

PROJECT STATUS REPORT

JULY 2012 - DECEMBER 2012

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Program to Promote Public Private Partnerships for Infrastructure in T & T

Project Number: TT-M1019 - Operation Number: ATN/ME-12261-TT

Result: To strengthen capacity of the Government of Trinidad and Tobago to structure and oversee the implementation of 2 pilot PPP projects in order to create a demonstration effect

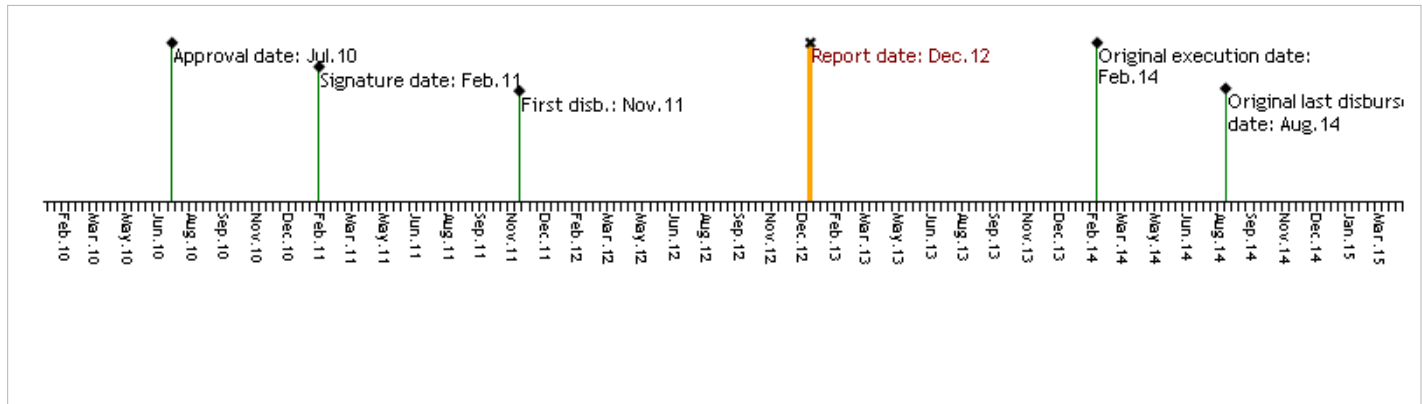
Country Administrator TRINIDAD AND TOBAGO	Beneficiary Country TRINIDAD AND TOBAGO	Group INF - Infrastructure and Public Services	Subgroup PPPA - Public-Private Partnerships
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Executing Agency: MINISTRY OF FINANCE AND THE ECONOMY

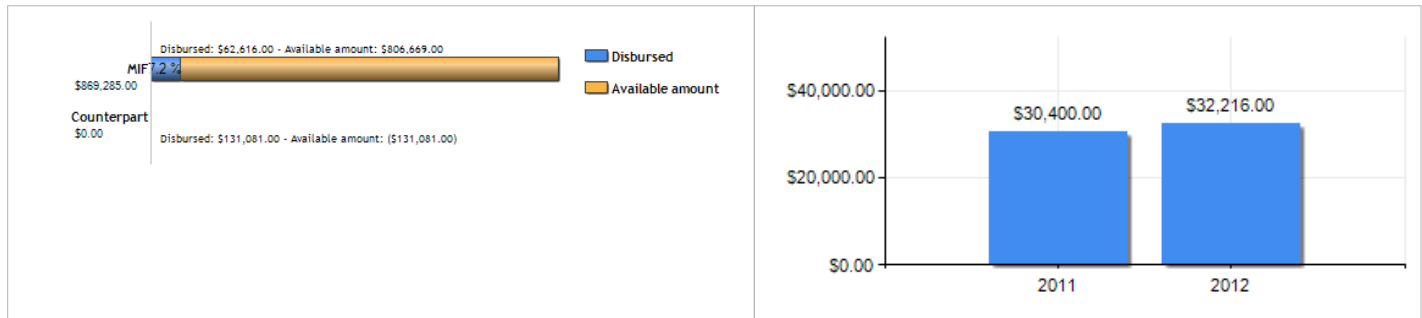
Design Team Leader: Bloomgarden, David

Supervision Team Leader: Dookiesingh, Vashtie

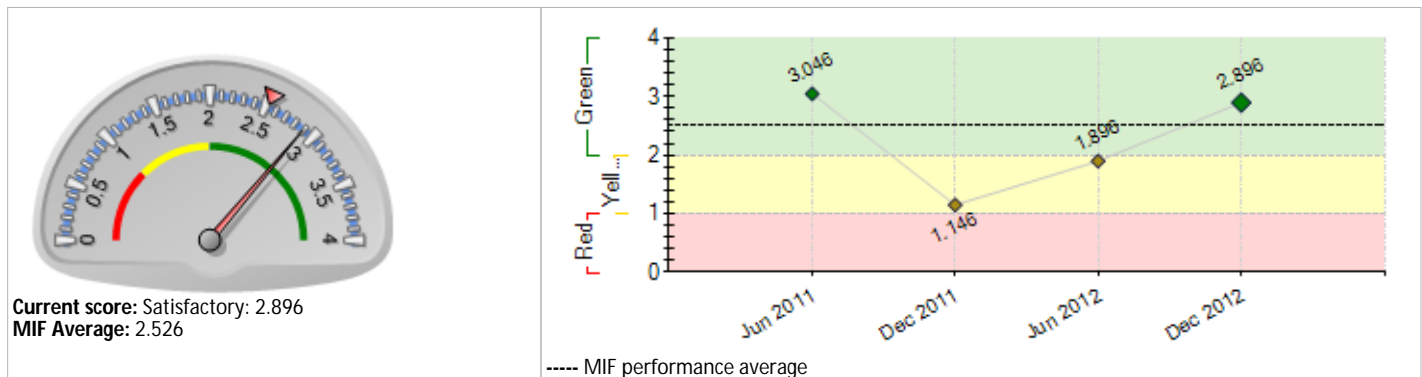
TIMELINE



FUNDS



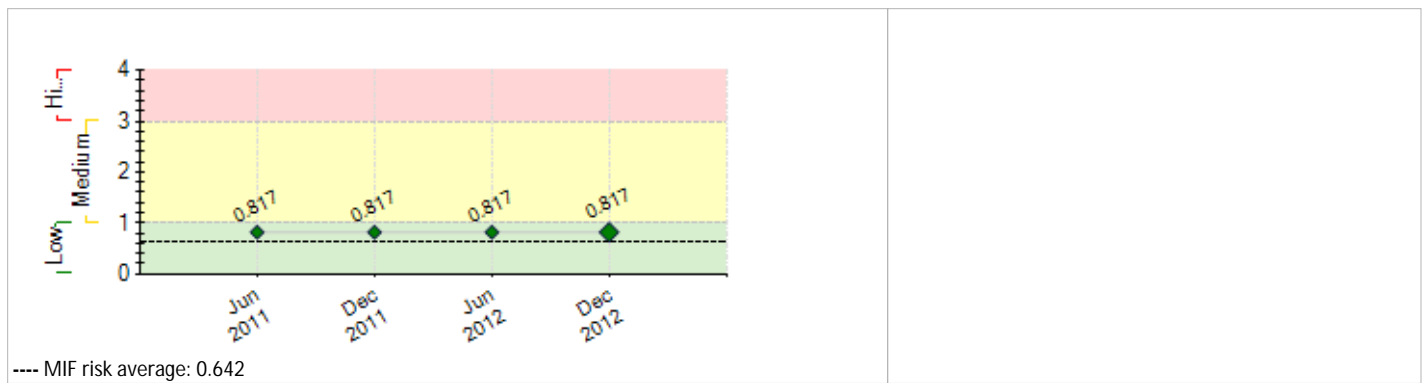
PERFORMANCE SCORE



EXTERNAL RISKS

INSTITUTIONAL CAPACITY

	Risk
Financial Management:	Medium
Procurement:	Low
Technical Capacity:	High



SECTION 2: PERFORMANCE

Summary of project performance since inception

The PPP Unit was established within the Investments Division of the Ministry of Finance and the Economy on August 8, 2011 with the hiring of the PPP Project Coordinator. The Unit currently has three (3) staff members.

PPP Project Coordinator and PPP Project Manager received training in PPPs.

The Unit engaged [Government Human Resource Services Co Ltd](#) to identify suitable candidates for the positions of Senior Legal Officer and Senior Financial Analyst

Meetings/stakeholder awareness sessions were held with several stakeholder groups to disseminate the PPP policy and discuss the benefits, challenges and opportunities for PPPs in Trinidad and Tobago

Cabinet approved a National PPP Policy on May 31, 2012

A pipeline of eighty eight (88) potential PPP pilot projects was developed. Projects include Marine Ports, Airport Concessions, Highways, Foreshore Development, Health Care Facilities, Hotels, Judicial Complexes, Administrative Buildings and Schools/University Campus.

PwC developed Outline Business Cases/ conduct screening for ten (10) potential PPP projects for consideration by the PPP Ministerial Committee in September 2012.

PPP Ministerial Committee meetings were held on August 3, 2012 and December 7, 2012 to review the PPP pipeline and consider a priority project list.

As part of their technical advisory services, PwC submitted a PPP Training Syllabus and a Draft Legal Diagnostic Report with recommendations for an enabling environment for PPPs in Trinidad and Tobago.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

After some initial delays in mobilization due to change in executive leadership at the Executing Agency (Ministry of Finance) as well as time required for sourcing and selection of core staff, the PPP Unit has gained ground in terms and government has prioritized the development of PPPs as critical modality for financing of infrastructure in the future. In this regard an interim evaluation will assist in defining the way forward. It should be noted that low drawdowns of available TC resources does not reflect a lack of progress, over US \$200K is committed by the Ministry of Finance but has not been disbursed due to delays in review and vetting of the standard IDB contract used to engage the first major technical consultancy.

Summary of project performance in the last six months

PPP Project Coordinator and PPP Project Manager received training in PPPs.

The Unit engaged [Government Human Resource Services Co Ltd](#) to identify suitable candidates for the positions of Senior Legal Officer and Senior Financial Analyst

Meetings/stakeholder awareness sessions were held with several stakeholder groups to disseminate the PPP policy and discuss the benefits, challenges and opportunities for PPPs in Trinidad and Tobago. Representative of various ministries, construction companies, local banks and the Joint Consultative Council (JCC) for the Construction Industry participated in these PPP related discussions.

The Unit developed a pipeline of eighty eight (88) potential PPP projects. These projects were submitted by over ten (10) ministries/state agencies. The pipeline includes Marine Ports, Airport Concessions, Highways, Foreshore Development, Health Care Facilities, Hotel Accommodation, Judicial Complexes, Administrative Buildings and Schools/University Campus

PwC developed Outline Business Cases/ conduct screening for ten (10) potential PPP projects for consideration by the PPP Ministerial Committee in September 2012

PPP Ministerial Committee meetings were held on August 3, 2012 and December 7, 2012 to review the PPP pipeline and consider a priority project list

As part of their technical advisory services, PwC presented a Training Syllabus and a Draft Legal Diagnostic Report with recommendations for an enabling environment for PPPs in Trinidad and Tobago

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

SECTION 3: INDICATORS AND MILESTONES

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Result: To strengthen capacity of the Government of Trinidad and Tobago to structure and oversee the implementation of 2 pilot PPP projects in order to create a demonstration effect	P.11 Two pilot infrastructure projects using the PPP model are awarded	0			2 Jan 2015	0	
Component 1: Strengthening Government Capacity to Engage in PPPs Weight: 50% Classification: Satisfactory	C1.11 Organisational and institutional guidelines for PPP investments	0			1 Jan 2013	1 May 2012	Finished
	C1.12 A specialized technical PPP unit in charge of identifying, formulating and managing PPP projects in full operation.				Aug 2012	Yes Dec 2011	Finished
Component 2: Establishing an Enabling Regulatory Framework for PPPs Weight: 15% Classification: Satisfactory	C2.11 Methodologies and operational guidelines for planning, designing, and managing PPPs developed.				Mar 2013	No Dec 2012	
	C2.12 Proposal for any required regulatory reforms in financial, fiscal, environmental, accounting, procurement and other elements related to the regulatory framework for PPP projects developed				Mar 2014	No Dec 2012	
Component 3: Prepare and award 2 pilot PPP projects Weight: 25% Classification: Satisfactory	C3.11 Pilot PPP projects identified and preliminary evaluation of the projects conducted	0			2 Jan 2014	Dec 2012	
	C3.12 High level approval of 2 pilot projects for implementation	0			2 Jan 2015	Dec 2012	
Component 4: Stakeholder Outreach and Project Dissemination Weight: 10% Classification: Satisfactory	C4.11 Participation in 1 local and 1 regional forums on PPPs	0			2 Jan 2015	Dec 2012	

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M0 Appointment of PPP technical advisor	1	Aug 2011	1	Jun 2012	Achieved late
M1 Establishment of PPP unit	1	Aug 2011	1	Aug 2012	Achieved late
M2 [*] Conditions Prior	6	Dec 2011	6	Dec 2011	Achieved
M3 Technical staff in PPP unit have received PPP training	1	Feb 2012	1	Jun 2012	Achieved late
M4 PPP Policy developed	1	Dec 2012	1	May 2012	Achieved
M5 Convening of 2 general stakeholder forums on PPPs	2	Feb 2013	1	Jun 2012	
M6 [*] Operating manual for planning designing and managing PPPs developed and approved by the PPP Unit	1	May 2013	0	Dec 2012	
M7 [*] Selection of 1st PPP pilot project by the PPP unit	1	May 2013	0	Dec 2012	
M9 [*] Convening of 1 general stakeholder awareness forums	1	Jul 2013	0	Dec 2012	
M10 [*] Selection of 2nd PPP pilot project	1	Jul 2013	0	Dec 2012	
M11 [*] Proposal for procurement and relevant regulatory reforms submitted to Cabinet	1	Nov 2013	0	Dec 2012	
M12 1 local and 1 regional PPP forum completed	1	Feb 2014	0	Dec 2012	
M13 [*] Contract for 1st PPP pilot project awarded	1	Nov 2014	0	Dec 2012	

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Purchase difficulties
- [X] Delays in fulfilling the contract terms
- [X] Others, which?: Longer timeframe for contracting of key staff than anticipated in design phase

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Government is not committed to resourcing the PPP unit over the long term	Medium	Focus of the PPP unit is to demonstrate financial and technical benefits and high value added of the unit to line ministries in the structuring negotiation and management of PPPs	Project Coordinator
2. Government is not committed to resourcing the PPP unit over the long term	Medium	Focus of the PPP unit is to demonstrate financial and technical benefits and high value added of the unit to line ministries in the structuring negotiation and management of PPPs	Project Coordinator
3. Partners selected to engage in PPPs do not possess requisite technical, financial and governance capacity	Medium	PPP Unit must engage in intelligence gathering, networking and due diligence on potential PPP providers to ensure quality, integrity and capacity of firms short listed for PPP pilots.	Project Coordinator
4. Lack of support for regulatory changes required to facilitate engagement in and leverage of PPPs	Medium	Focus regulatory changes on the critical areas and engage stakeholders at all stages in development of regulatory frameworks to secure required buy in and support	Project Coordinator
5. Local and regional stakeholders are not interested in replicating and scaling up PPPs	Low	Pilot projects are structured and managed to demonstrate the benefits and associated risks of PPPs and are used to sensitize and inform stakeholders	Project Coordinator

PROJECT RISK LEVEL: Medium **TOTAL NUMBER OF RISKS:** 7 **IN EFFECT RISKS:** 7 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 0

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: P - Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which will be or have been implemented:

PPP Unit disseminated the PPP Policy to ministries and has since received favourable feedback

The PPP Unit work through the PPP Ministerial Committee to facilitate dialogue and buy-in by stakeholder to the PPP processes as defined in the PPP Policy.

Critical Issues that have affected performance:

Inability to hire suitable candidates for the positions of Senior Legal Officer and Senior Financial Analyst—public sector salary, short-term contracts and lack of experience were key issues that affected the appointment of individuals to these positions.

Critical Issues that may affect project sustainability:

The ministries and/or state agencies may view the PPP frameworks outlined in the PPP Policy as bureaucratic; thus refusing to utilize the PPP modality for delivery of their projects. They may seek to deliver potentially viable PPP projects using funds from the Public Sector Investment Programme (PSIP).

SECTION 6: PRACTICAL LESSONS

	Relative to	Author
1. Support from political directorate is a must. The PPP Unit was able to leverage the support of the PPP Core Ministerial Committee to advance the PPP programme. Over eighty potential PPP project from several sectors are being considered for development and implementation through the PPP modality.	Implementation	Alleyne, Zayid
2. Development of capacity within the PPP Unit and support from suitably qualified consultants should be regarded as a precondition to development of PPP Pilot projects.	Implementation	Alleyne, Zayid