

PROJECT STATUS REPORT

JANUARY 2013 - JUNE 2013

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

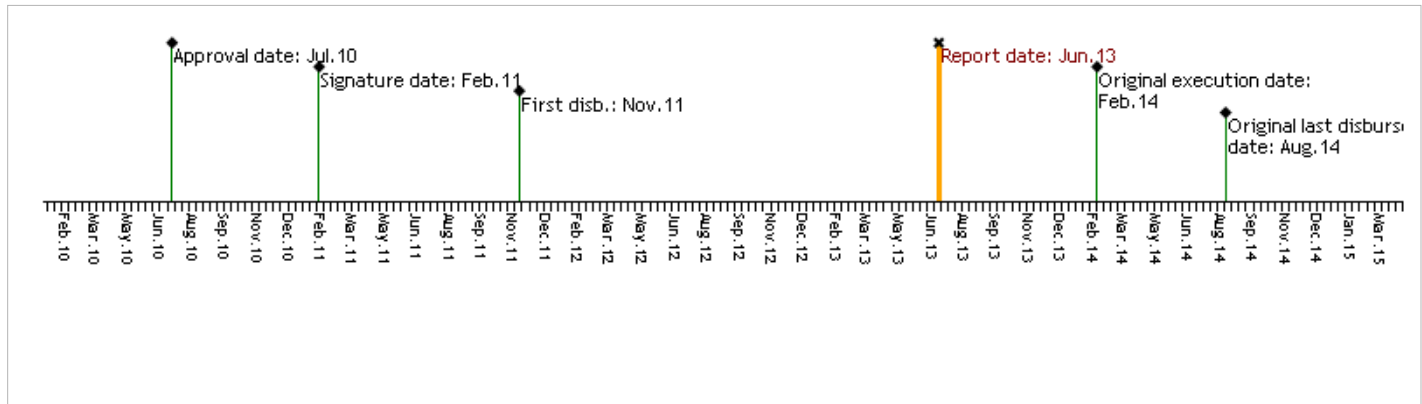
Country Administrator TRINIDAD AND TOBAGO	Beneficiary Country TRINIDAD AND TOBAGO	Group INF - Infrastructure and Public Services	Subgroup PPPA - Public-Private Partnerships
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Executing Agency: MINISTRY OF FINANCE AND THE ECONOMY

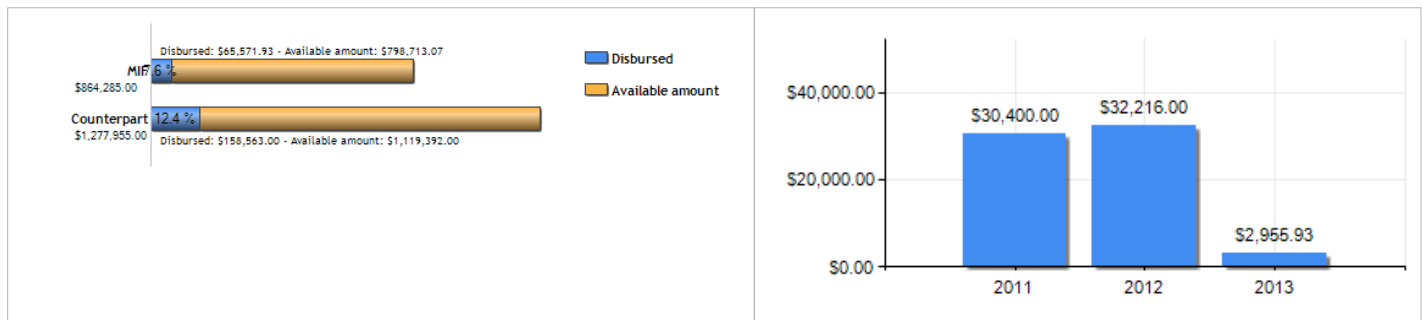
Design Team Leader: Bloomgarden, David

Supervision Team Leader: Dookiesingh, Vashtie

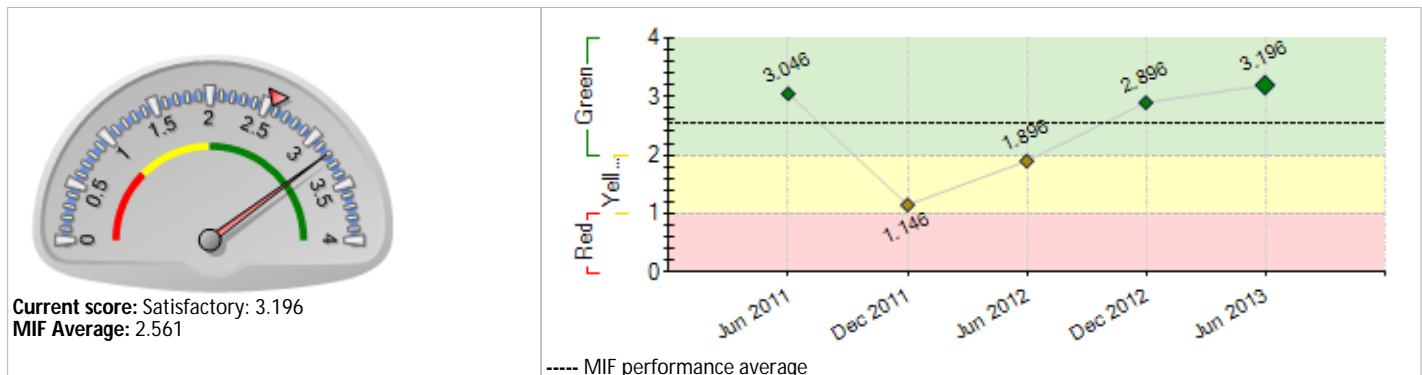
TIMELINE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

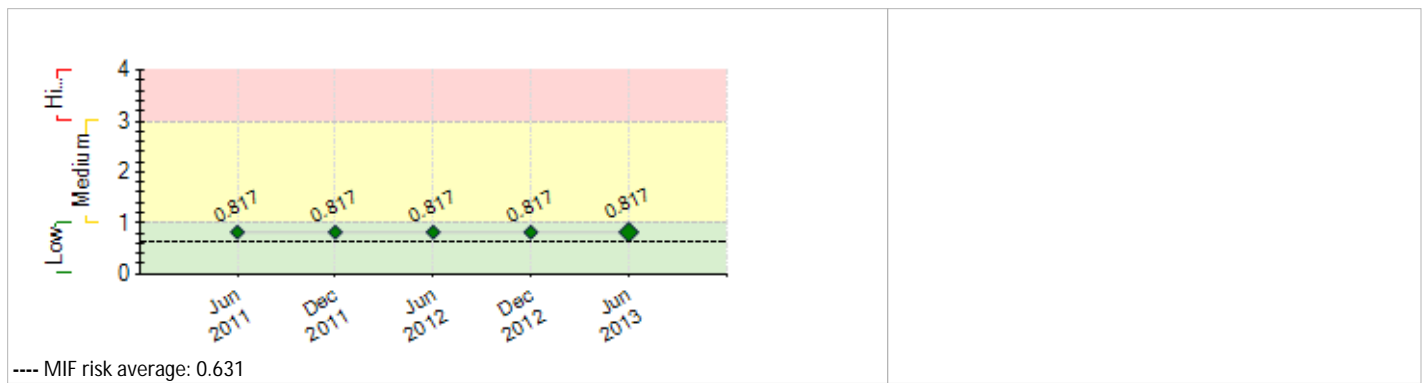
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Low

Technical Capacity: High



SECTION 2: PERFORMANCE

Summary of project performance since inception

A PPP Unit was established within the Investments Division of the Ministry of Finance and the Economy (MOFE) on August 8, 2011.

Cabinet approved a National PPP Policy on May 31, 2012

A Pipeline of 92 potential PPP projects was developed. Projects include Marine Ports, Airport Concessions, Highways, Foreshore Development, Health Care Facilities, Hotels, Judicial Complexes, Solid Waste Facility, Administrative Buildings and Schools/University Campus. Several PPP were screened from the project pipeline by PricewaterhouseCoopers Advisory Services Limited (PwC).

PPP Ministerial Committee meetings were held to review and consider the PPP pipeline and in March 2013, Cabinet approved the implementation of over eighteen projects using the PPP modality.

Two PPP pilot projects were selected for development, one in the Ministry of Education and the other in the Ministry of Health.

Representatives of the PPP Units received PPP training.

PPP stakeholder meetings were conducted

PPP Training Syllabus and Operational Guideline documents were developed to underpin the PPP Policy.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The PPP Unit has to now accelerate the procurement of consultants and other institutional support required to achieve core project objectives and results

Summary of project performance in the last six months

On March 21, 2013 Cabinet approved the implementation of twenty projects using the PPP modality.

Two (2) PPP pilots were project selected

1. Ministry of Education **Ten (10) Primary Schools and Early Childhood Care and Education (ECCE) Centres**
2. Ministry of Health **Diagnostic Specialist Centres**

Concept Notes were prepared for PPP pilots as well as draft TOR for transaction advisory services

The Education PPP Execution participated in a PPP in Education Study Tour in Alberta, Canada.

PPP Unit Coordinator attended PPP training course and regional conference

A PPP Consultative Session was held with National Trade Union Centre of **Trinidad** and Tobago (**NATUC**)

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The Pilot projects were selected based on an interim evaluation of the PPP program conducted by an independent international expert. The PPP Unit must accelerate leadership of key technical activities to advance the development of the business case for each of the PPP pilots in the next semester

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 Nov 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	Yes Mar 2013	
	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 Jun 2013	
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	2 May 2013	Finished
	C3.12 High level approval of 2 pilot projects for implementation	0			2 Jan 2015	Jun 2013	
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	Jun 2013	

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 2011	Achieved
M2 [*] Conditions Prior	6	Dec 2011	6	Nov 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
M6 [*] Operating manual for planning designing and managing PPPs developed and approved by the PPP Unit	1	May 2013	1	Mar 2013	Achieved
M7 [*] Selection of 1st PPP pilot project by the PPP unit	1	May 2013	1	May 2013	Achieved
M9 [*] Convening of 1 general stakeholder awareness forums	1	Jul 2013	0	Jun 2013	
M10 [*] Selection of 2nd PPP pilot project	1	Jul 2013	1	May 2013	Achieved
M11 [*] Proposal for procurement and relevant regulatory reforms submitted to Cabinet	1	Nov 2013	0	Jun 2013	
M12 1 local and 1 regional PPP forum completed	1	Feb 2014	0	Jun 2013	
M13 [*] Contract for 1st PPP pilot project awarded	1	Nov 2014	0	Jun 2013	

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Political changes of the executing agency

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	Medium	Focus of the PPP unit is to demonstrate financial and technical	Project Coordinator

resourcing the PPP unit over the long term		benefits and high value added of the unit to line ministries in the structuring negotiation and management of PPPs	
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

Issue	Comments
[X] Lack of cost recovery mechanisms or external financing sources (government, donors and/or private sector) to continue the activities of the project once MIF resources are expended	Development and contracting of PPP operations is very expensive, availability of funding to roll out a medium term PPP program needs to be identified and established
[X] A market is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	If the PPP Unit does not prioritize building out technical and institutional capacity to actively support and advise on PPP processes then line Ministries are likely to proceed without reference to the Unit

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

PPP Coordinator disseminated the PPP programme to the Private Sector at regional conferences.
Minister in the Ministry of Finance and the Economy gave a speech on the National PPP programme at the PPP leg of the 2013 Caribbean Investment Forum held in Port of Spain Trinidad.
Education PPP Execution Team participated in a PPP in Education Study Tour held in Alberta, Canada.
Engagement of consultants to assist with the assessment of PPP projects in the Transport Sector.

SECTION 6: PRACTICAL LESSONS

	Relative to	Author
1. Transparency and technical rigour of PPP design and analysis process is a critical factor to attracting the interest of credible and qualified PPP actors	Implementation	DOOKIESINGH, VASHTIE [MIF]
2. Political pressures to accelerate PPP design and analysis may adversely impact quality and create financial and operational problems in the PPP execution stage. Technical PPP advisors and actors in government must be able to balance political expediency with rigour and conformance with recognized processes to ensure that the value of PPP projects is realized over time	Implementation	DOOKIESINGH, VASHTIE [MIF]
3. In the absence of dedicated team members to work on the development of PPP projects the design, analysis, selection and structuring of PPP operations will be subject to quality issues and delays. Government agencies and ministries wishing to embark on PPPs must dedicate technical personnel to the development of such projects	Implementation	DOOKIESINGH, VASHTIE [MIF]
4. Education of government officials in PPPs is necessary to advance and create sustainability in the PPP programme.	Implementation	Alleyne, Zayid
Public sector teams must be competent in procurement so as to attract better contractors		
Public Sector must be proficient in long term contract management		