

Benchmarking Public-Private Partnerships Procurement 2017

Benchmarking PPP Procurement:
Assessing Government Capability to
Prepare, Procure and Manage PPPs



WORLD BANK GROUP



PPIAF
Enabling Infrastructure Investment

October 19th, 2016

Genesis and timeline

2014

Initiation
PPP CSSA & Global
Indicators Group

2015

Pilot data collection
in 10 economies

2016

Scale up to 82
economies

Benchmarking Public-Private
Partnerships Procurement 2015

A pilot in 10 economies



WORLD BANK GROUP

PPIAF
Enabling Infrastructure Investment



Benchmarking Public-Private
Partnerships Procurement
2017

Benchmarking PPP Procurement:
Assessing Government Capability to
Prepare, Procure and Manage PPPs

WORLD BANK GROUP PPIAF
Enabling Infrastructure Investment

WORLD BANK GROUP



Thematic coverage



**Regulatory Framework
and Institutional
Arrangements for PPPs**



Preparation



Procurement



**Contract
Management**



**Unsolicited
Proposals**

Geographical coverage

East Asia and Pacific (12 economies)

Cambodia	Papua New Guinea
China	Philippines
Indonesia	Singapore
Malaysia	Thailand
Mongolia	Timor-Leste
Myanmar	Vietnam

Europe and Central Asia (13 economies)

Albania	Moldova
Armenia	Romania
Bosnia and Herzegovina	Russian Federation
Bulgaria	Tajikistan
Kazakhstan	Turkey
Kyrgyz Republic	Ukraine
Lithuania	

Latin America and Caribbean (14 economies)

Argentina	Ecuador	Nicaragua
Brazil	Guatemala	Panama
Colombia	Honduras	Peru
Costa Rica	Jamaica	Uruguay
Dominican Republic	Mexico	

OECD High-income (10 economies)

Australia *	Korea, Rep.
Canada	Poland
Chile	Portugal
France	United Kingdom
Italy	United States **

Middle East and North Africa (7 economies)

Algeria	Lebanon
Egypt, Arab Republic of	Morocco
Iraq	Tunisia
Jordan	

Sub-Saharan Africa (20 economies)

Angola	Ghana	Senegal
Benin	Kenya	South Africa
Cameroon	Madagascar	Tanzania
Congo, D.R.	Malawi	Togo
Congo, Rep.	Mauritius	Uganda
Côte d'Ivoire	Mozambique	Zambia
Gabon	Nigeria	Lagos

South Asia (6 economies)

Afghanistan	Nepal
Bangladesh	Pakistan
India	Sri Lanka

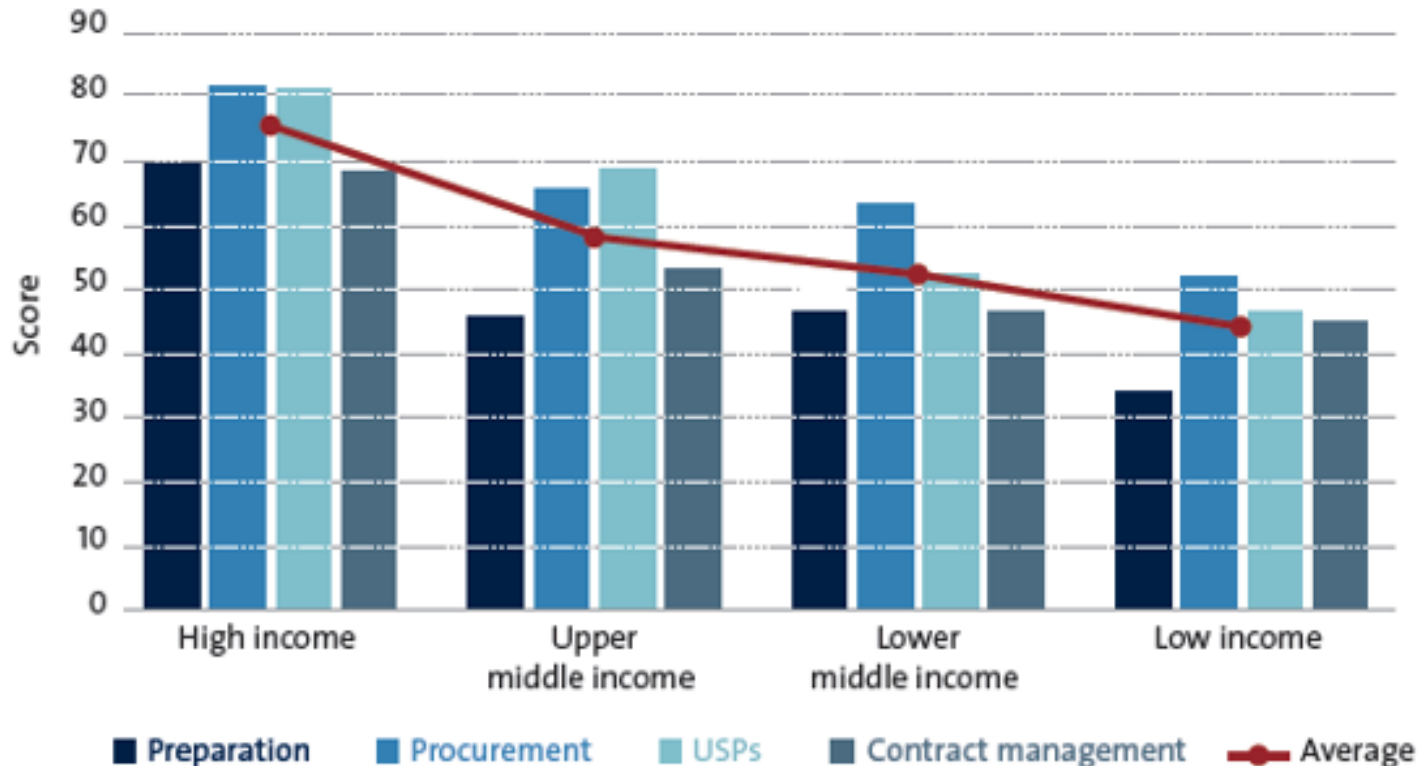
* State of New South Wales

** Commonwealth of Virginia

Main Findings

Benchmarking PPP Procurement 2017

The lower the income level of the group, the lower the performance in the four scored areas.

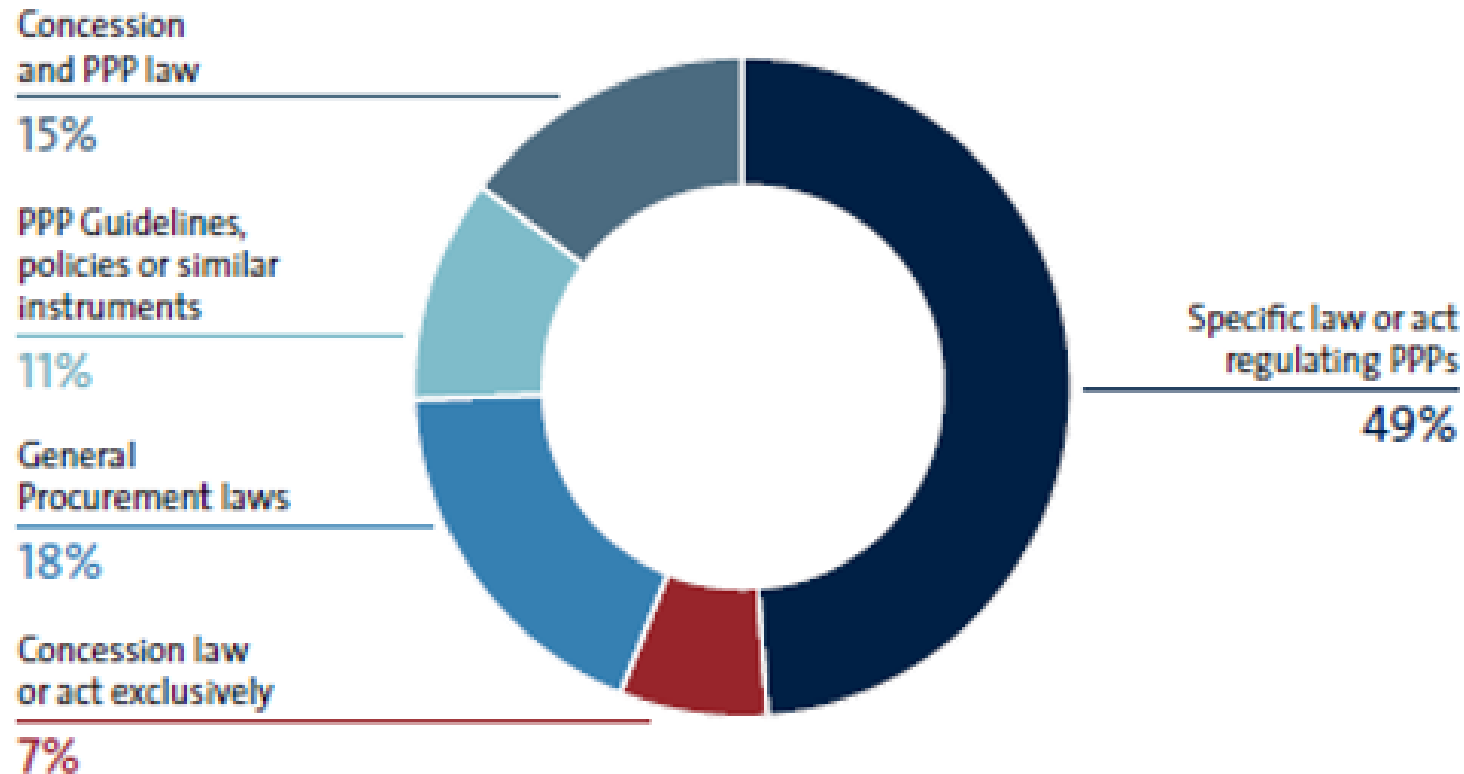


Source: *Benchmarking PPP Procurement 2017*.
Note: PPP = public-private partnership; USP = unsolicited proposal.



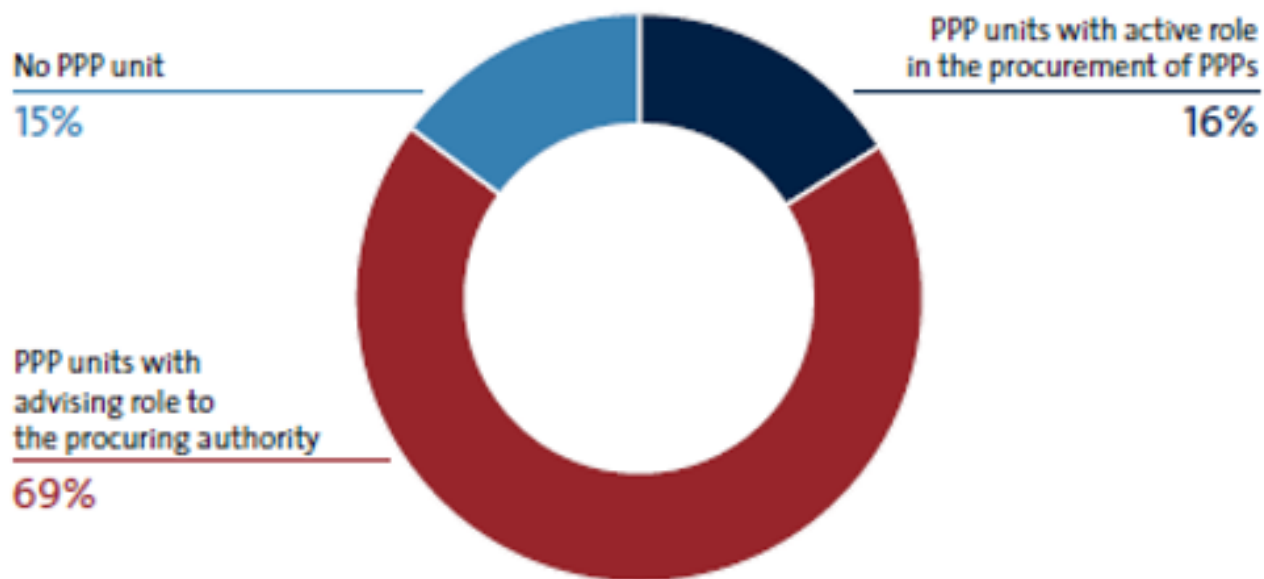
Regulatory Framework and Institutional Arrangements for PPPs

49 % of the economies regulate PPPs with a specific PPP law.



Note: PPP = public-private partnership.
Source: Benchmarking PPP Procurement 2017

Only 15 % do not have a PPP Unit

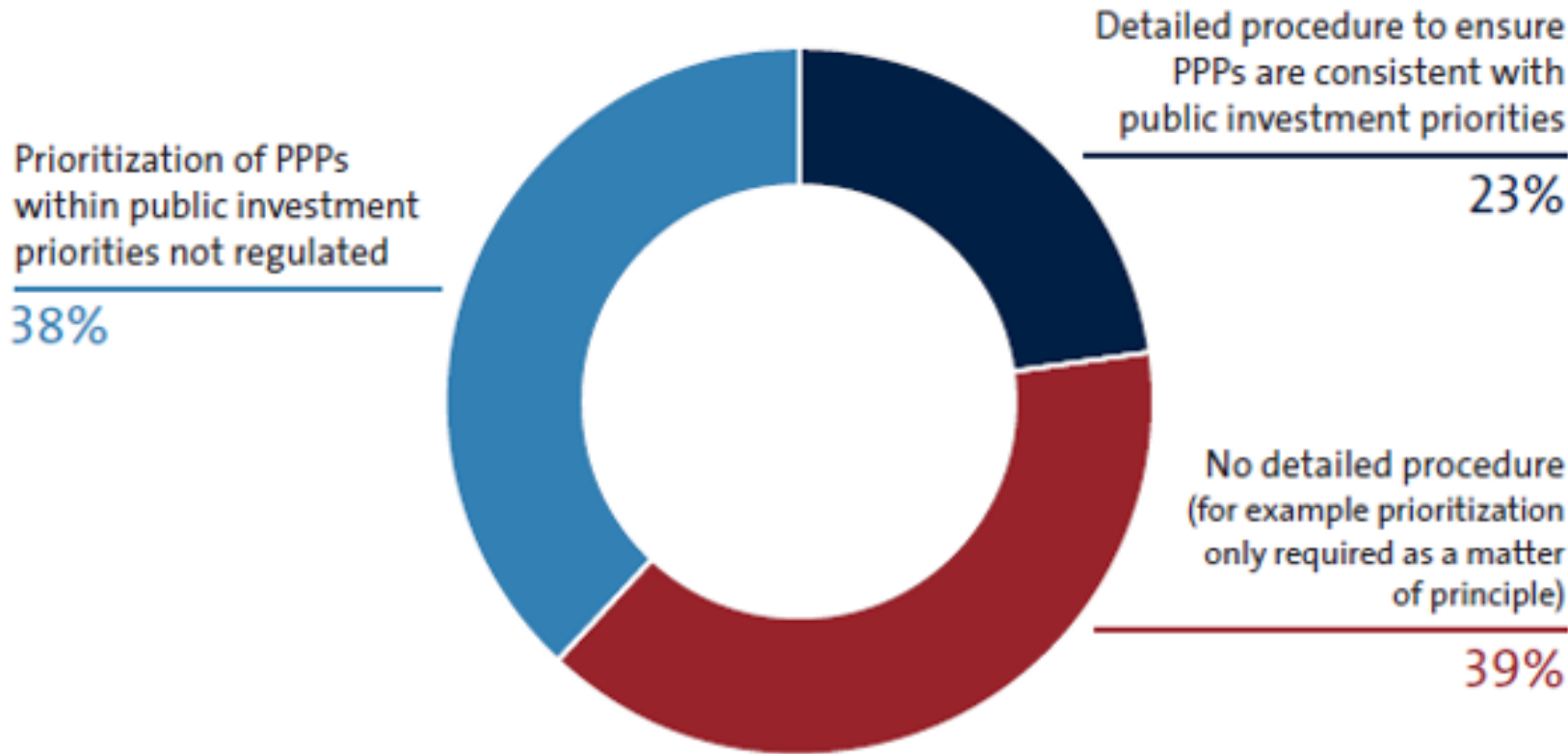


Note: PPP = public-private partnership.
Source: Benchmarking PPP Procurement 2017



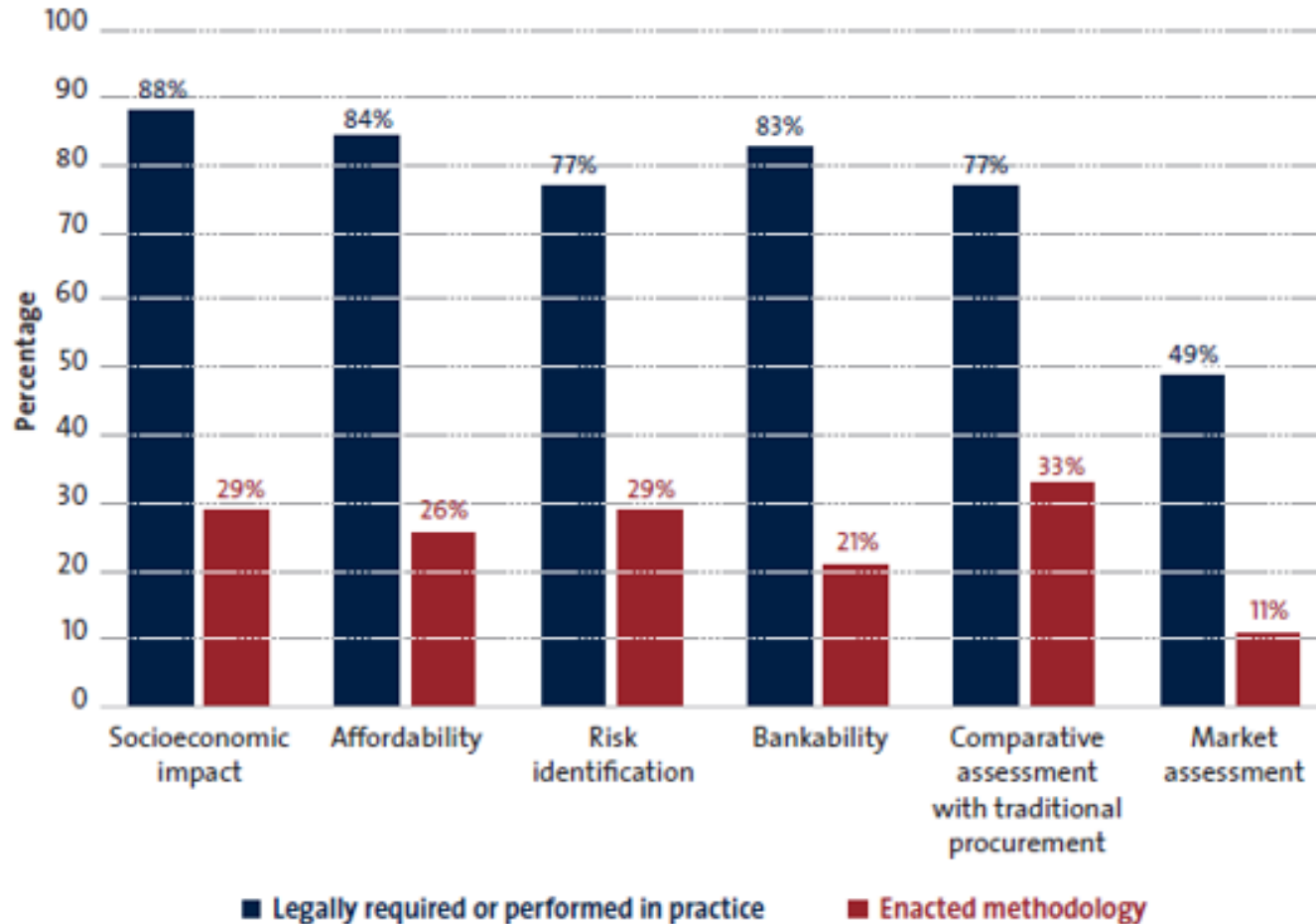
Preparation

Only 23 % have detailed procedures to ensure PPPs are strategically prioritized

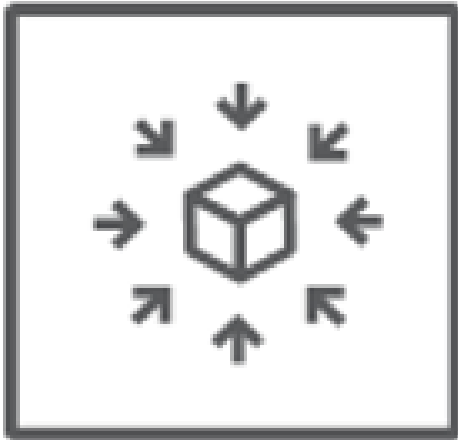


PPP = public-private partnership.
Source: Benchmarking PPP Procurement 2017

One-third have adopted specific methodologies for conducting assessments during preparation

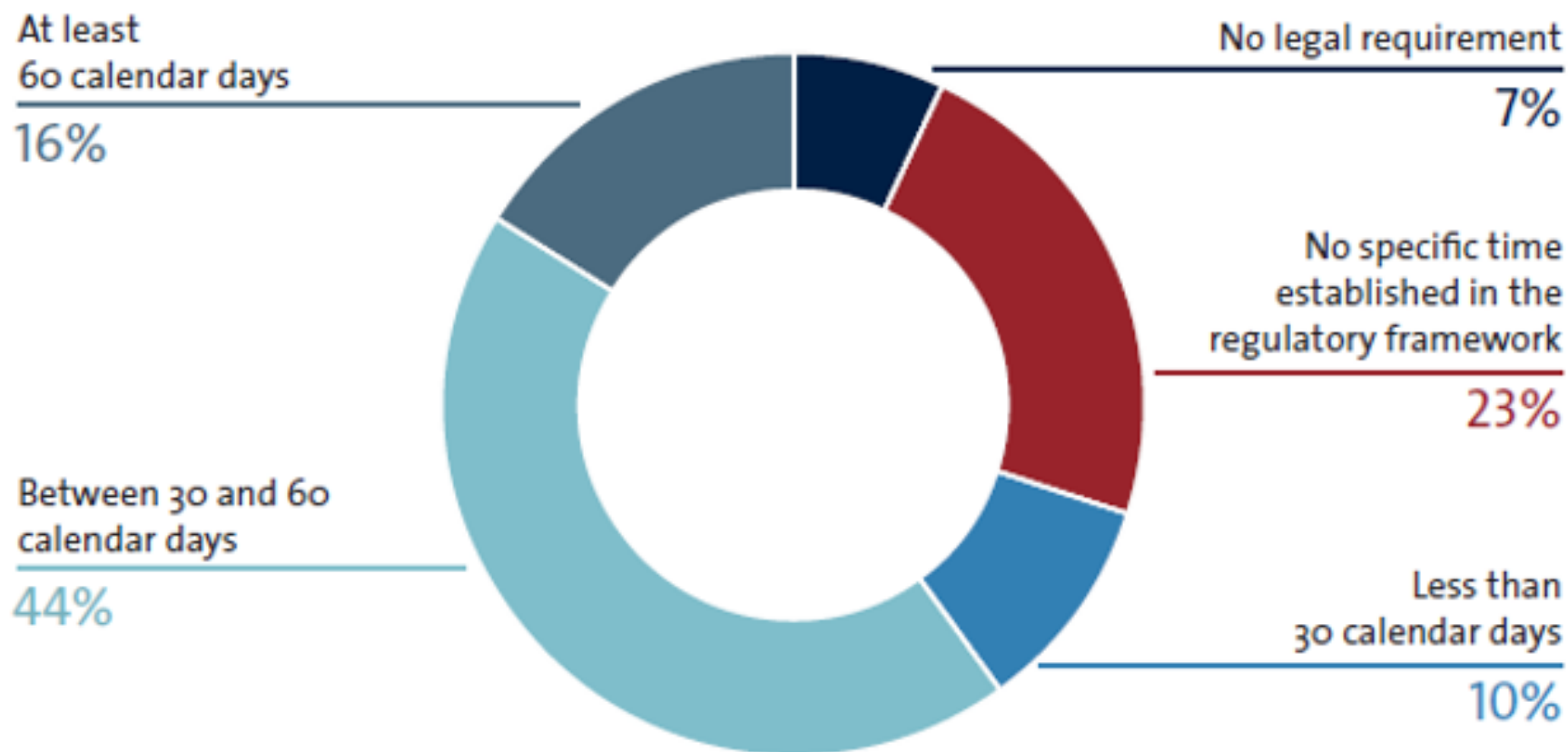


PPP = public-private partnership.
Source: Benchmarking PPP Procurement 2017



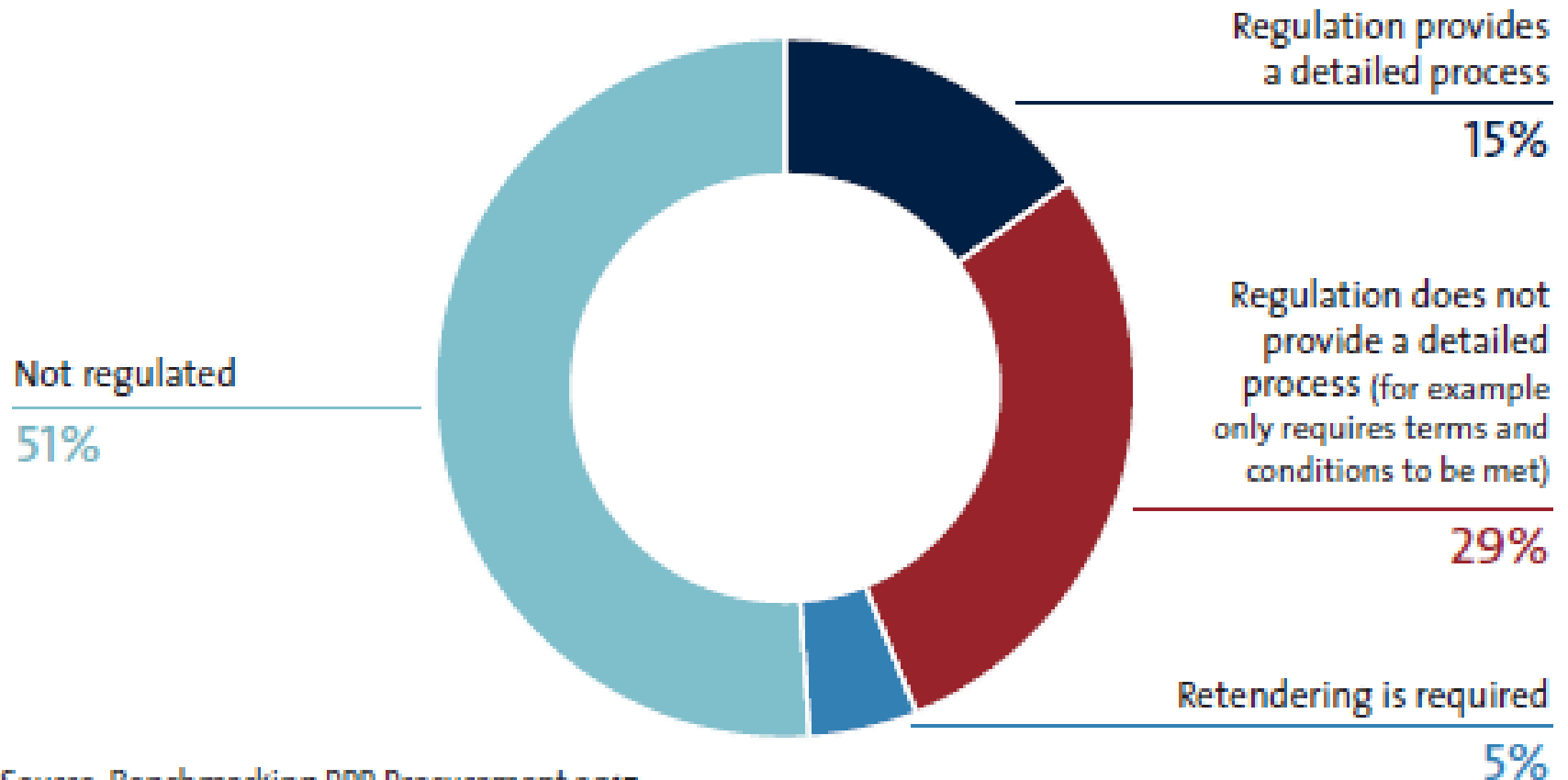
Procurement

40 % either do not specify a minimum period for bid preparation or require fewer than 30 days

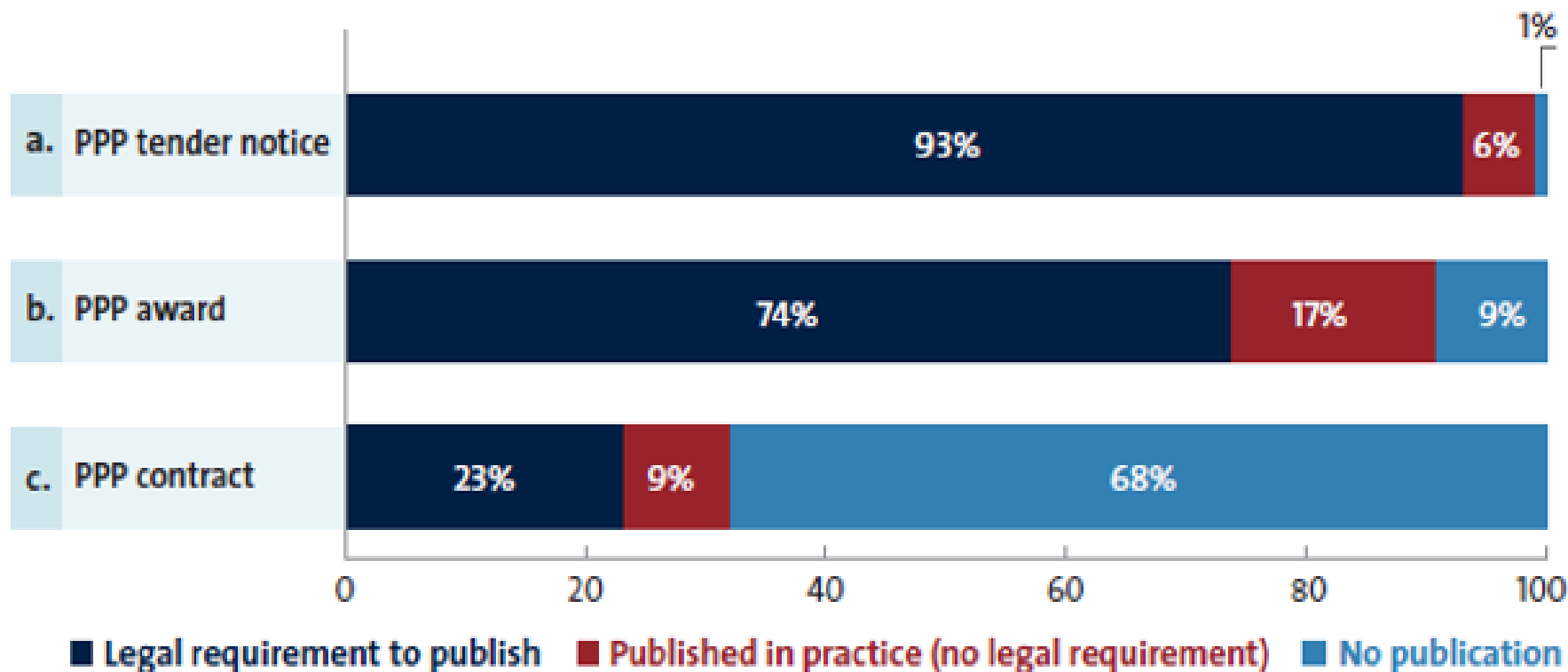


Source: Benchmarking PPP Procurement 2017

51 % do not address cases when only one proposal is received and only 15 % detail a specific process



23 % of the economies publish the PPP contract, and very few publish it online



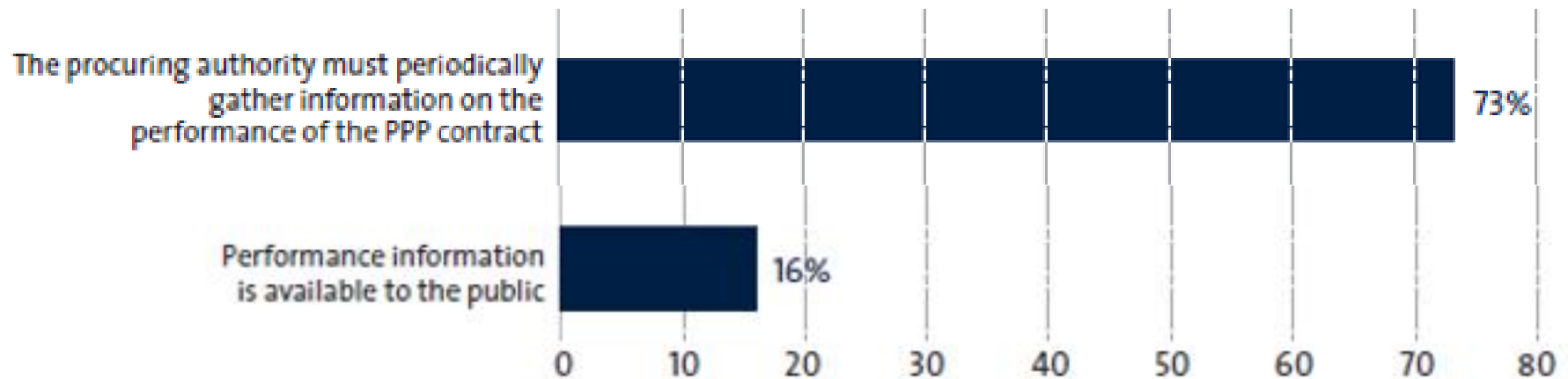
Note: PPP = public-private partnership.

Source: Benchmarking PPP Procurement 2017



Contract Management

16 % require operational and financial data to be made publicly available.



Note: PPP = public-private partnership.
Source: Benchmarking PPP Procurement 2017

Renegotiation is restricted: in 27% approvals required; in 33 % for scope changes; in 21 % for risk reallocation



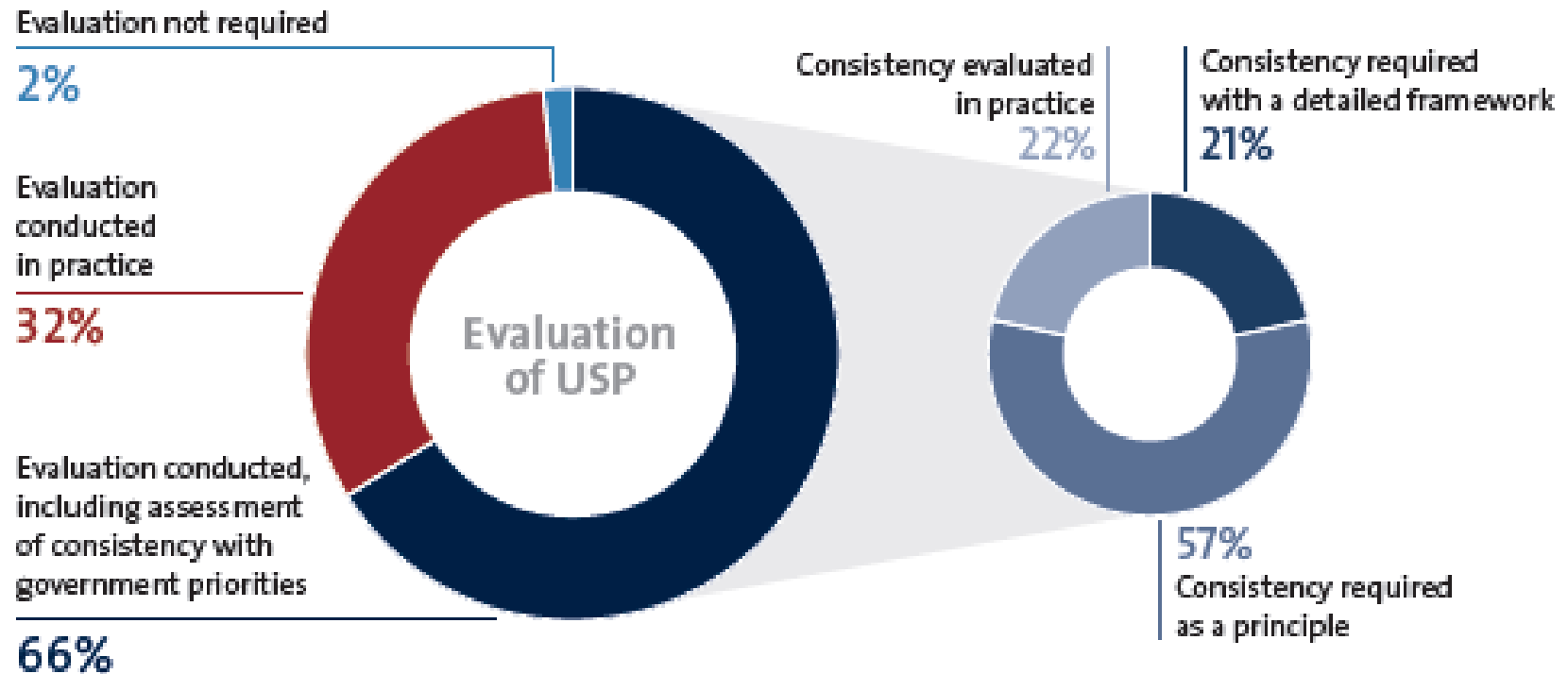
Note: PPP = public-private partnership.

Source: Benchmarking PPP Procurement 2017



Unsolicited Proposals

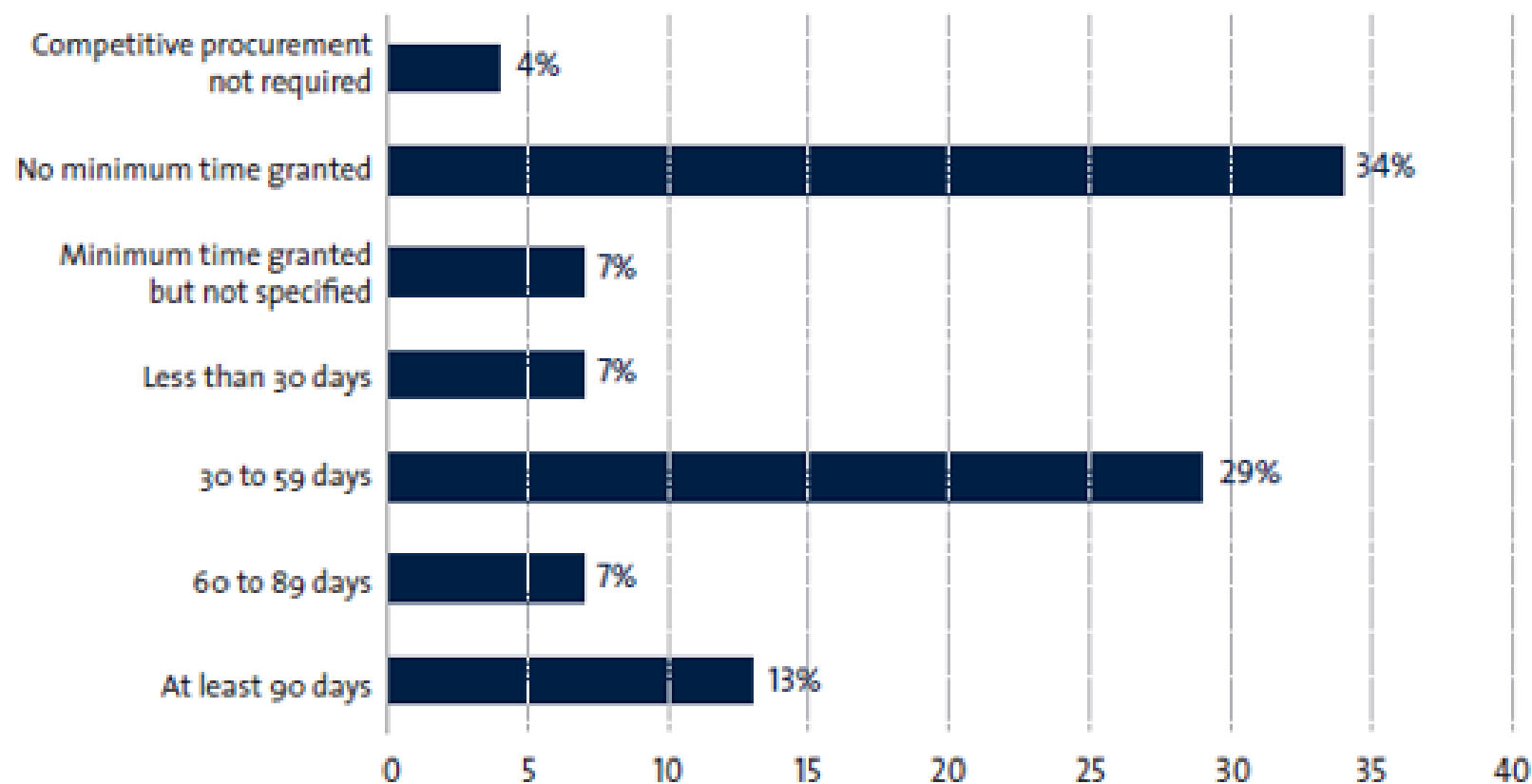
68 % regulate USPs (N=56). Only 21% have detailed procedures to evaluate consistency of USPs



Note: USP = unsolicited proposal.

Source: Benchmarking PPP Procurement 2017

13 % guarantee at least 90 days for proposal submission



Note: USP = unsolicited proposal.

Source: Benchmarking PPP Procurement 2017

Scoring Methodology and Way Forward

SCORING METHODOLOGY

Annex 2 Scoring Methodology

Thematic Area	What is measured	How it is scored
Preparation of PPPs	The Ministry of Finance or Central Budgetary Authority approves the PPP project before launching the procurement process.	A score of 1 if yes based on a regulatory provision. A score of 0.5 if yes based on a recognized practice.
	A second approval by the Ministry of Finance or Central Budgetary Authority is required before signing the PPP contract.	A score of 1 if yes based on a regulatory provision. A score of 0.5 if yes based on a recognized practice.
	Prioritization of PPP projects with all other public investment projects (e.g. in the context of a national public investment system).	A score of 1 if yes based on a regulatory provision. A score of 0.5 if yes based on a recognized practice.
	Procedure to ensure consistency of PPPs with other public investment priorities.	A score of 1 if specific procedures are detailed in the regulatory framework. A score of 0.5 if consistency is required only as a general principle.
	Socio-economic analysis (cost-benefit analysis of the socio-economic impact of	A score of 1 if required and a specific methodology developed

BENCHMARKING PPP PROCUREMENT 2017 - URUGUAY



LATIN AMERICA AND CARIBBEAN

URUGUAY

GNI PER CAPITA (IN USD)

\$15,720

69

Preparation of PPPs

Central Budgetary Authority's approval	Yes	Both before tendering and contract signature
PPP's prioritization consistent with public investment prioritization	Yes	Detailed procedure not regulated
Economic analysis assessment	Yes	Specific methodology developed
Fiscal affordability assessment	Yes	No specific methodology developed
Risk identification	Yes	No specific methodology developed
Financial viability assessment	Yes	No specific methodology developed
PPP vs. Public Procurement comparative assessment	Yes	Specific methodology developed
Market assessment	Yes	No specific methodology developed
Draft PPP contract included in the request for proposals	Yes	
Standardized PPP model contracts and/or transaction documents	No	

74

Procurement of PPPs

Evaluation committee members required to meet specific qualifications	Yes	Detailed membership and/or qualifications regulated
---	-----	---

Actionable indicators.

Example: Preparation of PPPs in Uruguay

69

Preparation of PPPs

Central Budgetary Authority's approval	Yes	Both before tendering and contract signature
PPP's prioritization consistent with public investment prioritization	Yes	Detailed procedure not regulated
Economic analysis assessment	Yes	Specific methodology developed
Fiscal affordability assessment	Yes	No specific methodology developed
Risk identification	Yes	No specific methodology developed
Financial viability assessment	Yes	No specific methodology developed
PPP vs. Public Procurement comparative assessment	Yes	Specific methodology developed
Market assessment	Yes	No specific methodology developed
Draft PPP contract included in the request for proposals	Yes	
Standardized PPP model contracts and/or transaction documents	No	

Detailed process ensuring prioritization of PPPs consistent with public investment: +0.5

Develop additional methodologies for feasibility assessments: +0.5 each (total + 1.5)

Market assessment legally required with a methodology: +1 point

Standardized PPP model contracts and/or transaction documents : +1

Score 69



Score 100

Note: Data are aggregated by area (in this example Preparation of PPPs) and scores are presented on a range from 0 to 100

Country cases as a benchmark

BENCHMARKING PPP PROCUREMENT 2017 IN THE UNITED KINGDOM

Regulatory and Institutional Framework for PPPs	
Does the regulatory framework in your country allow procuring PPPs?	Yes
Yes. If yes, please specify the relevant regulatory framework and the year of adoption:	<p>There is no primary UK legislation as such on PPPs. UK is subject to EU procurement rules and has enacted legislation which implements these rules (ex. Public Contracts Regulations 2015) and also legislation which includes provisions to assist with the enabling of PPP projects in certain sectors (such as the Infrastructure Act (2015)). Overall, there is sufficient flexibility and certainty within the statutory and common law framework to permit PPPs. PPP/PFI procurement procedures are regulated and standardized, ensuring that the key principles of fairness, transparency and competition are preserved. We note that PFI is the most common type of PPP used in the UK since the early 1990s, based, on varying degrees, on the SOPC standard contract.</p> <p>Given the absence of a PPP-specific law, there is no general overarching provision in law which gives all public bodies the power to enter into PPP arrangements. Powers tend to be derived from a public body's constitutional documents or from specific legislation. Where necessary, the Government is prepared to use secondary legislation to ensure that PPP projects procured under the private finance initiative are not adversely affected by general changes in the law.</p> <p>There is a detailed and mature regulatory framework within the UK for the tendering of public</p>

Thank you!

Website: bpp.worldbank.org
Email: benchmarkingppp@worldbankgroup.org

&

[www.pppknowledgelab.org/benchmarking.](http://www.pppknowledgelab.org/benchmarking)