



Photo: World Bank



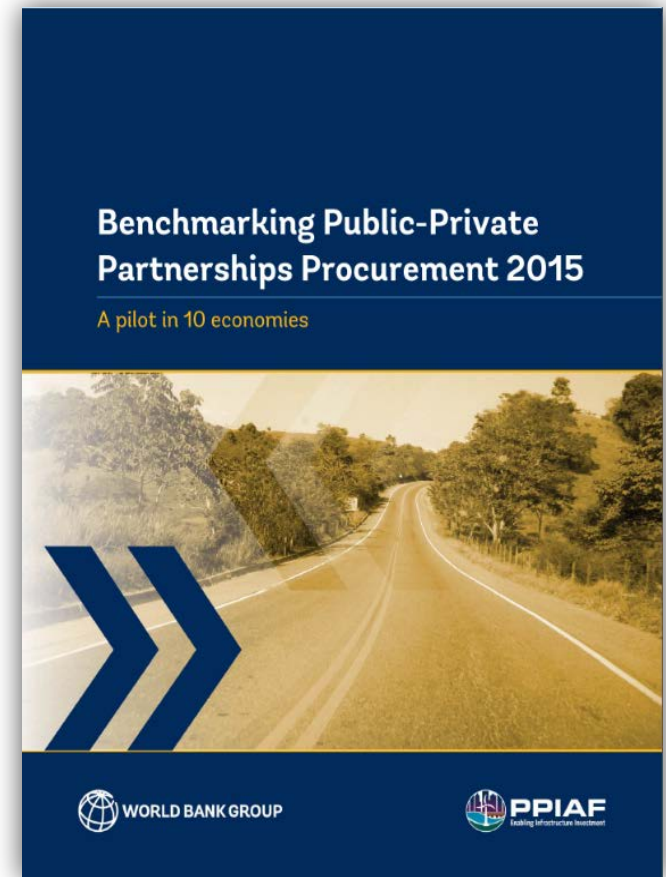
WORLD BANK GROUP

**Benchmarking Public-Private Partnerships (PPP)
Procurement**

March 30, 2016

Project overview

- **Joint initiative:** Development Economics' Global Indicators and the PPP Group of the World Bank Group.
- **Objective:** Enhance policy decision-making by highlighting key regulatory aspects to achieve more transparent, competitive, and efficient PPP procurement systems.
- **Successful pilot in 2015 in 10 economies:** Cameroon, Colombia, The Arab Republic of Egypt, Ghana, Kenya, Nigeria, Peru, South Africa, Tanzania and Tunisia.
- **2017 Scale up:** Building on the pilot findings and lessons learned, currently scaling up to cover 82 economies



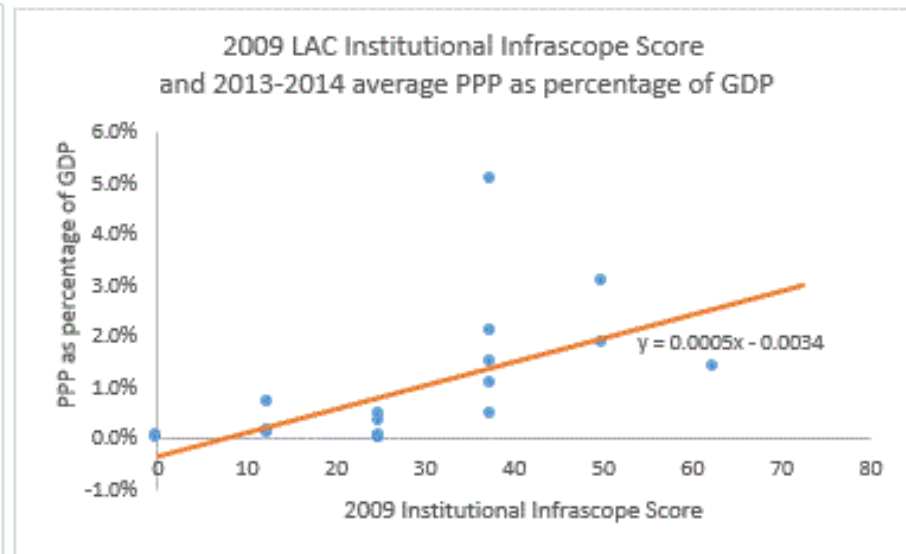
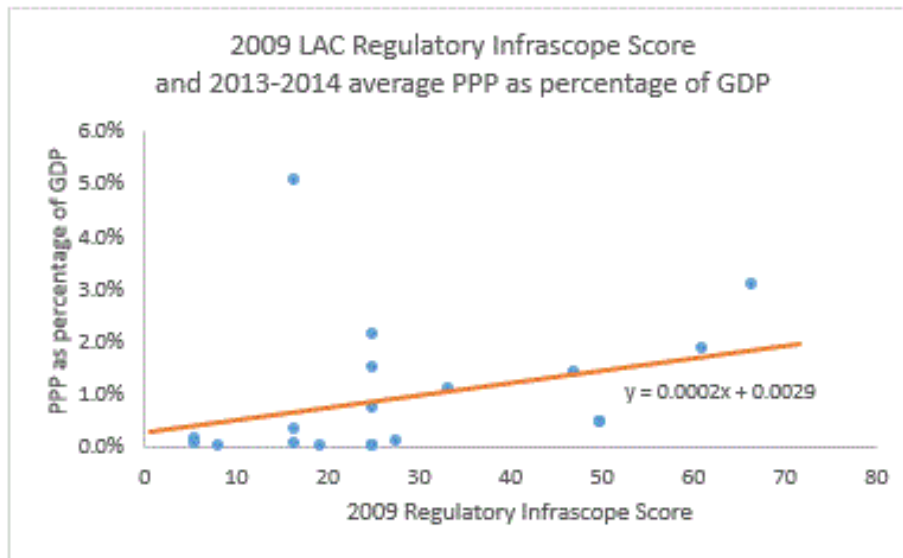
WBG Doing Business and BPP

Benchmarking PPP Procurement has been inspired by the *WBG Doing Business* report, which has a recognized track record in measuring laws and regulations in 189 economies and leveraging reforms (2500+ to date) and is housed under the Benchmarking Public Procurement project.



Motivation

Established and stable institutions and regulatory systems are essential to advance more PPP projects



Source: PPI database World Bank, Infrascopes Economist Intelligence Unit (EIU)

Note: Data cover the projects in energy, transport, and water and sanitation reaching financial closure 1990-2014, excluding telecom, divestitures and merchants.

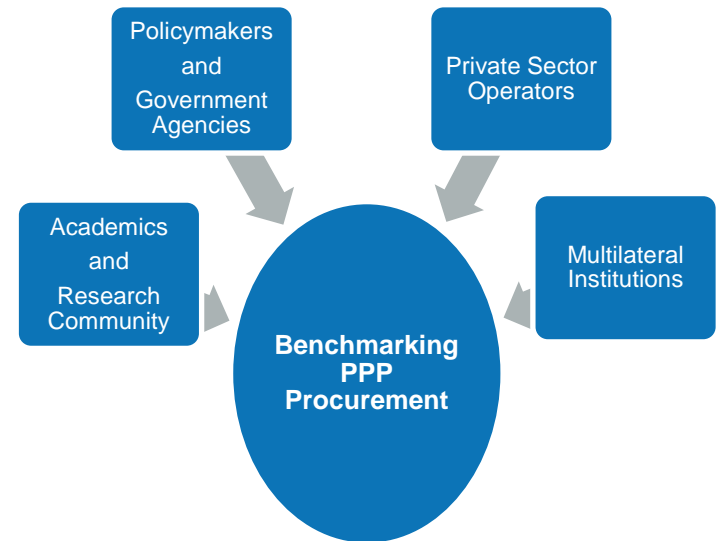
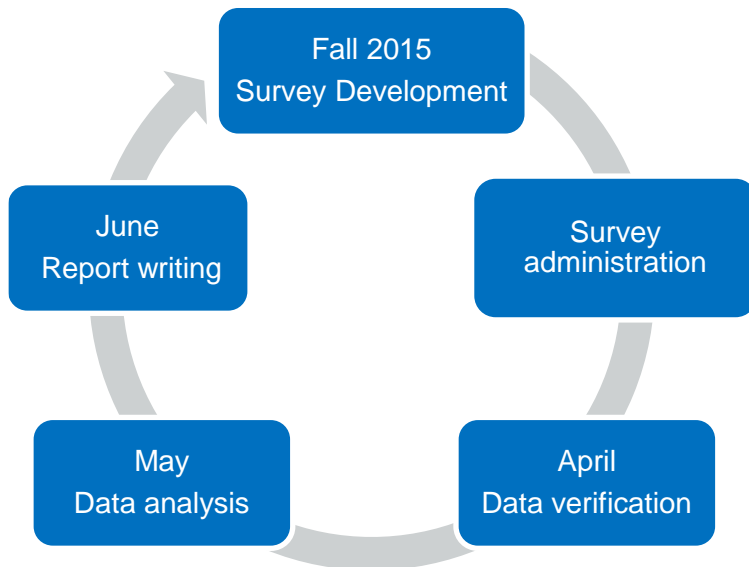
■ Regulatory index measures (i) Consistency and quality of PPP regulations; (ii) Effective PPP selection and decision making; (iii) Fairness/openness of bids, contract changes and (iv) Dispute resolution mechanisms

■ Institutional Index measures: (i) quality of institutional design and roles and (ii) PPP contract, hold-up and expropriation risk

Methodology

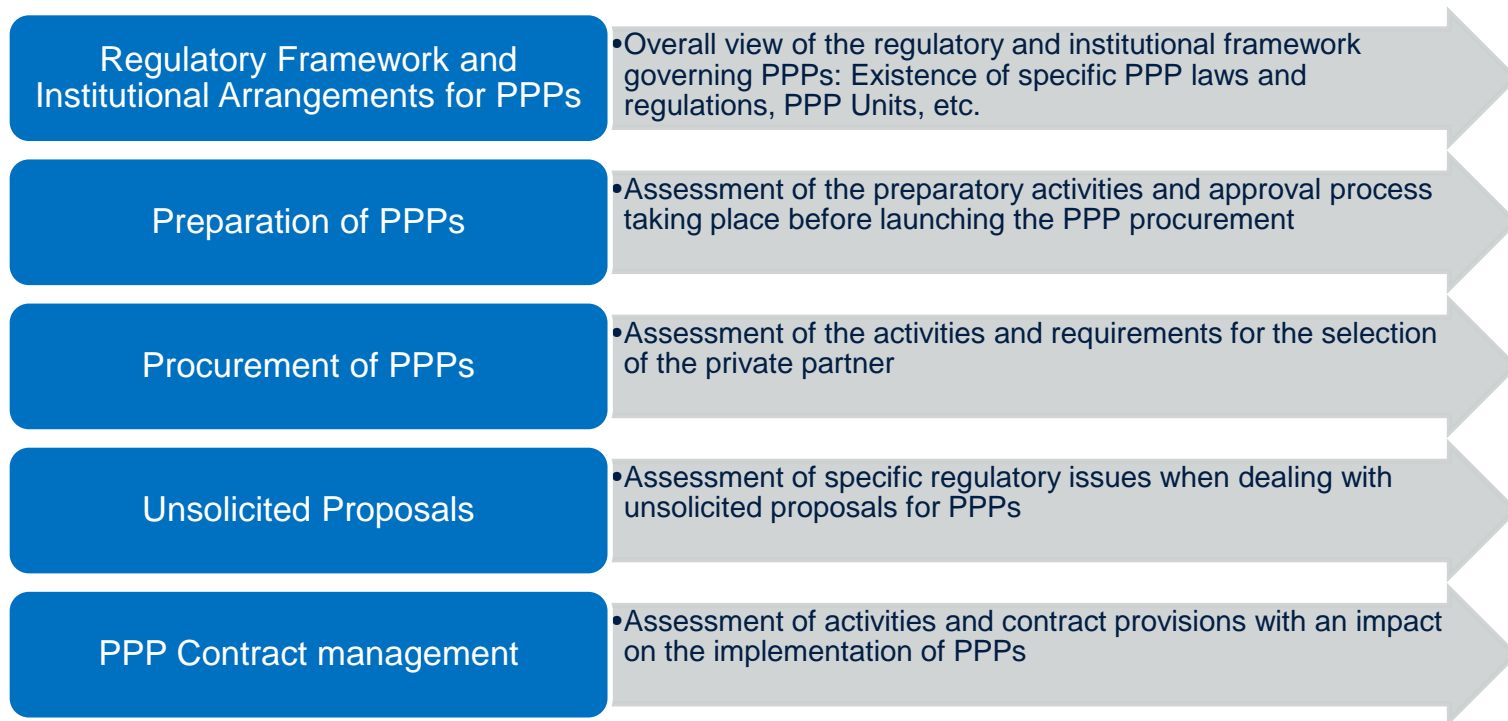
- **Cycle:** Yearly assessment; standardized case study assumptions; data collection from private and public sector experts

- **Stakeholders:** Data meets different stakeholders' needs for information, analysis, and policy action.



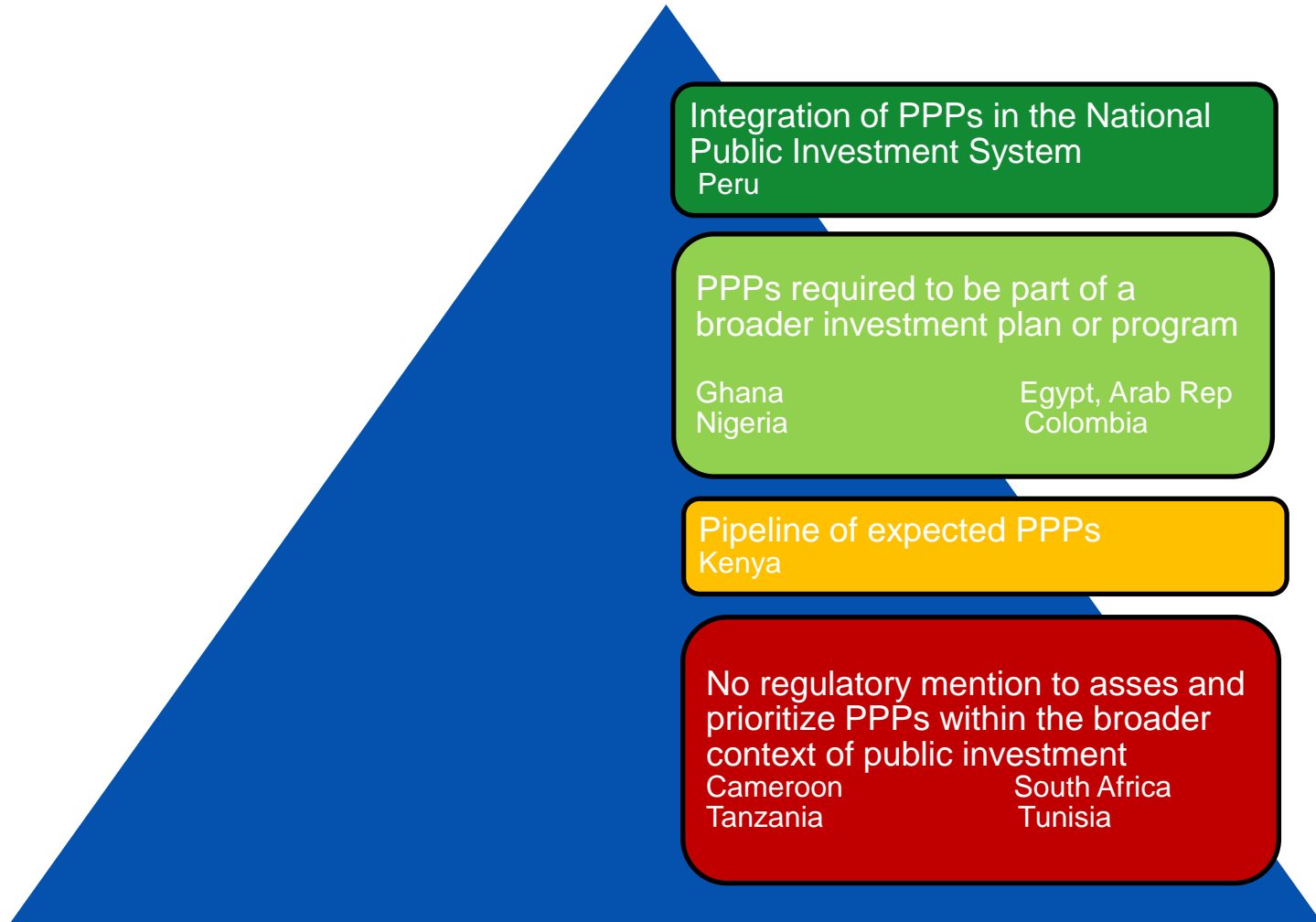
Thematic Coverage

- Key aspects throughout different stages of the PPP project cycle: preparation, procurement, and implementation + unsolicited proposals.



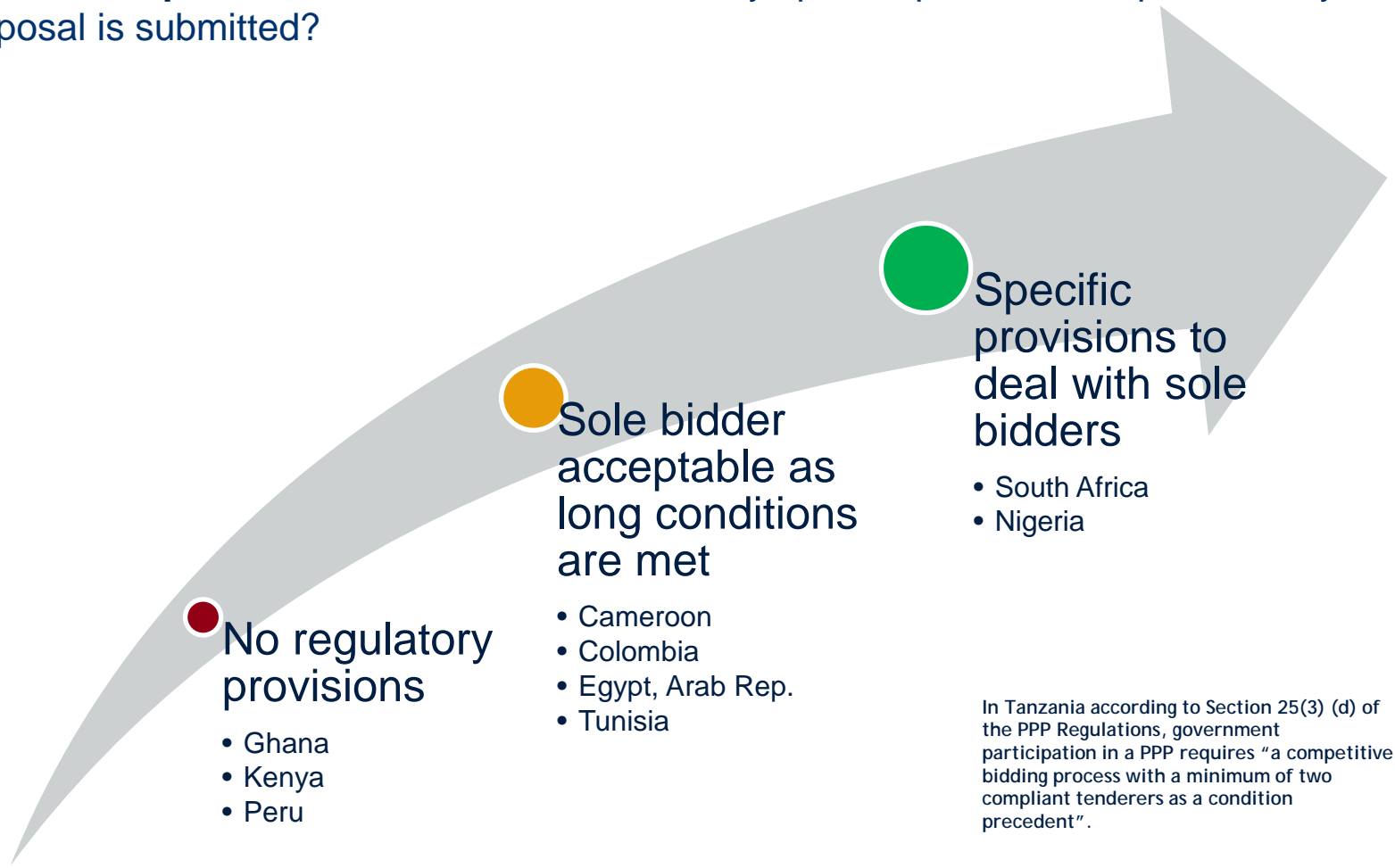
2015 Pilot Report findings (i). PPP preparation

- Assessment of PPPs within the broader context of public investment



2015 Pilot Report findings (ii). Procurement of PPPs

- **Lack of competition / Sole Bidder:** Is there any specific procedure in place if only one proposal is submitted?



2015 Pilot Report findings (iii). Unsolicited proposals

■ Assessing the consistency with government investment priorities

Unsolicited Proposals not regulated

- Egypt, Arab Rep.

Unsolicited Proposals discouraged by the government

- South Africa

Unsolicited proposals permitted but without specific procedure to evaluate their consistency with national priorities

- Cameroon
- Kenya
- Tunisia

Unsolicited proposals expressly require consistency with national priorities

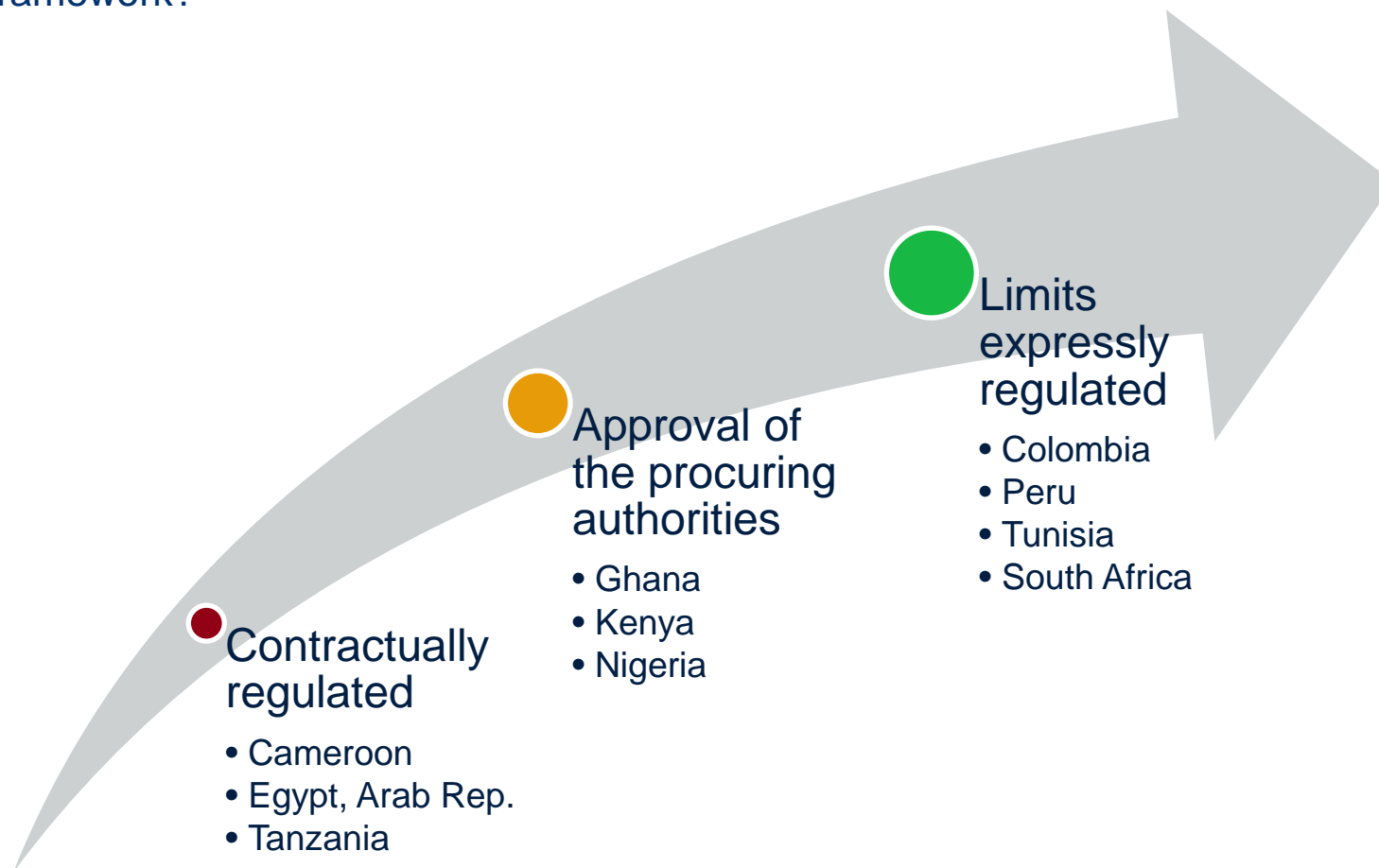
- Ghana
- Nigeria
- Tanzania

Evaluation process for unsolicited proposals specifically regulated

- Colombia
- Peru

2015 Pilot Report findings (iv). PPP contract management

- Renegotiation of PPP contracts: Is renegotiation of PPP contracts limited in the regulatory framework?



Next steps

- Data points will be **aggregated** into **indicators**.
- Through this initiative, economies will be able to learn from each other's success stories in establishing efficient PPP procurement policies and practices.
- Empirical Analysis of the database in combination with other databases such as PPI database.
- Possible thematic expansion will be discussed in the Fall with the project's advisory group.
- Funding permitting, geographical scale-up: from 82 economies to 189 economies by 2017.

Thank you!

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