purposive sample of countries has the following properties:

- It covers 20 projects representing 68% of total PPP portfolio as well as of the net commitments;
- It represent 75% of the totally disbursed loans for completed projects;
- It represents the bulk of the regulatory environment and institutional frameworks in Africa (Emerging and Nascent) (See Table 1 in Section 4).

This will allow for a rich and diverse learning experience with a differentiation regarding countries’ PPP design and implementation agenda as a strategic framework⁴² to fulfill/close the infrastructure gaps and market failure while adopting the right regulatory and legislative environment for PPP infrastructure. The proposed purposive sample of country case studies is set as follows:

Table 9: Selected Countries as Case Studies:

Countries	Number of Projects	Totally Disbursed	Net Commitment (in M UA)	Sectors	EIU Rank 2015	EIU Score 2015
North						
Morocco	2	2	368.1	Power	2	51.8
Tunisia	1	1	54.1	Transport	7	45.4
Sub-Total	3 (15%)	3 (20%)	422.2 (40%)	Power, Transport		
West						
Cote d'Ivoire	3	3	111.9	Transport, Power	6	45.5
Senegal	3	3	70.5	Transport, Power		n.a.
Sub-Total	6 (30%)	6 (35%)	181.4 (17%)	Transport, Power		
Central						
Cameroon	3	3	88.6	Power	11	51.4
Sub-Total	3 (15%)	3 (20%)	88.6 (8%)	Power		
East						
Djibouti	1	1	55.9	Transport		n.a.
Kenya	2	1	134.0	Power	3	51.4
Uganda	2	2	80.4	Power	8	45.1
Sub-Total	5 (40%)	4 (25%)	270.3 (26%)	Transport, Power		
South						
Zambia	3	-	90.8	Power, Mining	13	34.2
Sub-Total	3 (15%)	-	90.8 (9%)	Power, Mining		
Sample Projects Total	20	16	1045,3	Power, Transport, Mining		
Total PPP Portfolio	32	32	1455,7			
% of Total PPP Portfolio	68%	50%	68%			

Source: BDEV and 2015 EIU PPP business environment scores and ranking

d) PPP Institutional Arrangements in MDBs - A Benchmarking

⁴¹ This is based on the Economic Intelligence Unit (EIU) Benchmarking Index Scoring

⁴² PSD policy and strategy, Industrialization strategy

As the majority of MDBs and bilateral development agencies have full-fledged work programs on PPPs, an analysis of the strategic relevance of PPPs across these agencies, the nature of their support, their organizational and institutional arrangements and solutions to deliver on their respective PPPs will help draw useful lessons to the Bank. This analysis will benchmark their experience with implementing as well as identifying the emerging issues in managing PPPs. This will include questionnaires and when possible visits to selected MDBs (World Bank/IFC/MIGA, EIB, EBRD, IaDB, AsDB and AFD)⁴³. The specific questions/issues to be covered by the benchmark analysis are the following:

1. Strategic relevance of PPPs
 - a. Specific PPP policy and strategy guiding MDB/Bilateral agency PPP financing and support
 - b. Specific Operational work plan and guidance for upstream (ESW, AAA, capacity building) and/or downstream support (investment services and support for implementation and exit)
 - c. Knowledge generation and management (feedback, dissemination and use)
2. Organizational and institutional arrangements
 - a. Institutional arrangement (corporate policy, PPP unit/hub and/or focal points, Strategy/Operational Unit within the institution, decentralized delivery)
 - b. Organizational arrangement: Mandate: authority and responsibility, staffing and budget resources;
 - c. Financing instruments (lending and non-lending, dedicated trust fund)
 - d. Relationship with internal policy and operations in charge of private sector (or infrastructure) development
 - e. Relationship and coordination with other donors in joint activities
3. Active and completed portfolio and development results
 - a. Volume and number of financed PPPs during the last decade, by region and sector (Trend analysis); active vs completed;
 - b. Processes and operational guidelines
 - c. PPP Portfolio management: performance and efficiency (quality at entry, quality of supervision, time length for structuring including origination and due diligence, effectiveness, implementation and completion)
 - d. Co-financed PPP operations and support
4. Achievement of development results (Development effectiveness)
 - a. Satisfactory performance of PPPs (achievement of outputs, outcomes and impacts)
 - b. Sustainability of outcomes and impacts
 - c. End-users/beneficiary satisfaction and ownership
5. Emerging issues, barriers, enabling factors affecting performances, solutions delivered and future plans
 - a. Emerging issues from past experience of PPP support
 - b. Barriers, Enabling Factors affecting performances
 - c. Solutions delivered
 - d. Planned evaluations of PPP policy, strategy, operations and support
 - e. Future plans towards PPP operations and support

e) Aggregation/Synthesis of the Various Level Assessments

The aggregation/synthesis of the various level assessments will be for the non-lending interventions, at the sector level, and overall.

Non-lending Review Synthesis - The Purpose of this Synthesis is to summarize the findings and conclusions of all the Non-lending activities, including policy dialogue, ESW, TAs, Advisory Services and Institutional

⁴³ These institutions have extended PPP portfolio and strong experience in funding PPPs

Support (ISPs) and Capacity strengthening. The Summary guiding note and proposed note outline is presented in Annex 11 in Volume 2.

Sector Synthesis (Power, Renewable Energy, Transport)⁴⁴ – The purpose of the Sector Case Studies is to assess the quality of Bank assistance in supporting RMCs PPP agenda and implementation of the PPP sector financed transactions and non-lending 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 Reviews 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 aggregation/synthesis of the evaluation results drawn from PRAs, Country Case Studies and ISP reviews 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. It will also analyze 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 Guiding Template and proposed outline is presented in Annex 13 of Volume 2 of the Inception Report.

Overall Synthesis/Aggregation: A Synthesis/Aggregation of the evidence-based findings and conclusions triangulated through the various sources of evaluative information such as the PRAs, country case studies, sector reviews, benchmarking analysis, interview notes will be carried out. It will help assist in drawing conclusions on the quality of Bank assistance in supporting RMCs PPP agenda and implementation of the PPP financed transactions as well as its contribution to achieving its corporate goals and mandate in terms of inclusive accessibility, affordability, poverty reduction, gender, youth and regional disparities, covering the High Fives' topics. It includes the analysis of specific drivers of success and failure of PPP interventions at a PPP sector/country and thematic level, and how the Bank has made or will make a difference in contributing to RMCs sustainable development goals by closing the infrastructure and inclusiveness gaps, for example. The Synthesis will also draw conclusions on the Bank strategic fit and institutional effectiveness in assisting RMCs in creating the PPP enabling environment and appropriate investment climate, the Bank's contribution to development results and management of its PPP interventions. The proposed outline for the CODE Synthesis report is presented in Annex 14 of Volume 2 of the Inception Report.

6.5 Audience of the Evaluation and Communication Strategy

a) Stakeholders

The results of this evaluation will benefit a multitude of key stakeholders:

Regional Member Countries (RMCs)

The evaluation will provide RMCs with credible, independent, and evidence-based information on how Bank support to various sectors via the PPP modality can be better utilized to contribute to their development objectives, particularly hard and social infrastructure development, private sector development. The evaluation will be instrumental in identifying factors that contribute to the effectiveness of these initiatives and maximize benefits to RMCs.

Civil Society Organizations (CSOs)

The evaluation will support CSOs (NGOs, communities, etc.) in their advocacy role by providing them with credible, independent, and evidence-based information on development results and impacts achieved through Bank funded projects utilizing the PPP arrangement. In addition, the evaluation will provide cumulative knowledge to CSOs participation and will help identify opportunities for strengthening their role through increased sector participation in key social and economic infrastructure within RMCs and its effect on the poor.

Donors

⁴⁴ These sectors represent the bulk of the portfolio. It is suggested to have a specific sector review report to the PPP in the renewable energy sector due to its potential development in Africa.

The evaluation will support donors in their accountability to their constituents by providing them with credible, independent, and evidence-based information on development results achieved through Bank funded projects utilizing the PPP arrangement. In addition, the evaluation will provide cumulative knowledge to the donor community and specialized organs in charge of PPP policy advice and delivery. It will also identify opportunities for strengthening donor cooperation and Bank's coordination through increased private sector participation and CSOs in key infrastructure sectors within RMCs.

The Bank's Board and Management

The Board and Bank management will benefit from an independent, credible assessment of the Bank's achievements to date in contributing to sustainable development outcomes through a PPP modality.

This information can then be used to support policy development and decision-making to maximize the efficiency and effectiveness of future initiatives, specifically the intended PPP hubs creation. In particular, the evaluation will provide useful information on:

- The institutional and contextual factors that contribute to or limit success of PPPs and strategies using PPP modalities;
- The experiences of other MDBs and donors; and
- Innovative practices, tools and instruments that can be incorporated into ongoing activities and future Bank's role through the new PPP hubs.

Bank Staff and Development Partners

The evaluation will provide Bank staff and other development partners with key lessons learned for maximizing the contribution of PPP projects to the achievement of sustainable development results. This information can then be used to inform the planning and implementation of Bank policies, strategies, programs, and projects.

Evaluation Community

IDEV will share the lessons it learns from conducting this evaluation with the wider evaluation community. It will document some of the methodological issues and constraints, the extent to which the evaluation was utilized by the different stakeholders, key risks that were involved and how these risks were mitigated. Furthermore, this exercise would promote the role of evaluation as a powerful knowledge tool in advancing development effectiveness in Africa. There is currently a high level of interest among RMCs for evaluation, both in terms of better utilizing evaluation to support evidence-based policy and in terms of harnessing the private sector and PPPs to achieve sustainable development results.

b) Communication Strategy

IDEV will develop and refine a multi-pronged communication strategy throughout the conduct of the evaluation in order to share, disseminate, and consult on interim and final evaluation findings. The follow up and Dissemination will be the responsibility of IDEV. In particular, the independent evaluation department plans to:

- Present the findings and recommendations of the evaluation at learning events to be arranged at HQ and in RMCs. The events will allow IDEV to share the results of the evaluation and discuss strategies for implementing the recommendations.
- Develop communication materials (videos, pamphlets, policy briefs and slide shows) that are user-friendly, innovative and tech-savvy. The materials will help ensure that the findings, recommendations, and lessons learned from the evaluation are disseminated and shared with a wide audience in a manner that is informative, engaging, and accessible.
- Explore opportunities to present the findings of the evaluation at key conferences and events. Given the strong interest in PPPs as a modality of promoting social and economic infrastructure through private sector involvement, IDEV will identify opportunities to incorporate the presentation of the evaluation's findings into its existing evaluation capacity development activities and events in RMCs.

7. Key Evaluation Activities and Work Plan

The Evaluation will be conducted in four (4) major phases:

1. Phase 1: In-depth Documentation and Literature Review
2. Phase 2: Field Data Collection and Analysis
3. Phase 3: Evaluation Findings and Conclusions Sharing
4. Phase 4: Reporting Phase

7.1 In-Depth Documentation and Literature Review

The PPP projects documentation (PCN, PAR, ADOA, CSN, PSR, PCRs, XSRs etc...) as well as country documentation (CSPs, CSPE, CPPRs,..) including the PRAs conducted within the Country Strategy and Program Evaluations (CSPEs) under the Comprehensive Evaluation of Bank assistance 2004-2015 will be reviewed to assess project results and the preparation of the data collection and analysis phase using the qualitative and quantitative secondary data.

Economic and social data, specifically disaggregated data, regulatory and legislative framework, private investment attractiveness, fiscal sustainability, inclusiveness, environmental and social safeguards as well as PPP funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows) will be collected. Other Value for Money data and information on procurement policies and procedures, contract management and implementation of the Government PPP Unit will also be collected and analyzed. Furthermore, the use of country diagnostics from the Infrastructure Consortium for Africa (ICA) is important for the evaluation.

A critical literature review will be conducted to ascertain the initial PPP contextual analysis and findings undertaken during the Stocktaking and the Scoping missions (see section 4) and cover other topics such as transparency, public disclosure of contractual arrangements and service delivery, data on long term performance of PPPs, PPP Concessional financing types, etc. This will also help assist in conducting the benchmarking exercise and institutional effectiveness assessment. Other issues would be the risk of misallocation of resources when injecting grants in PPPs that would otherwise not be financially feasible (blended PPPs). Furthermore, in order to get a full understanding of the regional African context, a more detailed overview of the PPP enabling environments and PPP markets in Africa, data on PPP activity levels (by private sector and MDBs) will be collected for a sectoral and regional analysis.

7.2 Field Data Collection and Analysis

The Field data collection missions with support from local/national authorities and AfDB's IDEV staff will be undertaken for a purposive sample of infrastructure projects and will serve as an input to the project level assessment and to the proposed country case studies. The data collected from the various data sources will be analyzed based on the approved issues-indicator matrix and aggregate assessment.

During the field visit to the countries and projects, the evaluation team will evaluate Bank PPP interventions in greater detail and answer the evaluation questions at the country level (see Annex 10 of the volume 2 of the Inception report) through interviews with relevant counterparts, government officials, beneficiaries, investors, industry associations, civil society organizations, academia, and other suitable stakeholders, complemented by data gathering and site visits.

Interviews and possibly visits to other MDBs and Development agencies such as the World Bank, IFC, MIGA, EIB, EBRD, IaDB, AsDB and AFD, will be organized to help assist in the benchmarking exercise on PPP Institutional arrangements.

7.3 Evaluation Findings and Conclusions Sharing

The Evaluation team will organize a technical workshop to share findings with relevant Bank departments, and use participatory approach in developing high quality recommendations by engaging experts as well as the potential users of the evaluation results. Other technical workshops and presentations will be organized

in selected countries and MDB Headquarters to share the evaluation findings and conclusions. (See the Communication Strategy in Section 6 para.6.5b).

7.4 Reporting Phase

The Reporting phase will comprise the following activities:

- Draft the country case studies, sector review notes, ISP review notes, Portfolio analysis, and evaluation synthesis report;
- Submit workshop presentation reports including the institutional benchmarking across the selected MDBs and make any required adjustments/ revisions based on comments from the Task Manager and IDEV Management, as well as relevant departments within the Bank;
- Submit Draft reports for selected case studies and make any adjustments/revisions based on comments from the Task Manager and IDEV Management, the Reference Group, internal and external peer reviewers;
- Submit the Final Evaluation Reports;
- Make presentations as required by IDEV Task Manager/ Management;
- Submit Draft Evaluation Reports and make any required adjustments/revisions based on comments from the Task Manager, and IDEV Management, as well as relevant departments within the Bank.

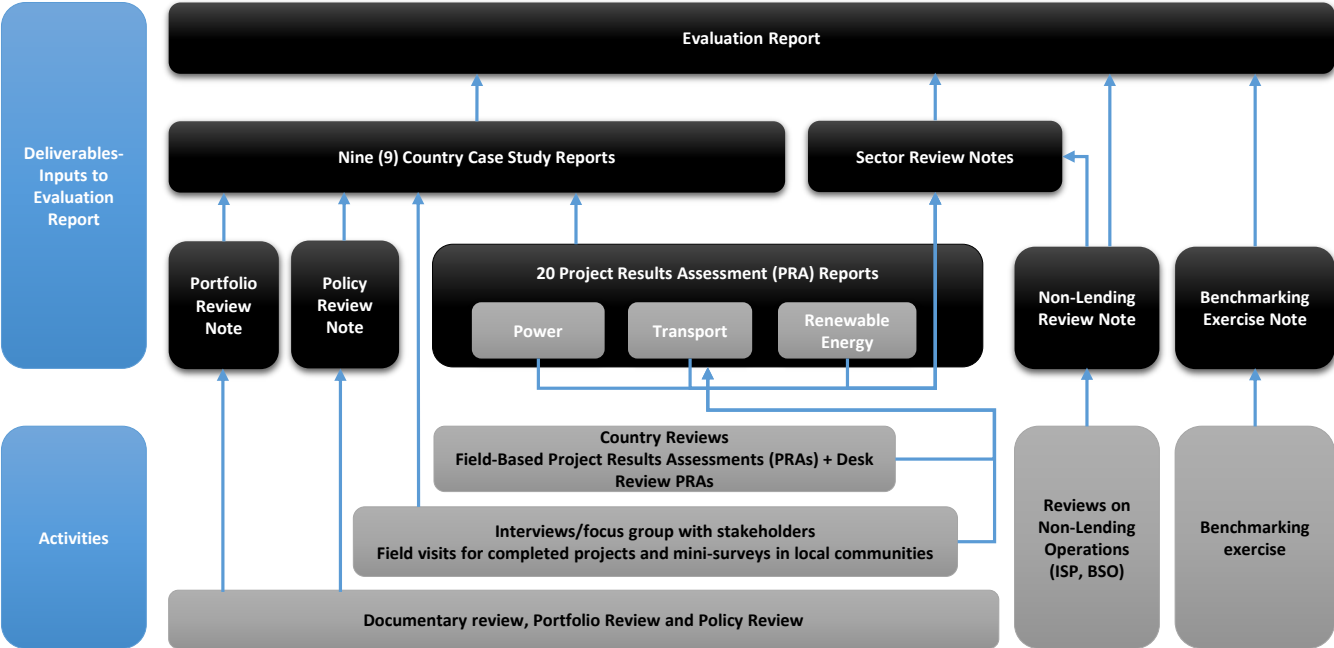
The Evaluation Outputs are the following:

1. A Portfolio Review Report
2. A Policy Review Report
3. Twenty (20) Project Results Assessments
4. Non-lending interventions Review Note
5. PPP Institutional Arrangements in MDBs (Benchmarking Exercise Note)
6. Nine (9) Country Case Studies
7. Three (3) Sector Synthesis Notes (Power, Renewable Energy, Transport)
8. The Evaluation Report

Proposed outlines for these Outputs are presented in Annex 8 to 14 of the Volume 2 of the Inception Report (Technical Annexes).

The following graph shows the integration and interdependence between the evaluation components/Outputs:

Figure 8 - Integration and Interdependence of the Evaluation Components/Outputs



Source: IDEV

7.5 Proposed Work Plan for the Evaluation

This section presents the work plan for the activities with a timeline to undertake the evaluation including the finalization of the proposed approach and methodology for data collection, literature review, field work, review and analysis, reporting and dissemination phases.

It is expected that the evaluation would be conducted by a Consulting firm within a duration of fifteen (15) months. A level of effort of 164 person-weeks (41 person-months or 1,148 person-days) is estimated. This will include three (3) bilingual PPP sector experts specialized in the power, transport, and renewable energy sectors, and a team leader with high level experience in monitoring and evaluation of PPP interventions. The evaluation may also need more expertise from the legal, legislative, judiciary and procurement to complement the institutional and legislative country environments.

Figure 9: Proposed Work Plan for the Evaluation

Phase	Tasks	Unit of Account	No.	Unit Level of Effort (person-weeks)	Level of Effort (person-weeks)	M+1	M+2	M+3	M+4	M+5	M+6	M+7	M+8	M+9	M+10	M+11	M+12	M+13	M+14	M+15
1 In-depth Documentation and Literature Review	Conduct an in-depth documentation and literature review;	Expert	2	4	8	[Gantt bar from M+1 to M+6]														
					8	[Gantt bar from M+1 to M+6]														
2 Field Data Collection and Analysis	Conduct an assessment of the project results using secondary data; Carry-out the data collection mission with support from local/national authorities and AfDB/IDEV staff; Analyze the data collected from the various data sources based on the approved issues-indicator matrix and aggregate assessment; Conduct the benchmarking exercise on PPP Institutional Arrangements in MDBs with possible visits to (World Bank, IFC, Miga, EIB, la DB, AsDB and AFD)	PRA	20	1	66	[Gantt bar from M+1 to M+6]														
					20	[Gantt bar from M+1 to M+3]														
					20	[Gantt bar from M+3 to M+5]														
					20	[Gantt bar from M+5 to M+6]														
					20	[Gantt bar from M+4 to M+6]														
3 Evaluation Findings and Conclusions Sharing	Conduct a technical workshop to share findings with relevant Bank departments, and use participatory approach in developing high quality recommendations by engaging experts as well as the potential users of the evaluation results.	Expert	2	3	4	[Gantt bar from M+5 to M+6]														
					4	[Gantt bar from M+5 to M+6]														
4 Reporting Phase	Draft PRAs and ISP Reviews Draft the country case studies, sector review notes, ISP review notes, Portfolio analysis, and evaluation synthesis report; Submit workshop presentation reports including the institutional benchmarking across the selected MDBs and make any required adjustments/ revisions based on comments from TM, IDEV Management and relevant departments within the Bank; Submit Draft reports for selected case studies and make any adjustments/revisions based on comments from the Task Manager and IDEV Management, the Reference Group, internal and external peer reviewers; Submit the Final Evaluation Reports; Make presentations as required by IDEV Task Manager/ Management; Submit Draft Evaluation Reports and make any required adjustments/revisions based on comments from the Task Manager, and IDEV Management, as well as relevant departments within the Bank.	PRA	1	1	86	[Gantt bar from M+7 to M+15]														
					1	[Gantt bar from M+7 to M+15]														
					15	[Gantt bar from M+7 to M+10]														
					2	[Gantt bar from M+8 to M+9]														
					2	[Gantt bar from M+10 to M+11]														
					2	[Gantt bar from M+11 to M+12]														
					5	[Gantt bar from M+12 to M+13]														
					2	[Gantt bar from M+13 to M+14]														
15	[Gantt bar from M+14 to M+15]																			
		Total			164	person-weeks														
					41	person-months														
					1,148	person-days														

* Main Reports: 1 Portfolio Review Note, 1 Policy Review Note, 1 Benchmarking Note, 1 Non-Lending Review Note, 9 Country Case Studies, 3 Sector Synthesis Reports and 1 Evaluation Report.