

Unlocking Infrastructure Investment: PPP Trends, Reforms, and PPP Resources for Practitioners



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Agenda

1. Current trends in Private Investments in Infrastructure in Low- and Middle-Income countries and how they are being financed: PPI & SPI data
2. Explore the linkages between PPP regulatory reforms and infrastructure investments, examining how policy changes can enhance investor confidence and in turn lead to increased investments: Benchmarking Infrastructure Development Findings
3. Tools, Knowledge Resources, Platforms in support of Private Capital Enabling & Mobilization (PCE/PCM)
 - ❖ ChatPPP Demo and Sign Up

1. Current Private Investment Trends: Global & Asia

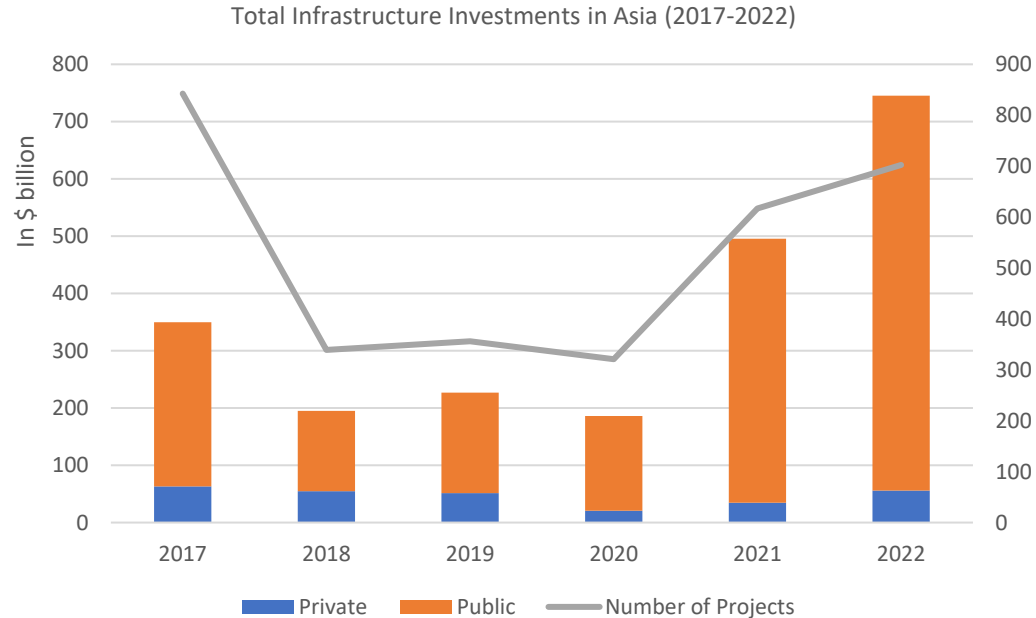


What share of infrastructure project investments in Asia do you think is covered by the public sector?

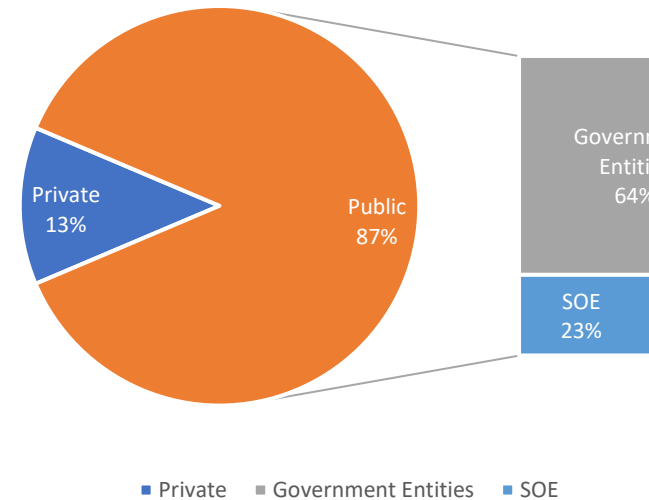
i Start presenting to display the poll results on this slide.

Infrastructure investment in Asia is growing steadily, led by China and India

\$2.2 Trillion in Infrastructure Investments Across 3,177 Projects in Asia (2017-2022)



The share of Public/Private Infrastructure Investment Commitments, Asia (2017-2022)

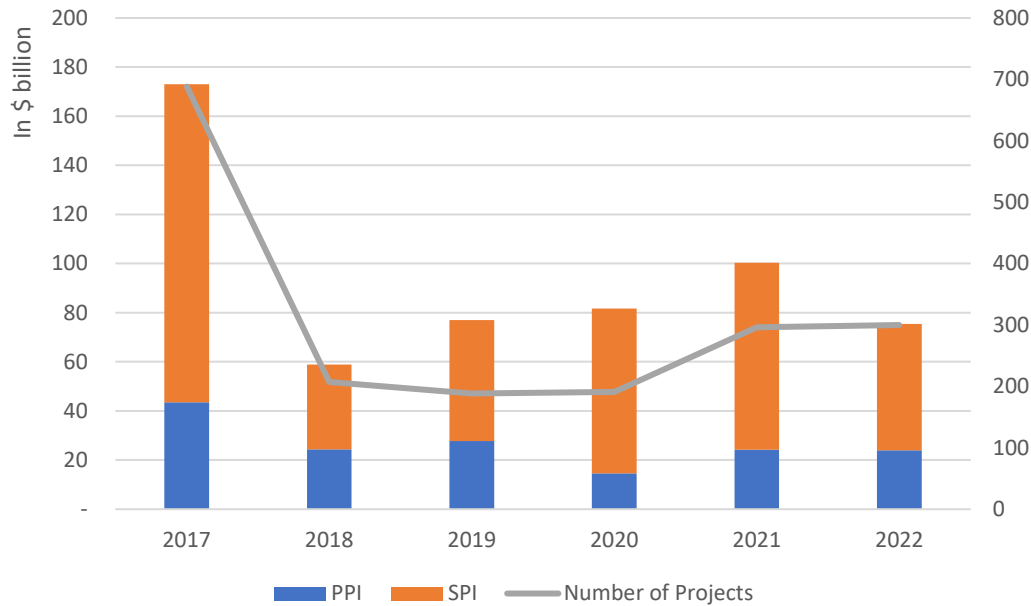


- Total infrastructure investment commitment in all LMIC is \$2.92 trillion and 84% of total infrastructure investment commitments come from public sector.
- In Asia, infrastructure investment commitments in Asia from 2017 to 2022 amounted to \$2.2 trillion, averaging \$366.3 billion annually.
- This represents about 1.4% of Asia's 2022 GDP (LMIC only), slightly above the LIC/MIC average of 1.2%, but still below the ideal benchmark of 4.5%.
- East Asia and Pacific (EAP) is responsible for 65% (\$1.9 trillion) of the total infrastructure investment. Europe and Central Asia (ECA) with \$248 billion and South Asia Region (SAR) with \$270 billion follow, contributing 9% respectively.
- 13% of total infrastructure investment commitments in Asia come from the private sector, indicating significant potential for increased private sector involvement in the region's infrastructure development.
- Infrastructure investments in Asia have seen steep growth post-pandemic, driven primarily by China, which accounts for 74% of the region's total infrastructure investments.

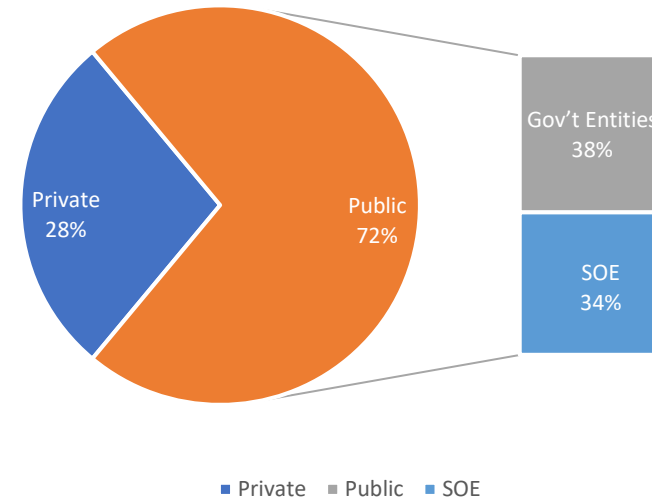
If we look at the shares of private investments in other Asian countries excluding China, it is much higher, with Vietnam leading the charge

**\$566 billion in Infrastructure Investments in Asia (ex. China)
Across 1,870 Projects
(2017-2022)**

Total Infrastructure Investments in Asia excluding China (2017-2022)



The share of Public/Private Infrastructure Investment Commitments (2017-2022)



Country	Private Percentage (2017-2022)
Vietnam	54%
Lao PDR	47%
Pakistan	43%
Kazakhstan	39%
Thailand	35%
Solomon Islands	35%
Timor-Leste	35%
Myanmar	32%
Indonesia	30%
India	30%
Sri Lanka	29%

- Total infrastructure investment commitments in Asia excluding China from 2017 to 2022 amounted to \$566 billion, averaging \$94.3 billion annually.
- This represents about 1.2% of Asia's 2022 GDP (LMIC only), which is at par with the LIC/MIC average of 1.2%
- **28% of total infrastructure investment** commitments in Asia come from the private sector



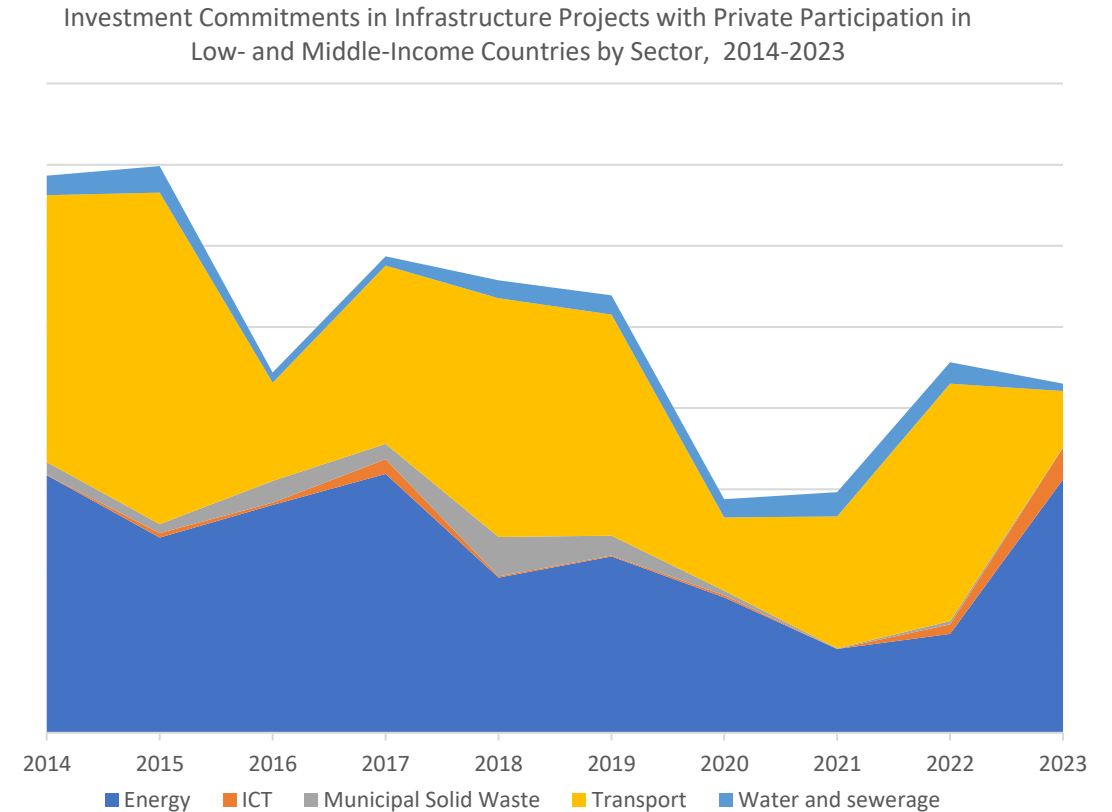
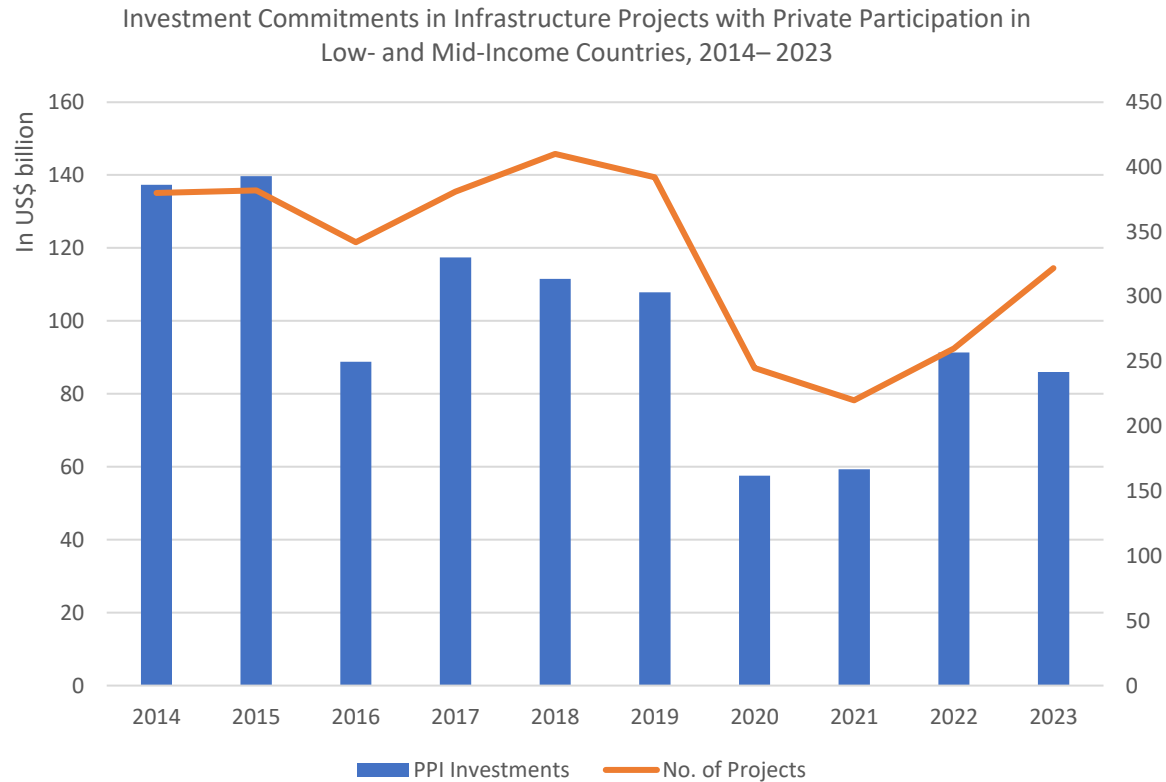
Which country is the biggest PPI investment destination in Central Asia (2014-2023)?

EAP leads in total infrastructure investment, but SAR and Central Asia rely more on private and DFI support

	<i>EAP</i>	<i>SAR</i>	<i>Central Asia</i>
Total Investments in US\$ billion (2017-2022)	1,905	271	23
Annualized Infrastructure Investment as a share of GDP	1.5%	1.0%	1.0%
PPI share of Total Infrastructure investments (against public)	11%	25%	23%
PPI Projects with DFI Support (by Number of Projects)	9%	23%	80%
Country with the largest PPI	China	India	Uzbekistan
Sector with the largest PPI	Roads	Electricity, Roads	Electricity

- Total infrastructure investment commitments in the EAP region are much higher compared to SAR and Central Asia.
- However, as a percentage of regional GDP, all three regions fall within a similar range of 1% to 1.5%.
- The private sector's involvement in Asia is slightly higher in SAR and Central Asia, whereas it is notably lower in EAP.
- Among these three regions, EAP has the lowest share of PPI projects supported by DFIs, though this share is still above the average for LIC/MIC countries. Central Asia, on the other hand, has the highest reliance on DFI support for closing PPI projects

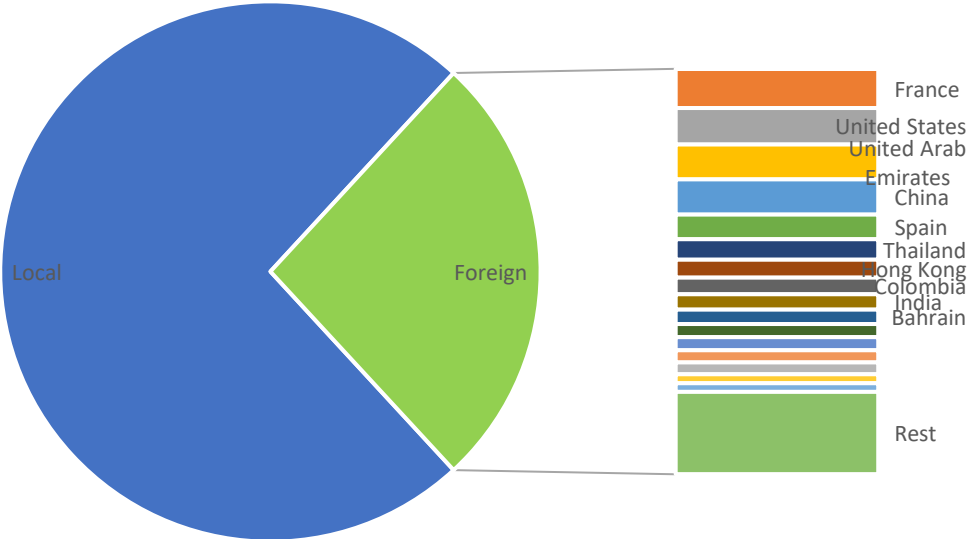
Global PPI trend 2023:Overall



- PPI investment in 2023 amounted to \$86.0 billion, representing 0.2 percent of the GDP of all low- and middle-income countries (\$38.8 trillion). Overall, PPI has been on a slow declining trend since 2014.
- This marks a slight decrease from \$91.3 billion in 2022, but total commitments in 2023 still marginally exceeded the previous five-year average (2018-2022) of \$85.5 billion.
- The energy and transport sectors have been the major drivers of PPI, although energy saw a gradual decline until 2022. In 2023, energy regained its position as the largest sector.

Global PPI trend 2023: Sponsors

Proportion of International to Local Sponsors in Low- and Mid-income Countries with Private Investment Commitments, 2023



- In 2023, 26 percent of PPI investments came from foreign sponsors, consistent with previous years.
- If we exclude China, 50 percent of global PPI investments are from foreign sponsors.
- The regions with the highest contribution from foreign investors in 2023 were the Middle East and North Africa (MENA) and Sub-Saharan Africa (SSA). In MENA, all 14 PPI projects in 2023 were sponsored by foreign companies.
- In SSA, 83 percent of all PPI projects were sponsored by foreign companies. Conversely, East Asia and Pacific (EAP) and Latin America and the Caribbean (LAC) had the majority of projects sponsored by local companies.

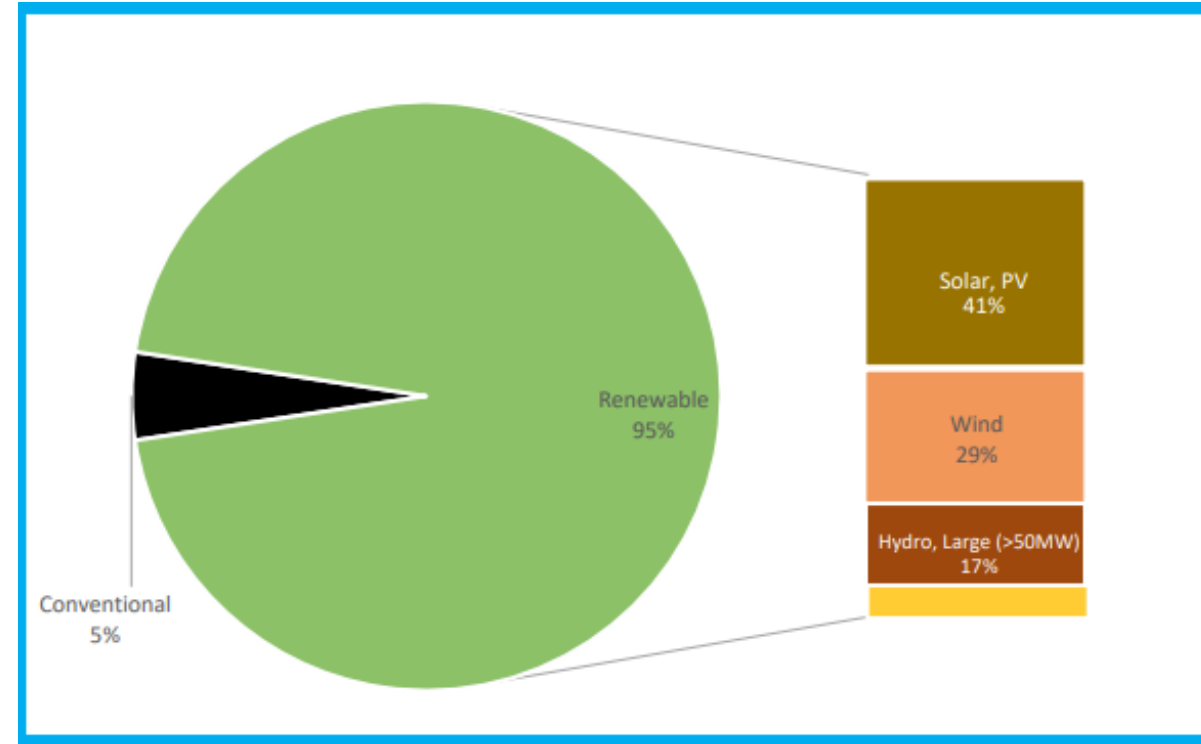
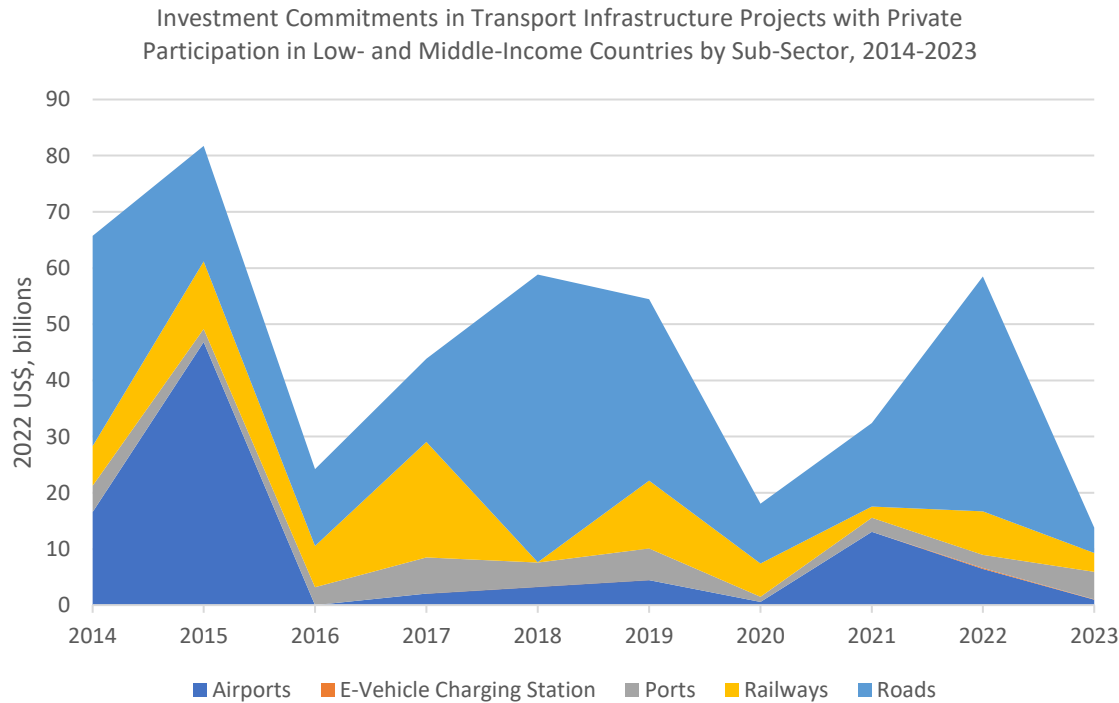
Major Infrastructure Sponsors for non- Asia Projects

- ACS Group (Actividades de Construccion y Servicios, Spain)
 - ACWA Power (Saudi Arabia)
 - Bollere Group (France)
 - Brookfield Asset Management Inc (Canada)
 - DP World (UAE)
 - Enel SpA (Italy)
 - Odebrecht SA (Brazil)
 - State Grid Corporation of China (SGCC) (China)
 - SUEZ/ENGIE (France)
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Major Infrastructure Sponsors for Projects in Asia

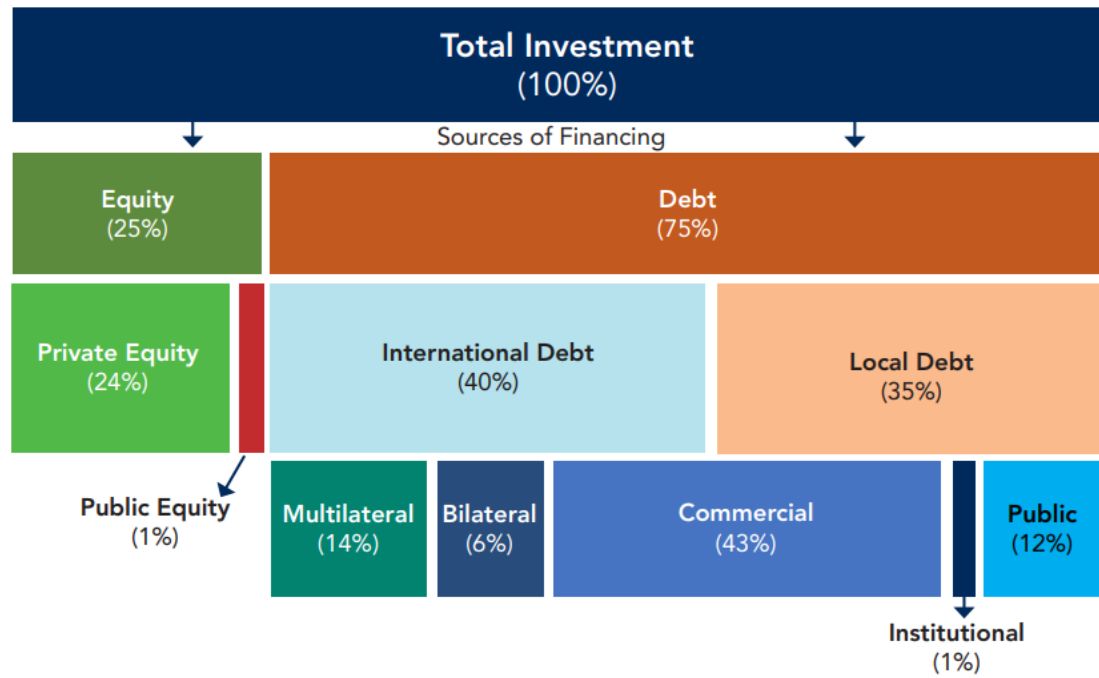
- Adani Group (India)
 - Ayala Corporation (Philippines)
 - GMR Group (India)
 - Itochu Corporation (Japan)
 - J-POWER (Japan)
 - State Grid Corporation (China)
 - Marubeni Corporation (Japan)
 - Mitsui (Japan)
 - San Miguel Corporation (SMC) (Philippines)
 - Udenna Group (Philippines)
-

PPI Subsector Trend 2023

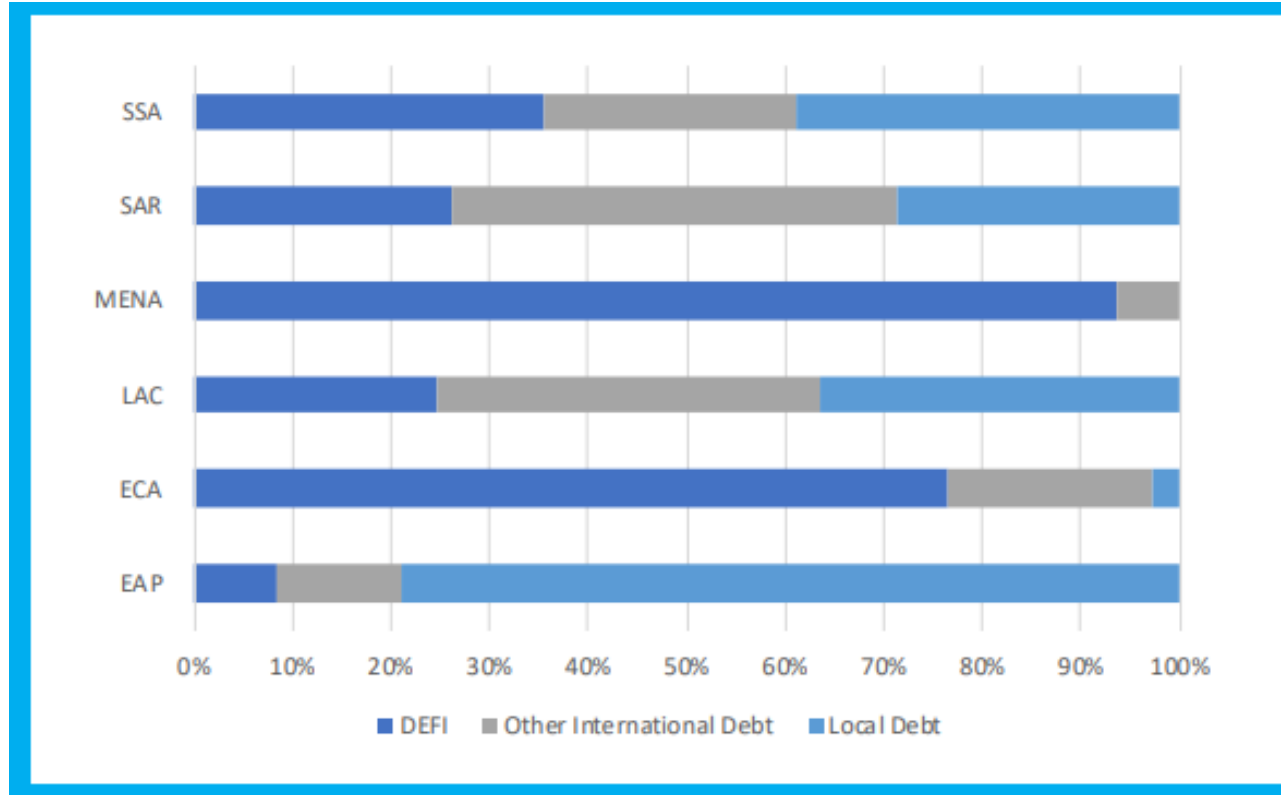


- Transport investment has fluctuated over the past 10 years, with the road subsector being the major driver for global Transport PPI. (Big Road PPI projects destination are in China, India, Colombia)
- PPI investments in the energy sector are increasingly focusing on environmentally sustainable options.
- Solar PV technology accounted for 41 percent of all power generation capacity in low- and middle-income countries. Wind technology followed as a cost-effective and reliable source of renewable energy, accounting for 29 percent of all energy investments.
- The port subsector was indeed one of the most severely impacted by the pandemic, along with airports. However, its recovery has been strong, slowly returning to pre-pandemic levels, led by LAC and MENA/SAR.

Source of Finance, Global PPI, 2023

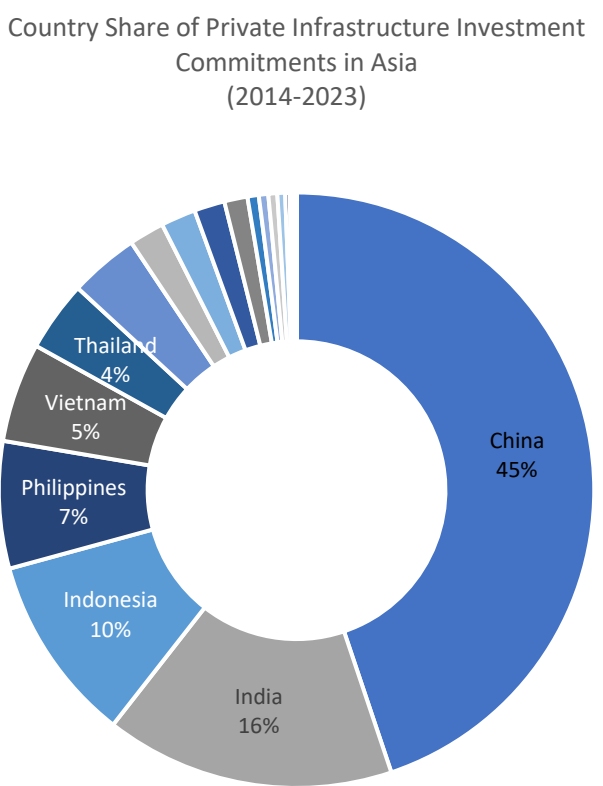


* All figures as a percentage of total investment Source: PPI Database, World Bank, as of January 2024.



- Approximately 13 percent came from public sources.67 percent came from private sources.20 percent came from DEFIs
- EAP was the only region where local debt dominated PPI investments in 2023, accounting for 80% of the total debt.
- In contrast, MENA had no local financing, and ECA only a minimal amount, with most loans from multilateral institutions.
- SSA saw a significant share of local debt, driven by an increase in PPI projects in South Africa.

Asia's private investment, led by China and India, has been focused in Transport and Energy



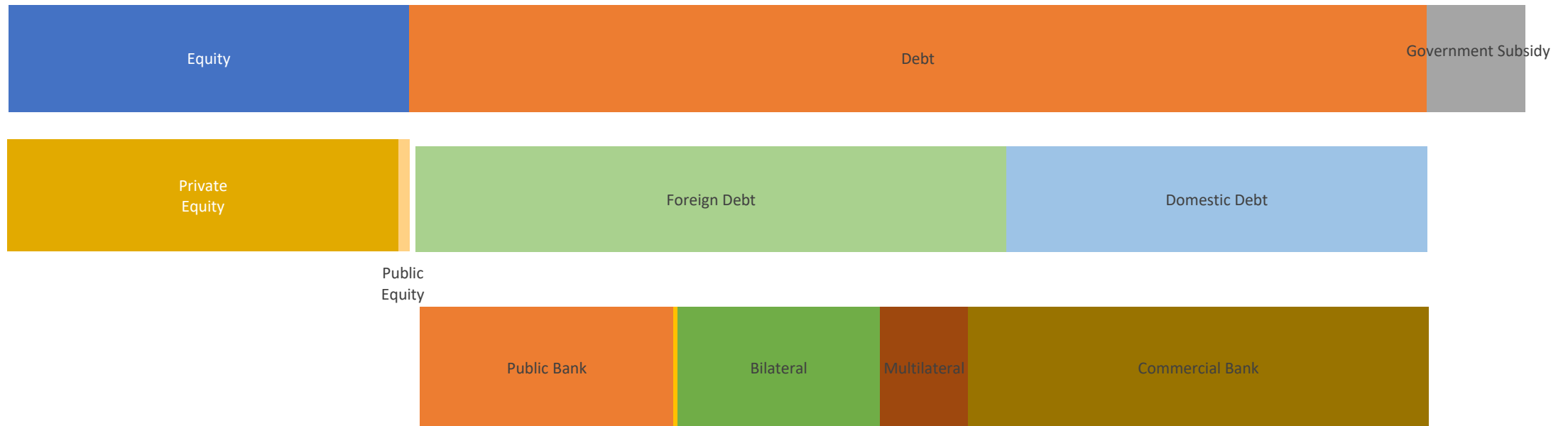
Largest Project in three regions	Project Cost	Region
Maynilad Water Services	8,270.06	Philippines
Jakarta Bandung High-Speed Railway	7,163.56	Indonesia
Kualanamu airport concession	6,480.17	Indonesia
Tanjung Jati B Coal Plant Units 1-4	6,272.17	Indonesia
Tanjung Bin Power Plant	5,966.13	Indonesia
Johor Water Supply	5,778.32	Malaysia
Kazakhstan natural gas transmission system	1,093.92	Kazakhstan
Sirdarya combined-cycle gas turbine plant	1,082.19	Uzbekistan
Syrdarya II Combined Cycle Gas Thermal (CCGT) power plant	1,082.00	Uzbekistan
Sangtuda 1 Hydropower Plant	1,045.24	Tajikistan
Ekibastuz GRES-1	936.65	Uzbekistan
ACWA Bash wind farm	690.00	Central Asia
Mundra Thermal Power Project	5,461.10	India
Sasan Ultra Mega Power Plant	5,437.12	India
Jindal Tamnar Power Plant Phase I and II	5,417.77	India
Krishnapatnam Ultra Mega power plant	5,134.92	India
L&T Hyderabad Metro Rail Private Limited	4,735.14	India
KSK Mahanadi Power Co Ltd	4,599.57	India
Noida airport	4,309.31	India

- Over the past ten years, total private investments in Asia reached \$480.1 billion, 48% of global PPI.
- Key contributors include China (45%), India (16%), Indonesia (10%), and the Philippines (7%).
- Largest sector: Transport (Road) and Energy (Power Generation)
- PPI growth in Asia was strong until COVID hit the region in 2020, which led to the biggest slump with record-low PPI reported. Since then, it has been showing a strong growth trend again



Which category of the following financiers have contributed to the largest portion of debt financing for PPI infrastructure projects in Asia (ex. China)?

Source of PPI Financing in Asia, ex. China (2018-2022)



*Based on 211 projects with perfect financing information

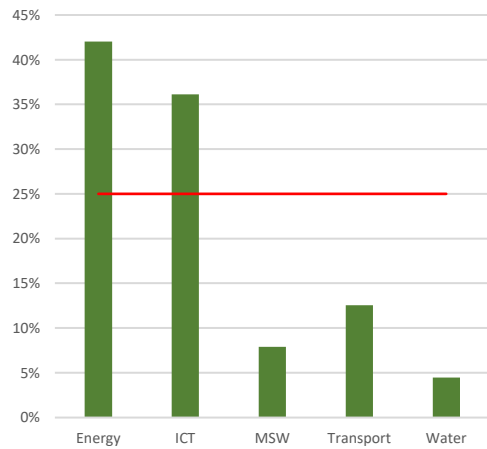
- Asia, compared to other developing regions, is known for its advanced banking sectors. Loans from commercial banks play a pivotal role in private infrastructure, and both local and foreign debt hold similarly important roles in this region.
- Asia, particularly India, is one of the regions where government subsidies are significant. Governments often provide direct support to road projects to enhance their bankability.



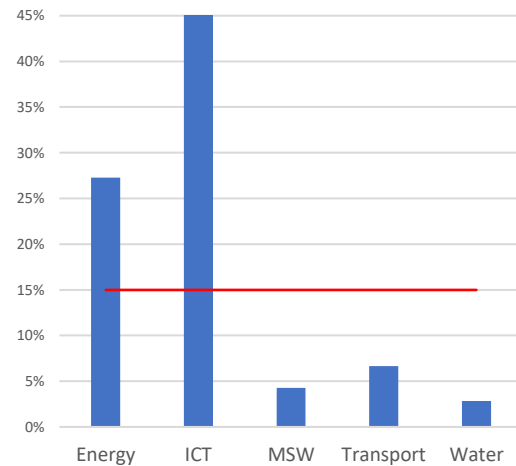
Which infrastructure sector in Asia received the highest amount of DFI support in the last decade?

MDBs play a major role in AFE's PPI investment, especially in power projects, with significant support and guarantees from the World Bank Group and other MDBs working together

PPI Projects in Asia with DEFI Support (2014-2023)
By Investment Volume



PPI Projects in Asia with DEFI Support (2014-2023)
by Number of Projects



■ Share of PPI with DEFI support — LMIC Asia Average

■ Share of PPI with DEFI support — LMIC Asia Average

Major Multilateral Institution

EAP	ADB, IFC, MIGA, AIIB, EBRD (Mongolia)
SAR	IFC, IBRD, ADB, AIIB
Central Asia	EBRD, IFC, GCF, AIIB (Uzbekistan)

Provided \$12.6 billion loan to PPI projects in Asia 2014-2023

Major Bilateral Institution

EAP	JBIC, JICA, China Development Bank, EXIM bank of China, KEXIM
SAR	FMO, China Development Bank (Pakistan), OPIC, KfW
Central Asia	Russian-Kyrgyz Development Fund, JBIC, DEG

Provided \$34.4 billion loan to PPI projects in Asia 2014-2023

DEFI Support :

- In Asia, 15% of PPI projects received some form of support from multilateral institutions, mobilizing \$119 billion worth of projects across the region. This compares to 17% in all LMICs.
- Only 31 projects of 1,647 PPI projects (1.8%) in Asia had guarantees - which is significantly lower than the LIC/MIC average of 4%. These 31 guarantees have mobilized \$23.7 billion worth of projects.
- Majority of these guarantees were arranged for power generation projects
- Countries with most guarantees transaction in Asia: Myanmar, Uzbekistan, Vietnam

Trends and Challenges in Public-Private Partnerships (PPP) for Infrastructure in Developing Countries

- PPPs are a key tool for governments in developing countries to:
 - **Improve selection** – grantor must complete studies, run a full financial assessment and otherwise
 - **Mobilize capital to conserve scarce fiscal resources**- the infrastructure investment needed to meet the increasing demand for infrastructure
 - **Improve revenues** – leverage land values, commercial opportunities, carbon credits and other economic development
 - **Increase efficiency and improve service delivery** - to address inefficiencies in the provision of infrastructure services.
- For these reasons PPPs are also used by international financial institutions, as a means of delivering efficient, sustainable infrastructure services and mobilizing private capital.
- As any mode of financing, in particular where it relies on foreign direct investment, will respond to global market conditions, cost of debt, inflation, logistics constraints, trade restrictions, pandemics, wars ...

2. Role of Regulatory Reforms

PPP regulatory reforms and infrastructure investment

Figure 1: Number of Economies Adopting Major PPP Regulatory Reforms, 1990-2022, by Region

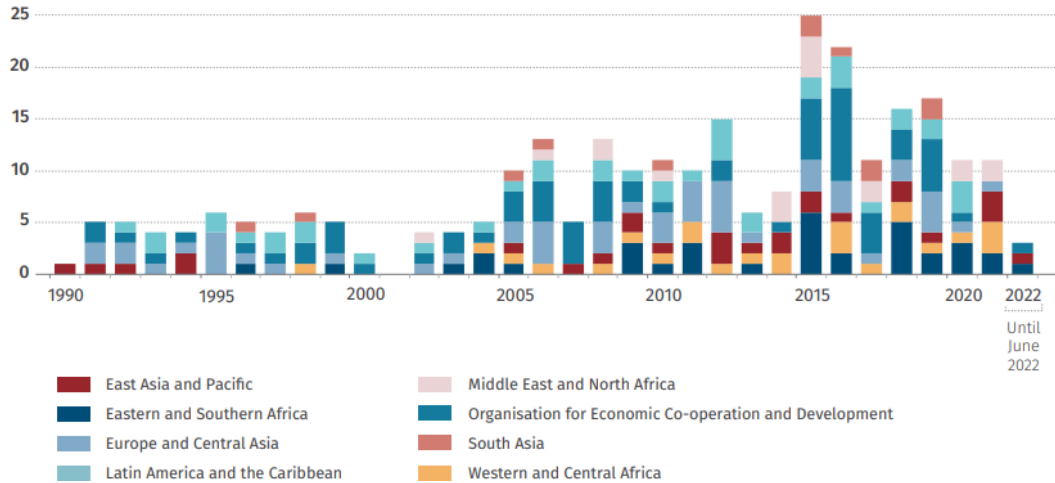


Figure 2: Number of Economies Adopting Major PPP Regulatory Reforms and Total PPP Investments (US\$, billions), 1990-2022

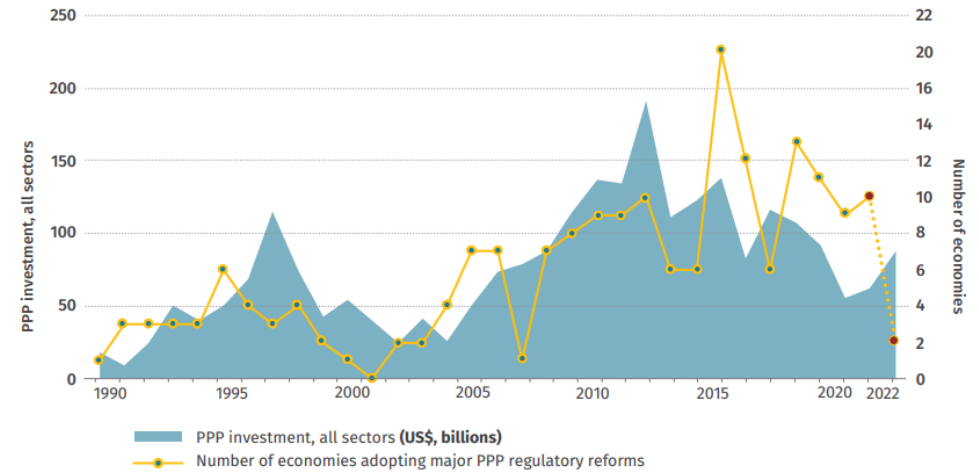
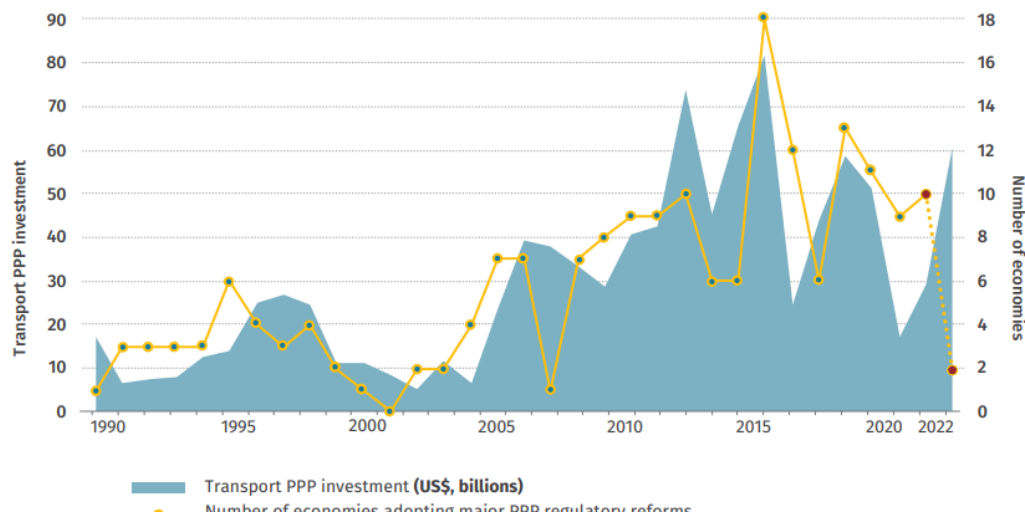
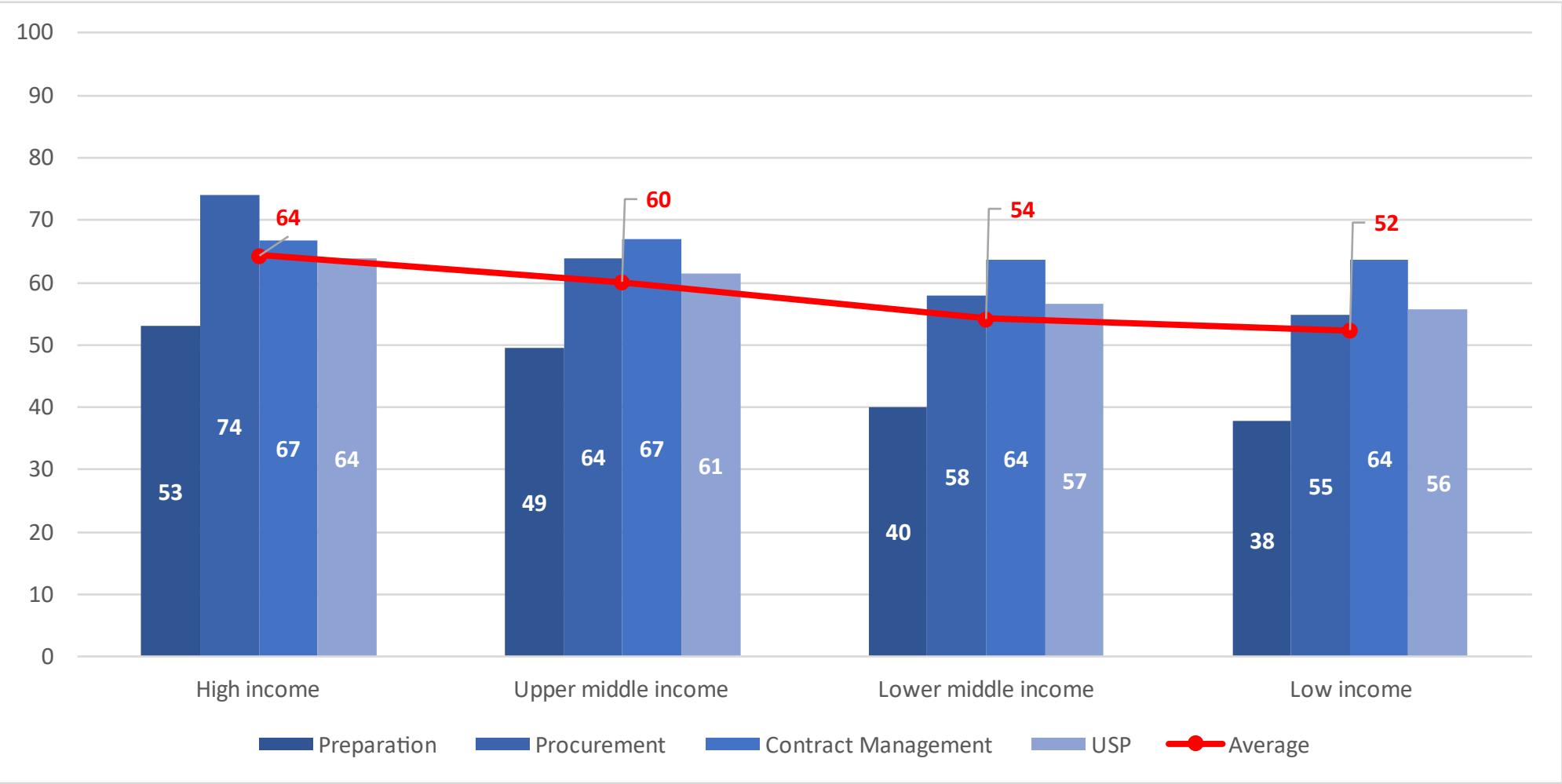


Figure 3: Number of Economies Adopting Major PPP Regulatory Reforms and Transport PPP Investments (US\$, billions), 1990-2022



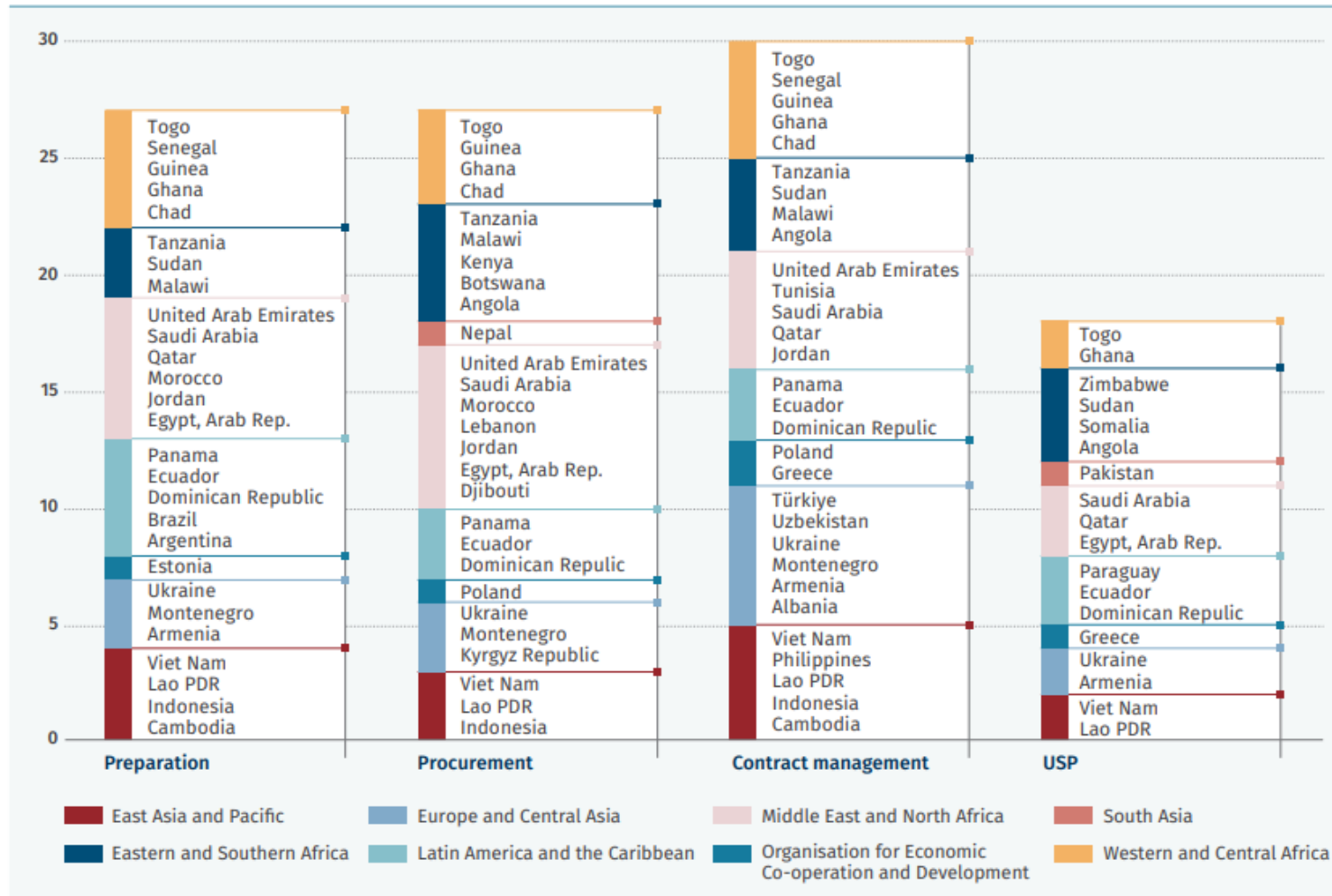
- Figures 2 & 3 show a similar trend between PPP investments & no of countries instituting reforms – they move similarly over time with a certain lag as it may take a few years after the reform to see projects reaching financial closure
- Transport PPP investments align more closely with PPP regulatory reforms, likely due to the focus on highway projects in BID's data. Some sector-specific reforms, like energy, may not be fully captured in the BID database.
- A study covering 99 developing countries (1990-2019) found that major PPP reforms led to a marginal average increase of ~\$488 million in PPP investments.
- For transport-specific PPP investments, the average increase ranged from \$173M to \$213M, with the most significant effect (\$211M) observed two years after reforms.

Higher income countries exhibit better PPP regulatory quality in all phases of PPP lifecycle



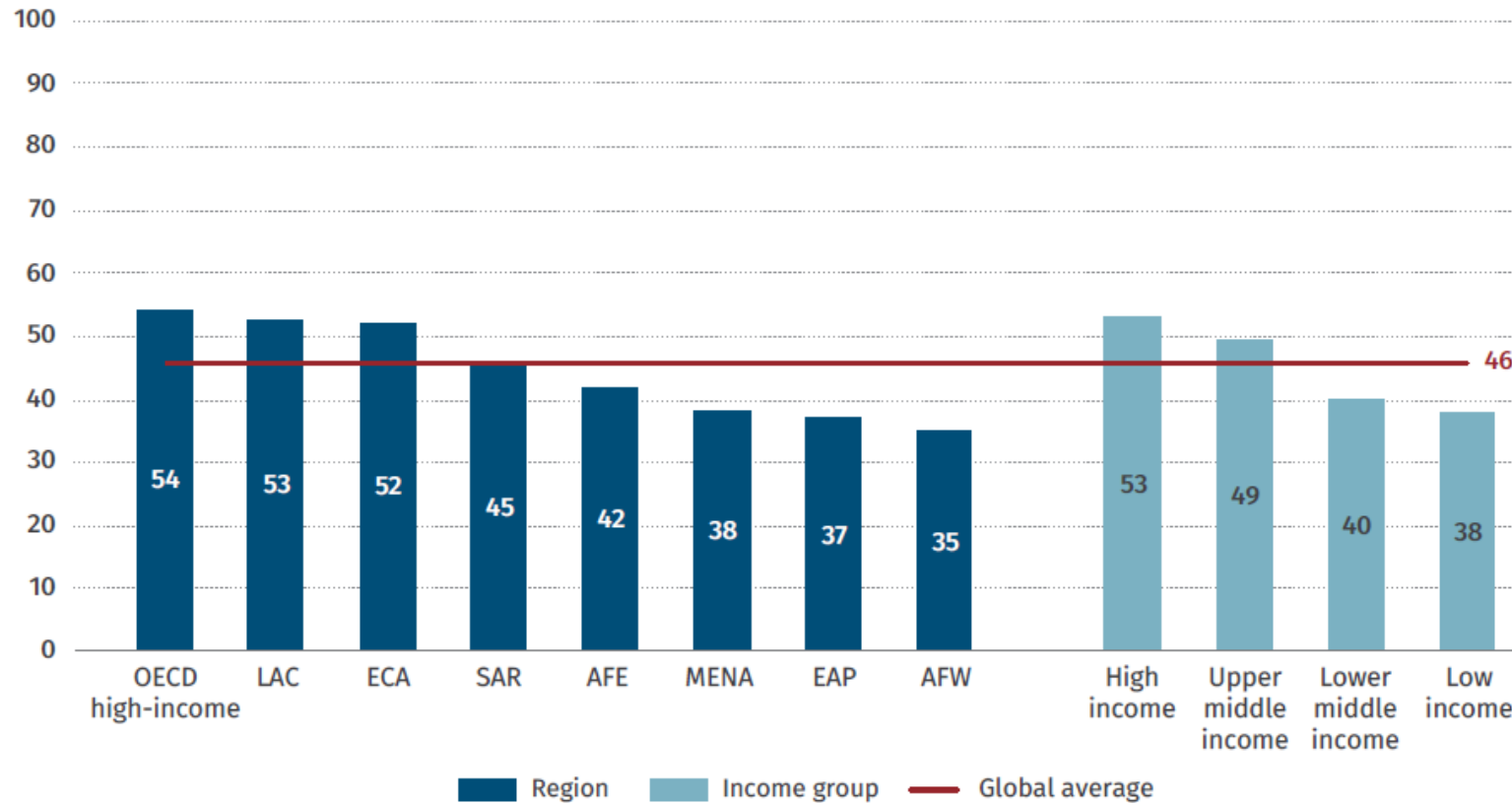
<https://ppp.worldbank.org/public-private-partnership/tools/benchmarking>

PPP regulatory reforms by thematic area and region in 2023



Most of the regions have seen changes in all four thematic areas except South Asia where each of the two economies improved in only one area.

Benchmarking Project Preparation Phase Scores, By Region & Income Groups



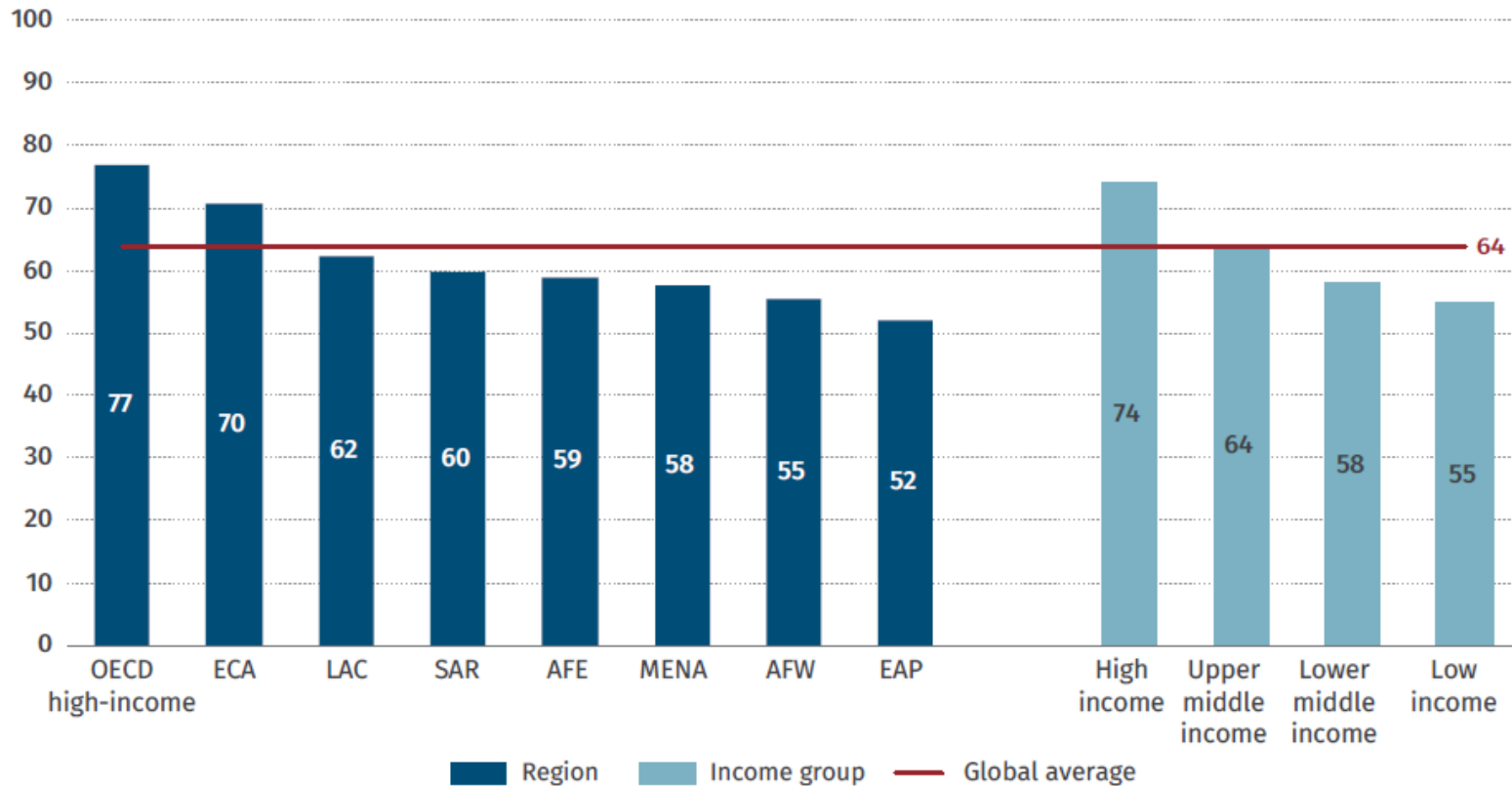
The OECD and high-income economies consistently lead all other regions and income groups. Latin America and the Caribbean (LAC) and Europe and Central Asia (ECA) also exceed the global average of 46 points.

Analyzing the data by income level shows that as an economy's income decreases, its average score for the project preparation phase tends to decline

Source: Benchmarking Infrastructure Development 2023.

Note: AFE = Eastern and Southern Africa; AFW = Western and Central Africa; EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; OECD = Organisation for Economic Co-operation and Development; SAR = South Asia.

Benchmarking Project Preparation Phase Scores, By Region & Income Groups



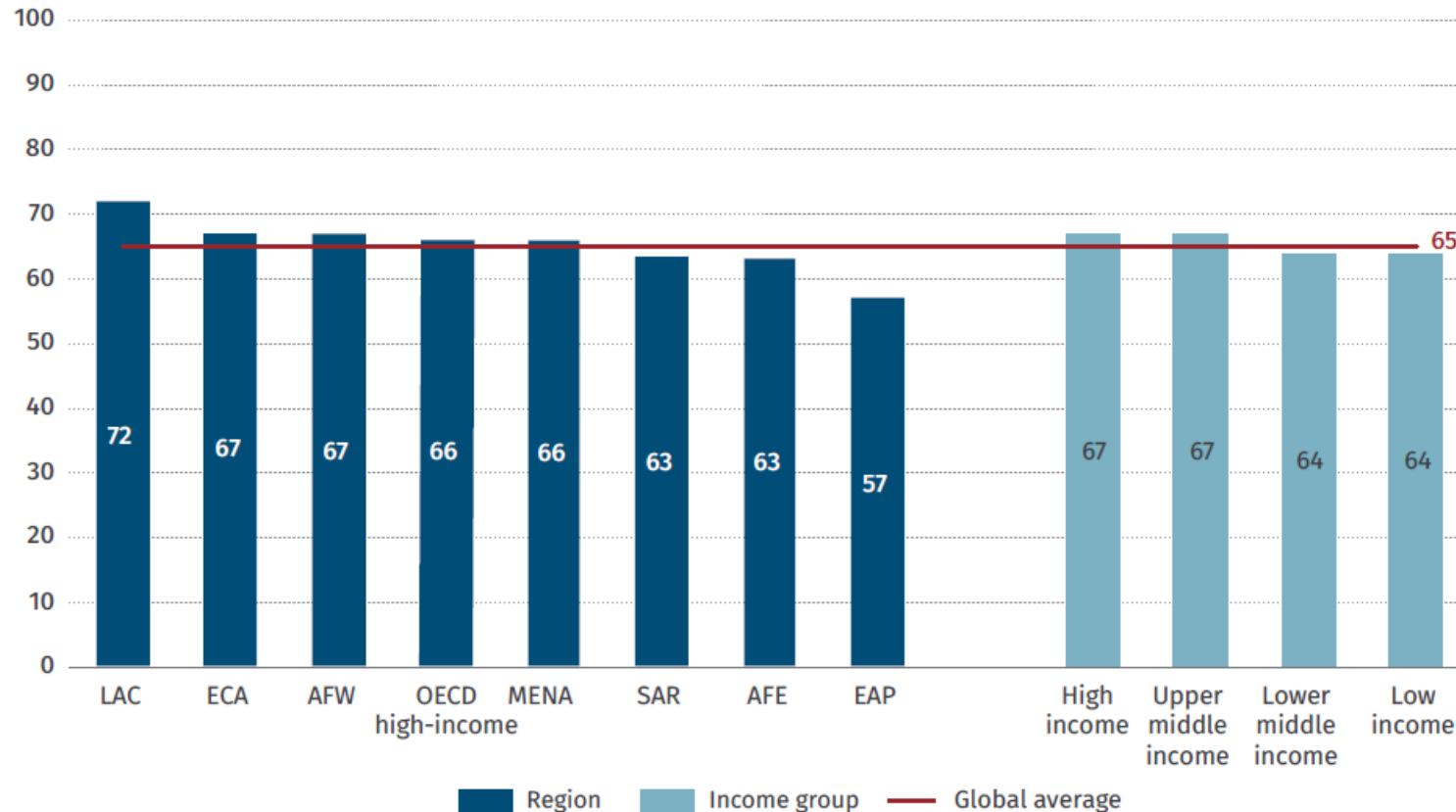
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In regional score analysis, OECD economies lead, followed by the ECA and LAC. All these three regions saw a two-point increase compared to the 2020 assessment. There is a significant gap between the highest-performing region, and the lowest. The EAP region has the lowest average score, remaining unchanged since the BID 2020 report.

Higher income levels correlate with better scores in the PPP procurement phase.

More economies adopting enhanced requirements on PPP contract management



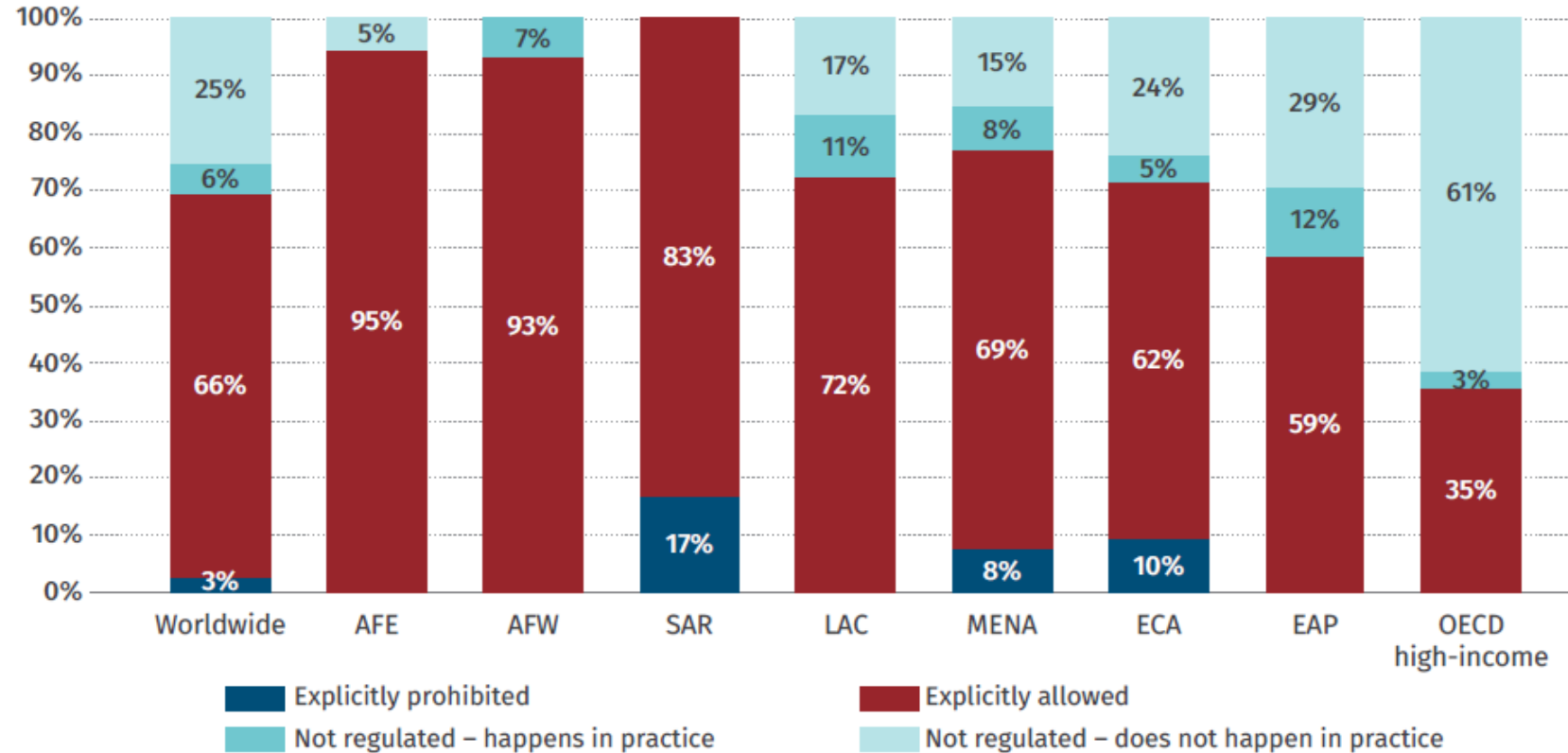
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The number of economies implementing new requirements for third-party approval of PPP contract modifications is on the rise, with a 5 percent increase, building on the 6 percent increase reported in BID 2020.

A significant improvement of 5 percent is observed in economies that have enacted reforms to better regulate changes in PPP ownership.

Diverse regulatory approaches to unsolicited proposals in economies surveyed

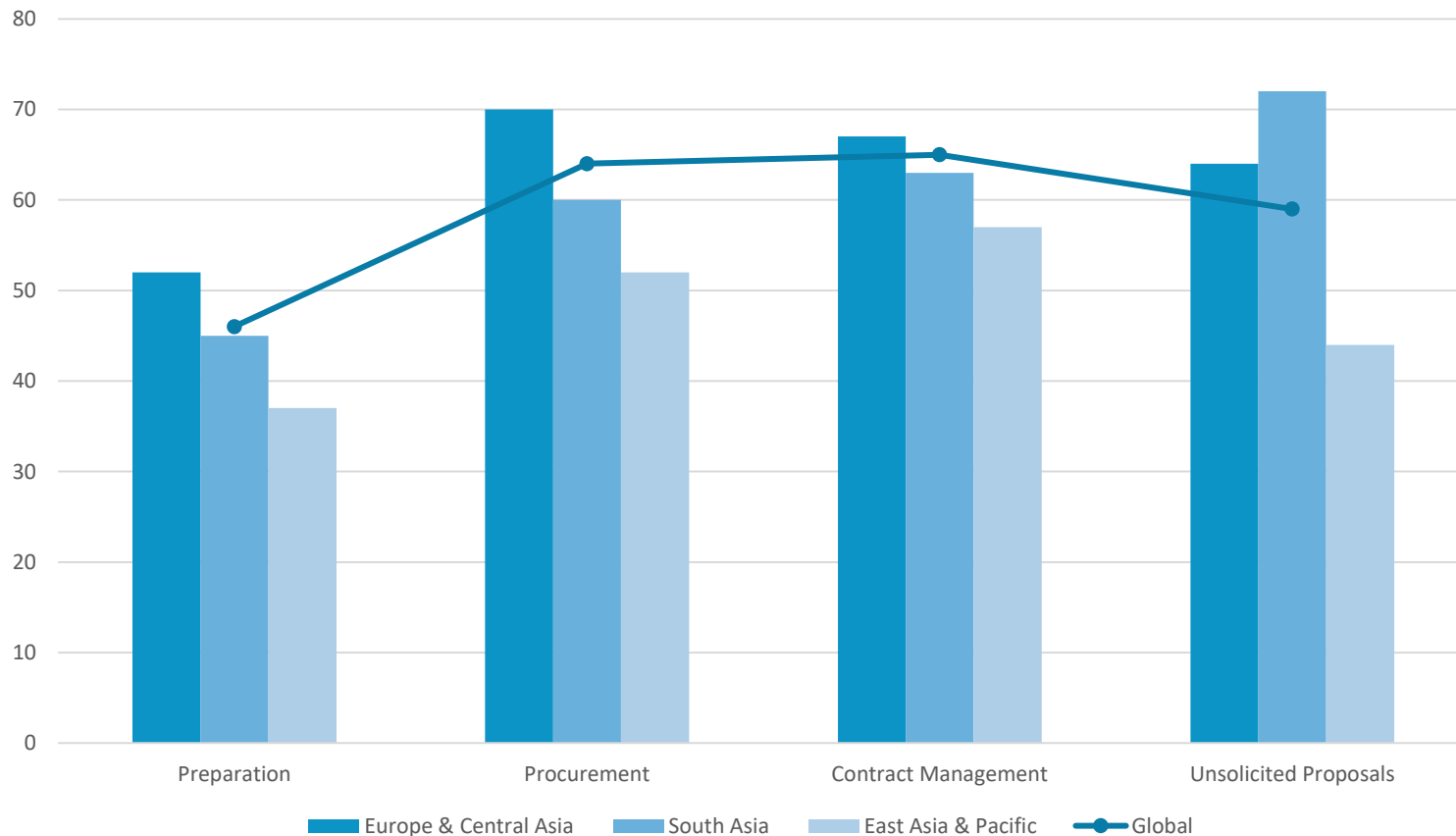


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The Eastern and Southern Africa (AFE) region has the highest percentage of economies explicitly allowing USPs at 95%. Western and Central Africa (AFW) follows closely. In South Asia, all 5 economies (excluding India, which prohibits USPs) explicitly regulate them. OECD-high-income economies, has rare explicit regulation at just 35%, with Greece being the only country to recently implement USPs for infrastructure projects. The MENA region has seen reforms between June 2019 and June 2022, with Qatar and Egypt introducing their first laws governing USPs. The LAC region's regulatory framework has remained unchanged since BID 2020.

Quality of regulatory framework in Asian regions in 2023



Asian regions have an average score of 57/100, and most of the changes happened Europe and Central Asia. Individually, ECA scored an average of 63/100, SAR 60/100 and EAP 48/100.

7 economies in Europe & Central Asia adopted some types of reform in their regulatory framework that increased their scores. East Asia Pacific has 5 economies increasing their scores, followed by 2 in South Asia.

Captured reforms in Europe & Central Asia

7 economies representing 33% of countries within the region have changed their scores in at least one thematic area. Ukraine, for instance, has introduced competitive dialogue, new regulations and laws linking payment to performance, amended PPP Law and introduced a new Concession Law. Montenegro and Armenia introduced their first PPP Laws.

Economies	Preparation	Procurement	Contract Management	USPs
Uzbekistan	x		x	
Ukraine		x	x	x
Turkiye			x	
Montenegro	x	x	x	
Kyrgyz Republic		x		
Armenia	x		x	x
Albania			x	

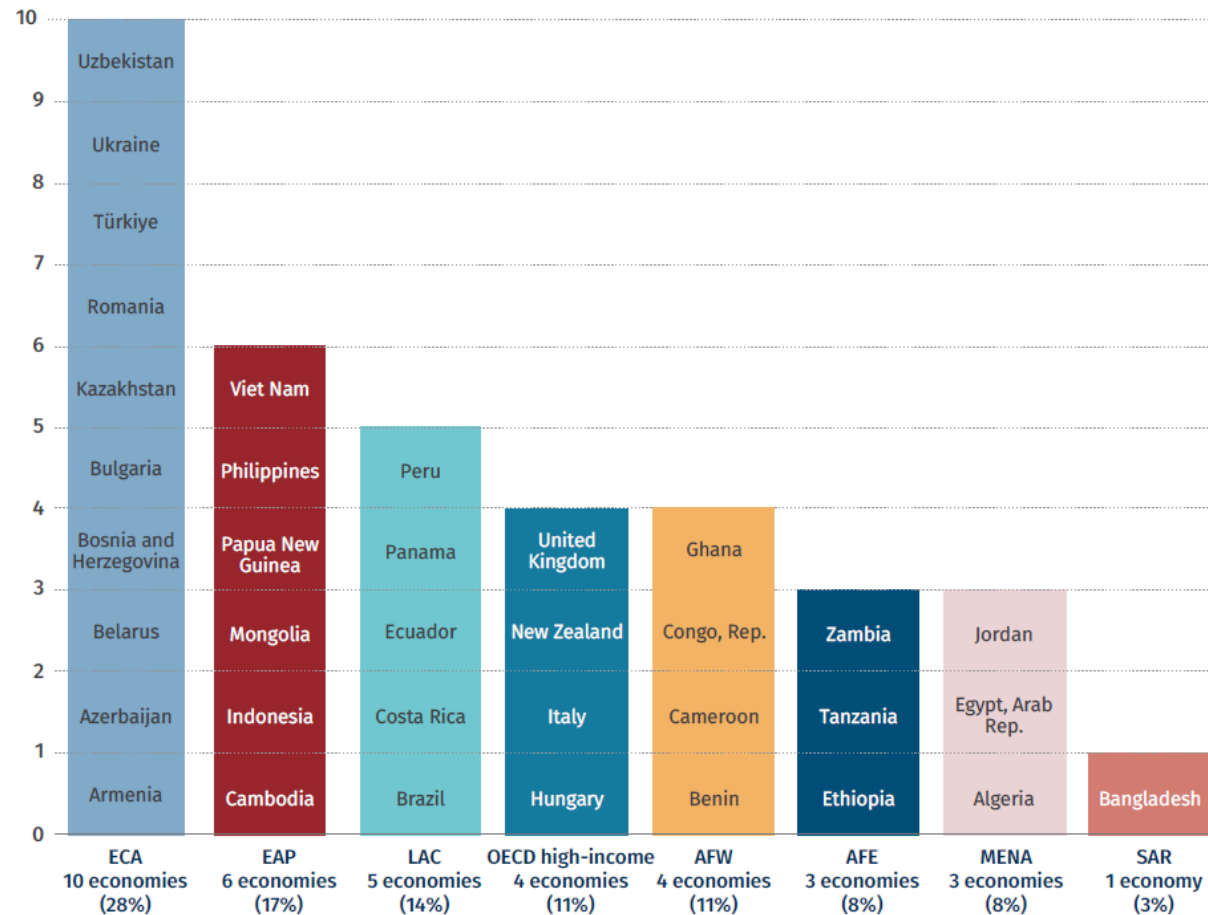
Captured reforms in East Asia & Pacific and South Asia

- **In East Asia & Pacific**, 5 economies representing 29% of countries within the region have changed their scores in at least one thematic area. Vietnam and Lao improved in all areas. Vietnam has introduced competitive procurement procedures, and a new PPP law. Lao enacted regulations explicitly addressing the need for a competitive procurement procedure, and adopted a decree to regulate PPPs

Economies	Preparation	Procurement	Contract Management	USPs
Vietnam	x	x	x	x
Philippines			x	
Indonesia	x	x	x	
Cambodia	x		x	
Lao PDR	x	x	x	x

- **In South Asia**, 2 economies representing 33% of countries within the region have changed their scores in at least one thematic area.
 - Pakistan: enacted law indicating the need for competitive procurement
 - Nepal: improvement in procurement through additional vetting procedure

Reforms are a continuous process: More economies adopting regulatory reform since June 2022



Since June 2022, 36 economies have seen some forms of legal and regulatory reforms. All 8 regions saw changes, with the highest in Europe and Central Asia and the lowest in South Asia (one economy).

Source: Benchmarking Infrastructure Development 2023.

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3. WBG Tools, Knowledge Resources and Platforms

WBG Focus to Address Key Constraints

Governance Reforms

- Developing a robust and resilient **legal/regulatory** framework, that coordinates, enables and facilitates
- PPP frameworks that are **flexible and empowering**
- Building institutions to **implement** the framework – coordination and collaboration



Capacity and Pipeline Development (know and do)

- Sharing **latest models/solutions** to create continuity and feedback loops
- Support for **project preparation**, to help learning while doing and provide demonstration projects
- Support to **local contractors, investors and financiers** to turn them into good partners and ready to learn where they collaborate with foreign investors



Access to Finance

- Using Government contributions and blended finance **efficiently and practically**
- Availing **credit enhancement** where needed, in a surgical manner
- Enabling **local financial markets and financiers**



MFD Principle Seeks to Leverage Private Sector and Optimize the Use of Scarce Public Resources

MFD Enabling Projects

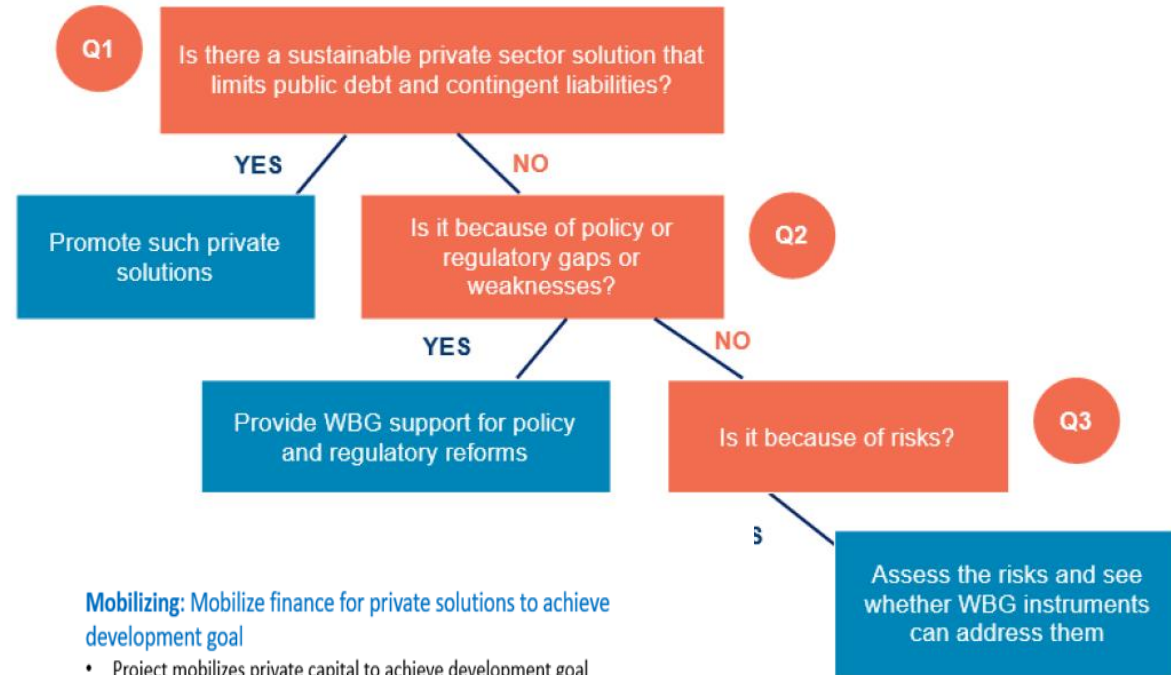
Projects that **address binding constraints** which are physical, operational, regulatory or enabling environment factors that prevent solutions.

- Investments in public good elements of networks e.g. transport that links cities to ports
- DPF that support financial or capital market reforms
- Project that establish feed-in tariffs, auctions, or address legacy debt that enables private solutions
- Project that supports institutional development to organize small holder farmers to enable commercial-scale farming.
- P4R that funds a line ministry to strengthen capacity to procure and manage PPP contracts.

Within 3 years of completion

IDA/IBRD Lending Projects

Cascade Approach



Mobilizing: Mobilize finance for private solutions to achieve development goal

- Project mobilizes private capital to achieve development goal

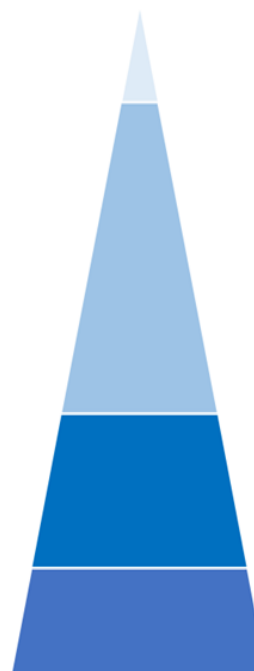
MFD Enabling: Remove binding constraint to facilitate planned private sector solutions

- Government has **clear and credible plans** for private sector solutions
- Project addresses **binding constraints** to introduce private sector solutions
- Project makes it clear that **private solution supports** achievement of development objective
- Private sector solution is expected **within 3 years of closing**
- **Material resources** relative to total project cost is allocated to enable private sector solution

Projects that create environment prerequisite for possible future private sector solutions

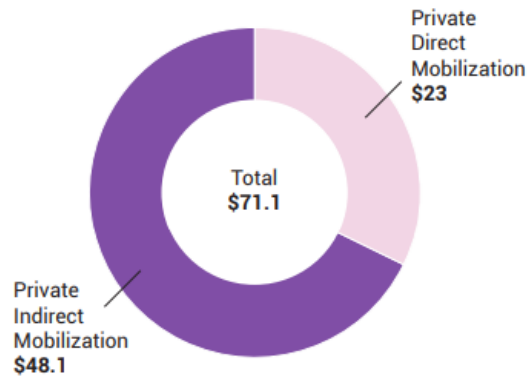
Projects that support public sector solutions after careful consideration of possible private solutions

Compliant with MFD approach



Private Capital Mobilization Across MDBs, 2022

FIGURE 2.1. Total Private Mobilization, Middle-Income Countries and Low-Income Countries, 2022, US\$ billions



Source for all charts and graphs is MDB data for 2022 or 2021 unless otherwise noted.

FIGURE 2.3. Mobilization from Infrastructure Projects, 2022, US\$ billions

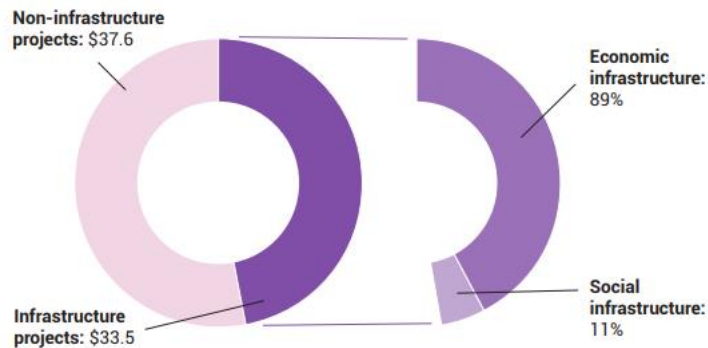
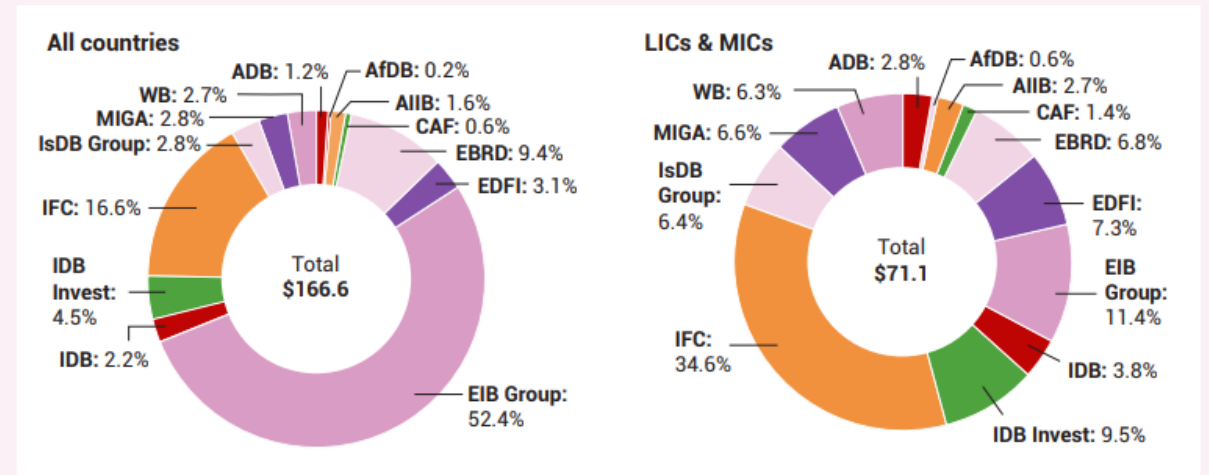


FIGURE 2.2. TPM by Institution Type, 2022, US\$ billions



- For 2022, total private mobilization (TPM) in all LICs and MICs was estimated to be \$71.1 billion. This is 12 percent greater than the \$63.3 billion mobilized in 2021
- In 2022, total private mobilization for infrastructure in LICs and MICs was \$33.5 billion, or 47 percent of all MIC/LIC private mobilization. This total infrastructure mobilization was an 84 percent increase compared to 2021, when \$18.2 billion was mobilized

PCM can be achieved under public sector, PPP or private sector projects

Public sector projects (owned by gov. agency or SOEs)

- Co-lending (with World Bank) from commercial banks (private) to a public project
 - PCG – World Bank guaranteed loans to co-finance a public project
 - PCG – World Bank guaranteed loans to provide financing (re-financing) to an SOE under a reform program
-

PPP (BOT, BOOT, Concession)

- Equity contributions and debt financing from private entities (as long as they are part of World Bank project's total financing)
 - Portion of government contribution (e.g., availability payment that is funded by private entities)
 - World Bank payment guarantees
-

Private sector projects

- Financing through public financial intermediaries to the private sector (P4R, guarantee or IPF loans)

World Bank mobilization examples in PPPs

- ONAS Tunisia PPP: It includes three main components: Wastewater Management Infrastructure Rehabilitation and Retrofitting (USD 119.70 million), Wastewater Management Infrastructure Operation and Maintenance (USD 415.30 million), and Institutional Strengthening and Project Management (USD 4.30 million). The World Bank contributes USD 112.80 million, with the remainder funded by the Tunisian government and private sector investments. Private operators are responsible for the operation and maintenance (O&M) of sanitation systems, as well as for certain rehabilitation and upgrade works.
- Solid Waste Management PPP: Private operator enters in a PPP contract to design, construct, co-finance and operate waste management system. Private co-financing covers mobile assets while government covers fixed assets. (Senegal Municipal Solid Waste)
- Mali Electricity System Reinforcement and Access Expansion Project: IDA to finance the transaction advisory (and a TF finances grid infrastructure) for grid solar parks, while private partner is expected to bring \$140m.
- Vietnam - Climate Change and Green Growth DPF: In a Prior Action, recipient has revised tariff and adopted a standard PPA for wind power; while Result Indicator with a targeted generating capacity. Team reported about 4GW of privately financed and operated wind-based power projects have been commissioned. Based average cost per GW of wind power capacity, \$4.8b PCE was calculated from IPPs

PPP Group: Ethos & Key Products

Supporting countries' development of enabling frameworks and roadmaps for policy, regulatory and institutional reforms for sustainable infrastructure investment

Supporting capacity building, access to quality knowledge and innovation to strengthen decision making and build a more resilient ecosystem for PPPs in client countries

Supporting WBG's engagement and government decisions by helping develop robust, resilient and bankable pipelines in a fiscally sustainable manner

Part of the WBG's effort to mobilize private capital to help identify and address binding constraints to PPI by creating an optimal enabling environment, supporting countries to identify and tap into new sources of funding (e.g. AR and monetization, institutional investors, local currency long term financing, land-value capture and carbon levies)

INFRASTRUCTURE DATA AND ANALYTICS



KNOWLEDGE MANAGEMENT



TOOLS FOR SUSTAINABLE PPI



INFRASTRUCTURE FINANCING





The WBG Hybrid PPP Initiative = A solution

The WBG Hybrid PPP is an integrated IBRD/IDA IPF-IFC offer including...



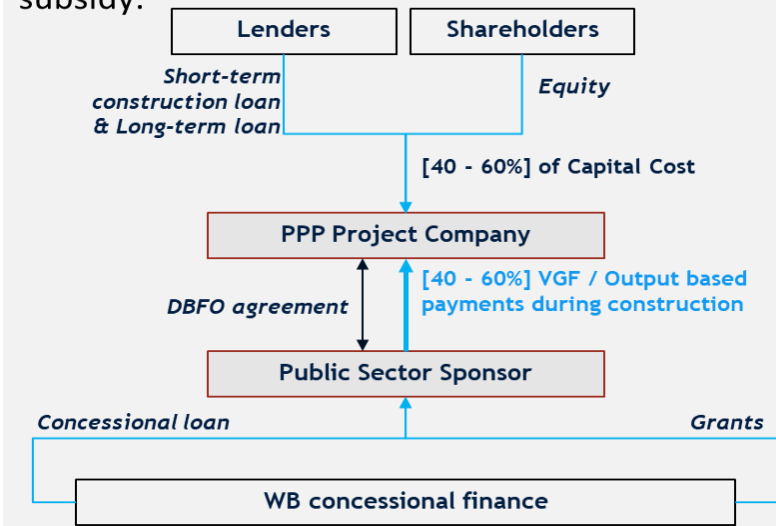
The initiative provides capacity support **to government clients** to structure and implement high-quality Hybrid PPPs that achieve Value for Money and Affordability.

HYBRID PPPs

The precise structure of the Hybrid PPP is determined based on the project specific circumstances, due diligence, and structuring to allocate risks to the parties best placed to manage them. There are 3 common models:

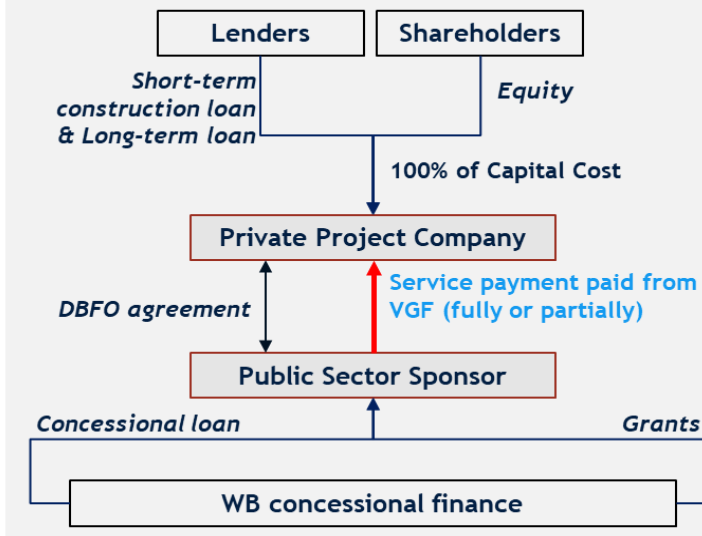
Hybrid model 1 - “VGF through CAPEX subsidy”:
 The private partner is responsible for all components of the PPP project (construction and O&M). Due to bankability and/or affordability issues, the Government contributes public funds towards the capital cost. **Example: Ganga Wastewater treatment** (Gov’t provided capex subsidy for PPP projects)

Model 1 - Viability Gap Funding through CAPEX subsidy:



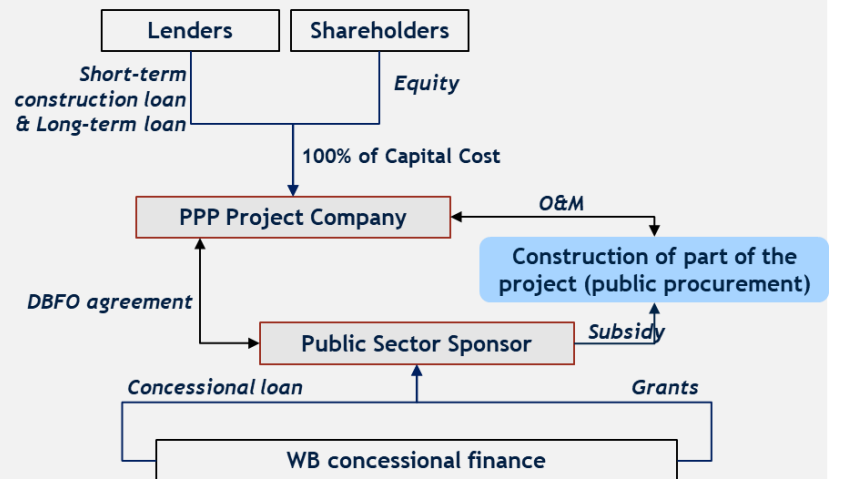
Hybrid model 2 - “VGF through OPEX subsidy”:
 The private partner is responsible for the full delivery of the PPP project. However, the private partner comes up with the financing of the full capital costs and receives public funding towards operating expenditures. **Example: Odisha hospitals**

Model 2 - VGF through OPEX subsidy



Hybrid model 3 - “ Build-Concession”: the project is divided into discrete components and the responsibility for financing and constructing these components of the PPP are split between the Government and the private sector. **Example: Dakar BRT** (Gov’t financed infrastructure; private sector financed procurement of buses and O&M)

Model 3 - Build-Concession



Infrastructure Sector Assessment Program (InfraSAP 2.0)

Overview

- Extended core diagnostic that aims to assess national (and where relevant sub-national or regional) infrastructure priorities, binding constraints on delivering on those priorities and possible solutions for how those constraints could be overcome, investment gaps and policy shortfalls, as well as identifying opportunities for private sector participation
- Examples of InfraSAPs conducted in over 40 countries

How It Is Used:

- InfraSAP has 2 phases: a) phase 1 – standardized, desk top research and informed by data from public databases and b) phase 2 – sector deep-dive
- Implemented together with the sector specialists in the country/region
- InfraSAPs feed into country strategies through a roadmap of actions and help build a pipeline of projects. Examples of operations resulting from InfraSAPs include Indonesia Infrastructure DPO, Jordan Roads IPF and Mongolia Transport and Logistics IPF.

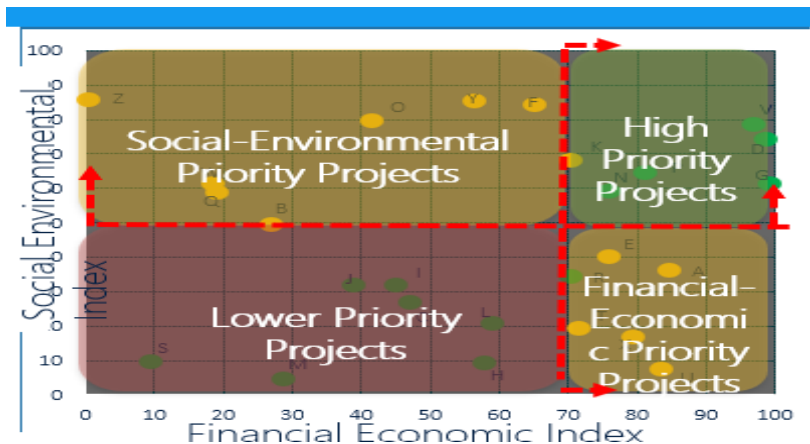
Country	Sector Reforms	Cross-Cutting Reforms	Bank Operations
Indonesia			A A A A I I I D P
Vietnam			A A I I I
Mongolia			I
Egypt			A D D
Jordan			A I
Morocco			A A P
Tunisia			A D D
Romania			A A
Argentina			A A
Uruguay			A
Bangladesh			A A D
DRC			I I
ECOWAS			

LEGEND:

- Overall
- Energy
- Transport
- Water
- Digital
- SOE
- PPP
- ASA
- IPF
- DPL
- P4R

Tools for Sustainable PPI

Infrastructure Prioritization Framework (IPF)



PPP Screening and Analytics Tool (PSAT)

- Enter project information (Basic project data)
- Respond to questions (Parameter screens)
- Review project-level results and reports (Dashboard and Report Generator)
- Analyze and compare multiple projects (Pipeline Analytics)



Infrastructure Prioritization Framework (IPF)

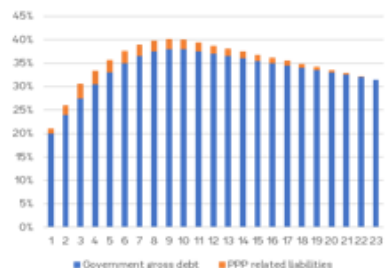
Quantitative Fiscal impact evaluation

PPP Fiscal Risk Assessment Model
PFRAM 2.0
Click here to begin

Qualitative Fiscal Risk assessment

THE WORLD BANK
IBRD • IDA

INTERNATIONAL FINANCIAL CORPORATION



RISK IDENTIFICATION	LIKELIHOOD	FISCAL IMPACT	EXPOSURE	MITIGATION STRATEGY & IFC IDP	MITIGATION STRATEGY & IFC IDP	RISK RATING	REMIT ACTION
1 GOVERNANCE RISKS	High	Medium	High	Yes	Yes	High	Medium Priority
2 CONSTRUCTION RISKS	Low	High	Medium	Yes	Yes	Medium	Medium Priority
3 DEMAND RISKS	Medium	Low	Low	No	No	Low	Medium Priority
4 OPERATIONAL AND PERFORMANCE RISKS	Low	High	Medium	No	No	High	High Priority
5 FINANCIAL RISKS	Low	Low	Medium	No	No	Medium	Medium Priority
6 FORCE MAJEURE	Low	High	Medium	No	No	High	High Priority
7 MATERIAL ADVERSE GOVERNMENT ACTIONS	Medium	Medium	Medium	Yes	Yes	Medium	Medium Priority
8 CHANGE IN LAW	Medium	Low	Low	No	No	Low	Medium Priority
9 REBALANCING OF FINANCIAL EQUILIBRIUM	Medium	Low	Low	No	No	Low	Medium Priority
10 RENEGOTIATION	High	Medium	High	No	No	High	High Priority
11 CONTRACT TERMINATION	Low	High	Medium	No	No	High	High Priority

PPP Screening and Analytics Tool (PSAT)

PORTFOLIO DASHBOARD & GHG EMISSION STATUS

PROJECT DASHBOARD

- Contract Information/ Commercial Close
 - Project info – parties, project cost, financing, govt support, risk sharing, project schedule
 - Checklists & preparatory activities for sign
 - Contract Management Team Setup & Training
 - Team & external resources
- Conditions Precedent
 - Financial Closure
 - FCCL
 - Performance monitor – land acquisition, design approvals
 - Permits & clearances
 - Early works
- Construction
 - Physical & financial progress
 - Quality monitoring
 - Performance monitoring - construction drawings, safety, E&S monitoring
 - Permits & clearances
 - Completion/ commissioning
- Operations & Maintenance
 - Tracking KPIs
 - Payments
 - Performance monitoring - general compliance – tariffs, specialist funds
 - Contractual compliance
 - Capacity addition
 - Extension of O&M
- Hand back/ Expiry (O&M)
 - Hand back asset quality inspections
 - Asset hand back checklists
 - Defects liability

Scheduler →

[Performance bonds | Insurance | FCCL | Documents | To Do | Email | Audit Trail | Learning Resources]

[Climate Change | Tools for Assessing GHG | Monitoring GHGs | Key References]

Critical Issues & Actions log → Time bound resolution → Exception Events → Fast Track Dispute resolution → Arbitration & conciliation → Termination

Benchmarking Infrastructure Development (BID)

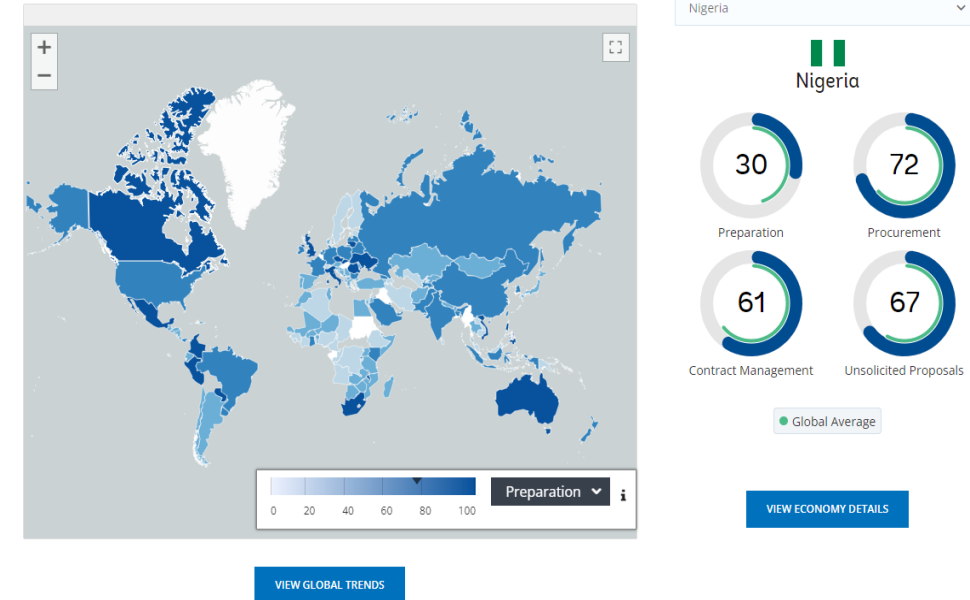
Overview

- Online database with actionable indicators that benchmarks the regulation of the main stages of the infrastructure project cycle (preparation, procurement, and management) against internationally recognized good practices in 140 economies (including a 2020 pilot assessment of 40 economies for infrastructure developed through traditional public investment (TPI, i.e. conventional procurement).
- Connected with other PPP Group products such as Policy Guidelines for Managing USPs, the Guidance on Contractual Provisions, PPP Transparency and disclosure framework.
- Developed in coordination with the Infrastructure Chief Economist office on Infrastructure Regulatory Benchmarking along with RISE, African Regulatory Watch Initiative, Africa Power Regulatory Assessment and Rethinking Power Sector Reform.

How It Is Used:

- Key input for other Indexes such as GIHub InfraCompass, WB internal and external analytical work and presentations (including InfraSAP, PPP Readiness Diagnostic, InfraGOV, external publications as for example the IMF's Fiscal Monitor).
- Basis to set priority areas of engagement and to start dialogue on country reforms (feed into future WB engagements such as DPLs, IPFs and Technical Assurances)
- Diagnostic tool and a benchmarking instrument to inform policymakers on the areas for improvement throughout the regulatory reform cycle.
- Helps fill the private sector's need for high-quality information on the regulation of infrastructure projects.

Public-Private Partnerships Data



Website Link:

<https://bpp.worldbank.org/en/home>



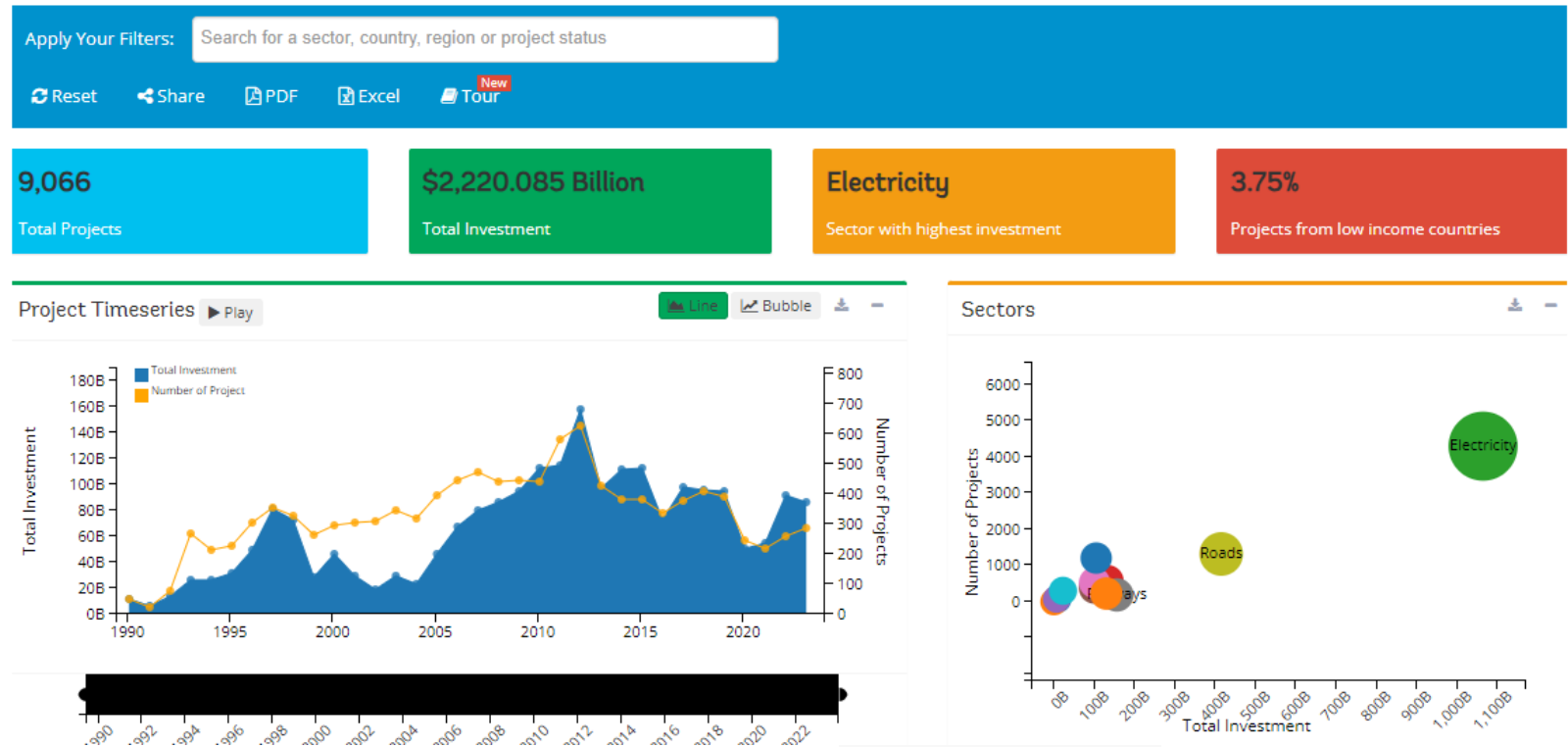
Private Participation in Infrastructure (PPI) DATABASE

Overview

- The most comprehensive and publicly available inventory of private infrastructure projects (more than 10,000) in EMDEs since 1990 in the energy, transport, water, ICT and municipal solid waste sectors.
- It highlights finance flows, contractual arrangements, sources of finance.

How It Is Used:

- Presents a comprehensive picture of the investment patterns, financing structures, market conditions, private infrastructure investment commitments and trends in a country, region or globally.
- Public good and available resource for governments, development institutions, investors, and researchers to quickly assess



Website Link: <https://ppi.worldbank.org/en/ppi>



Public-Private Partnership Resource Center (PPPRC)

Overview

- A one-stop center of quality knowledge products on PPPs, and a leading go-to-site for legal and related resources on infrastructure. Site receives over two million views annually, and already provides more than 4,000 unique pages of content.
- Provides PPP and sector-specific laws and regulations, sample contracts, tender documents, ToRs, checklists, latest publications on emerging topics in infrastructure finance such as Asset recycling, Innovative Revenues Initiatives, Gender in PPPs, Transparency and accountability in PPPs, Climate-Smart PPPs, and Emission Reduction, and Disruptions in PPPs, guidelines on PPP Financing related to different infrastructure sectors and regions
- Organized in two broad categories: (i) guidance on structuring a PPP project and its enabling environment and (ii) sector specific information (energy, sun-national, telecom, transport and water)

How It Is Used:

- Sample legal materials can assist in the planning, design and legal structuring of any infrastructure project, especially PPP.
- Provides reliable information to help governments and advisors design and deliver well-structured PPP projects.
- inform WBG operations and help on the creation of robust PPP Legal Frameworks in client countries.

Find it @ Public-Private Partnership Resource Center:

[SELECT SECTORS OR TOPICS](#) or [SELECT TOOLS OR RESOURCES](#)


To find out more: Search the [Library](#). Subscribe to the [Newsletter](#). [Contact us](#).

HIGHLIGHTS

- Welcome to ChatPPP!
- [Mainstreaming Gender in Infrastructure: Desk Review](#)
- [Well-maintained: Economic Benefits from More Reliable & Resilient Infrastructure](#)

[Find more](#)


Featured Section



Innovative Revenues for Infrastructure (IRI)

Commercial Value Capture (CVC): CVC can be a way for governments to increase revenues to fund facility improvements. ...


[Overview](#) | [Summary](#) | [Introduction](#) | [Application](#) | [Roadmap](#) | [Annex](#)



Unlocking Global Emission Reduction Credit

Through the establishment of an Emission Reduction Program (ERP), the World Bank aims to help developing countries to en...

[Introduction](#) | [Strategic Guidance](#) | [Assessing ERC Projects](#) | [ERC Finance](#)



Select WBG PPP Toolkits

Bridging the infrastructure gap is essential to achieving the Sustainable Development Goals. To help governments make in...

[Infrastructure Pipeline](#) | [PPP Framework](#) | [Project Implementation](#) | [Sustainable PPPs](#)

[Find more](#)

Website:

<https://ppp.worldbank.org/public-private-partnership/>



A WBG initiative aims at addressing infrastructure gaps through private capital mobilization. This involves sharing knowledge and best practices with public sector clients, including PPP units, sector ministries, local governments, and development partners.

KEY FEATURES



IFA Hub

- Curated WBG know-how including case studies, tools and material in digestible format.
- Content featured in PPPRC, a site with over two million views annually and already provides more than 4,000 unique library pages of content



Networking and Collaboration

Leveraging partnerships with universities, development partners and Governments (national and local) that have built systems, processes and capabilities to share lessons learned and real-world examples



IFA Artificial Intelligence

IFA Artificial Intelligence is leading the transformation of infrastructure finance training. By leveraging AI and machine learning, it creates and implements research, training modules, and educational tools aimed at addressing crucial global challenges in mobilizing private capital for infrastructure projects.

BENEFITS FOR STAKEHOLDERS

- ❖ Access to robust and reliable pool of knowledge
- ❖ Expanded network and reach
- ❖ Capacity building through tailored content, engaging training and practical examples, using AI tools.



<https://ppp.worldbank.org/public-private-partnership/learning-and-training>



CHATPPP

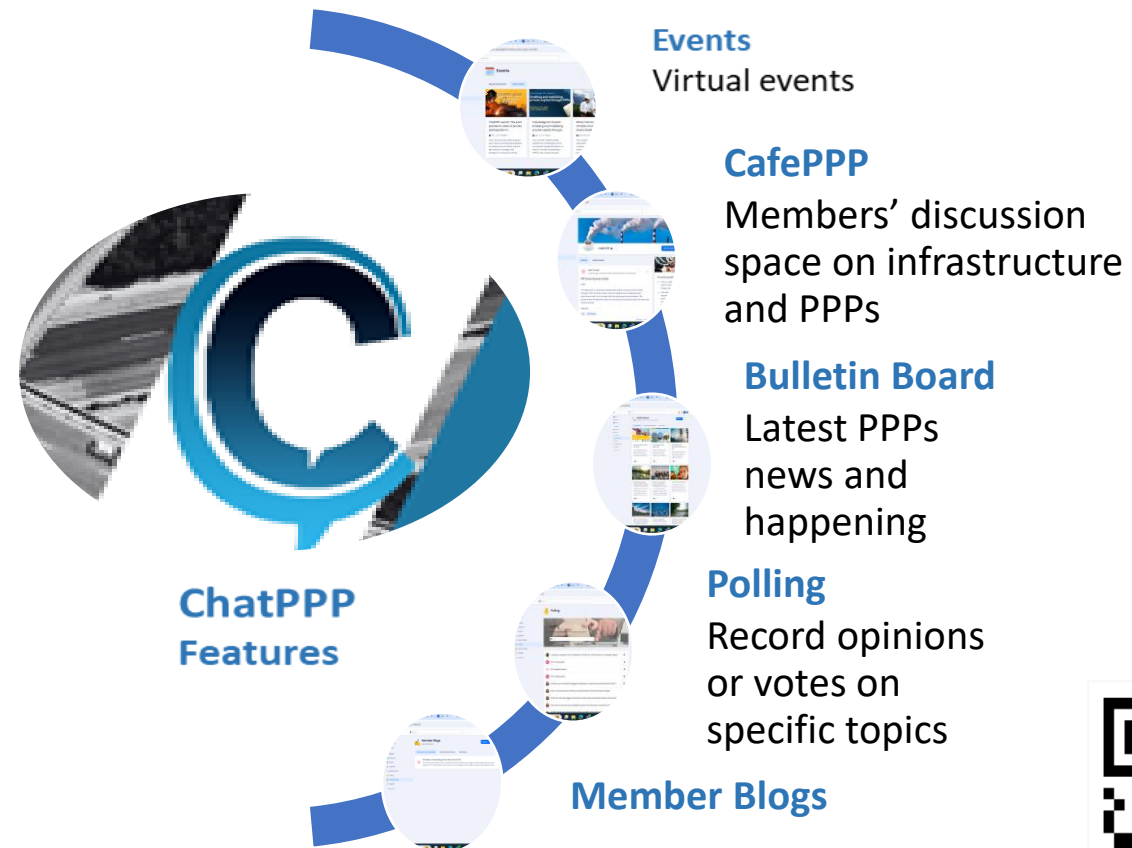
A safe space for PPP practitioners to discuss all things PPP

Overview

- Collaborative and safe space designed for government officials to ignite discussion, evoke debate to leverage the best solutions for PPPs from around the world.

How It Is Used:

- Members learn from peers through chat functions, virtual events
- Members have a direct access to PPP Group staff and communication line with other members
- Members share knowledge through blogging features, news, event space
- Members collaborate across the globe through polling features and social media like feed to post and interact with others



[Website link](#) - Membership: By invitation only. Request for sign up from [PPPRC landing page](#) or drop the team an email.



Thank You