



INTERNATIONAL PPP FORUM

“Scaling up: Meeting the challenges of the United Nations 2030 Agenda for Sustainable Development through people first Public-Private Partnership”

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High level debate: How to identify and develop effective PfPPP: Burkina Faso Experience

Joint presentation between

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Background

- **Burkina Faso is a country located at the heart of West Africa and referred to as low income low country with a population where 59% are young below 20.** The neighbouring States are Ivory Coast, Ghana, Togo, Benin, Mali and Niger. The **West Africa Monetary Union (WAEMU)** head office is located in Ouagadougou capital of Burkina Faso
- **The country is of civil law background with a long experience in public procurement.** It is a strategic transit point for commercial exchanges in the region.
- **It benefits from public development aid** mainly from World Bank, African Development Bank and EU.
- **The improvement of public infrastructures is at the heart of priority** of the Government in its policy for economic and social development of the country
- In the last 10 years the country has developed various regulations to improve the investment climate and the quality of the and infrastructures
- **National planning of infrastructure is a top priority and** PPP have been identified as a delivery model having the potential to boost the delivery of essential public services for the people in spite of very tight budgetary constraints





Burkina PPP Experience

- **Burkina Faso has experimented Concessions PPP for several years in core sectors with a reasonably satisfactory track record without a particular legal framework except from public procurement regulation**
- **The need of special law for PPP has been felt since 2010(like in neighbouring countries) and confirmed in September 2011 through a national strategy for PPP development.**
- **A PPP law has been enacted in May 2013 and the implementing decree published in February 2014 followed by other implementing regulations on PPP Commission and Private partner selection Committee.**
- **Three PPP programs have been adopted since 2014. the last one adopted in 2016 contains a portfolio of 94 projects.**
- **The first Contract developed under the PPP law has been signed in 2017 in the renewable energy sector (Zina solar plant) 8 other power plant are under development with a closing expected before 2020**



Some Key features of Burkina PPP laws

- ❖ **PPP Objectives are clearly defined :**
 - Optimizing respective performance of public and private sector
 - Implementing in the best conditions and planning projects for the development of infrastructures having social impact
 - Strict compliance with principles of equity, transparency, sharing of risks with all proper justification of long term viability of projects.

- ❖ **PPP mandatory contract conditions addressed:** detailed lists of clauses together with guiding principles examples:
 - **Legal status of project asset** distinguishing assets that the partner must retransfer at the expiry date of the contract, from the assets that the public authority may or would like to purchase and from the assets that the private partner may keep
 - **Obligation imposed to the private partner to adapt the service** in order to meet the demand, to ensure the continuity of the service with conditions similar for all users without discrimination



Some Key features of PPP law and institutional implementation

- **All PPP Projects must be part of the priority investment program**
- Before being authorized to tender, the project must be developed through a feasibility process based on international best practices
- Detailed provisions for qualification, content of the bidding documents, template contract, criteria for project evaluation, selection committee, limit under which the negotiation is possible etc.
 - **Implementation:** Creation in 2013 of an ad hoc department having the characteristics of a PPP Unit for promoting PPP and participating to the process of identification and evaluation of Projects

Altogether this legal and institutional framework is one of the most advanced in the WEAMU region but should be revised in order to be in line with the WEAMU PPP framework when adopted.



Development of PPP Projects in Burkina Faso : From expectations to reality

❖ Project identification and selection

- The National plan for economic and social development for 2016-2020 (PNDES) has been developed with clear expectations that PPP would leverage the development of essential public infrastructures for the people
- Excerpts from PNDES *“The PPP is a way to mobilize finance and private expertise in order to implement efficiently investment in infrastructure (ports, airports, railways, highways, power plants, hydro power and other areas) fostering growth.”*
- **A whole process for PPP projects Identification has been organized** with line ministries, local and other public authorities
- **Thereafter a committee chaired by the Prime Minister evaluates and proposes a list of PPP projects** to be submitted to the Council of Ministers which publishes the list of projects authorized .
- When a project is authorized, the Authority in charge of developing **the project must carry feasibility up to a certain level and organize the procurement**

❖ Issues faced for the development of the PPP program

Line ministries or public authorities in charge of developing the authorized project before launching the tender have faced problems.

- Several projects not meeting the PPP criteria provided by the law
- Most projects did not follow the project development process provided by the regulations
- Most projects belonging to the family of public payment PPP creating unacceptable burden on the very tight public budget or imposing contingent liabilities on future generations without a sufficient level of related externalities
- No simple reference available through standard bidding documents and template contracts



❖ Redressing the situation : 2017 : an integrated plan with strong political support

1. **Identification of top priority projects and fast track procedures** (law of July 2017 permitting direct negotiation with candidates already identified without compromising with the core principles of PPP law and public procurement)
 - 9 line ministries have presented Top priority projects : (altogether 38 projects) **7 projects have been declared eligible** : 3 in energy , 2 in the roads , 2 in health.

2. **Inclusive program with international assistance for:**
 - Evaluating the situation
 - Proposing way forward to overcome the practical hurdles
 - Drafting PfPPP project development manual
 - Proposing template: SBD's and template of PfPPP contract



Development of PPP Projects in Burkina Faso : From expectations to reality

❖ Redressing the situation : implementation of the integrated action plan

1. **An International expert team** comprising several experts of ETIC-PPP **has participated to several rounds of exchanges in Burkina Faso** with PPP unit and line ministries both for implementing the plan and proposing a prima facie analysis of projects on the conditions of implementation and on the prima facie analysis of several projects
2. An **inception memorandum on issues and way forward** including the process for designing a procedure manual and proposing template for standard bidding documents and general contract conditions for PfPPP contracts
3. A **very detailed questionnaire addressing more or less 50 issues and friction points** and valid for the seven projects prioritized in energy, road and health has been issued.
4. **Answers from each team in charge of developing the feasibility of projects** are coming
5. From there, **focus on remaining key issues to permit effective and transparent contract negotiation**
6. **Altogether very promising outcome in particular for several projects in solar energy** thanks to the very active support of the World Bank and easy benchmark with the solar energy project *Zagtouli*



Thank You !

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