

# PROJECT STATUS REPORT

JULY 2013 - DECEMBER 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

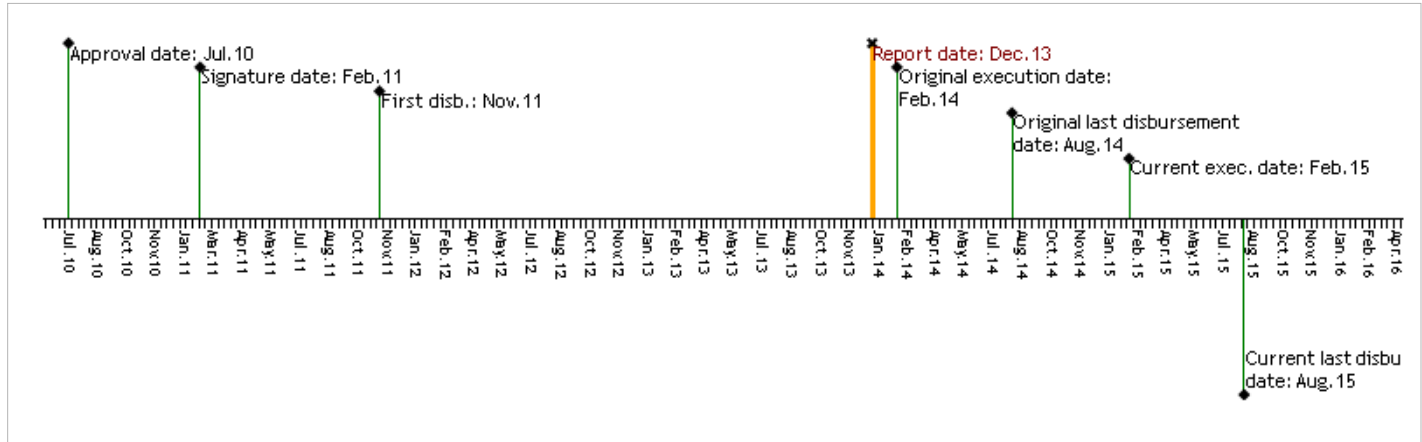
<b>Country Administrator</b> TRINIDAD AND TOBAGO	<b>Beneficiary Country</b> TRINIDAD AND TOBAGO	<b>Group</b> INF - Infrastructure and Public Services	<b>Subgroup</b> PPPA - Public-Private Partnerships
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**Executing Agency:** MINISTRY OF FINANCE AND THE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

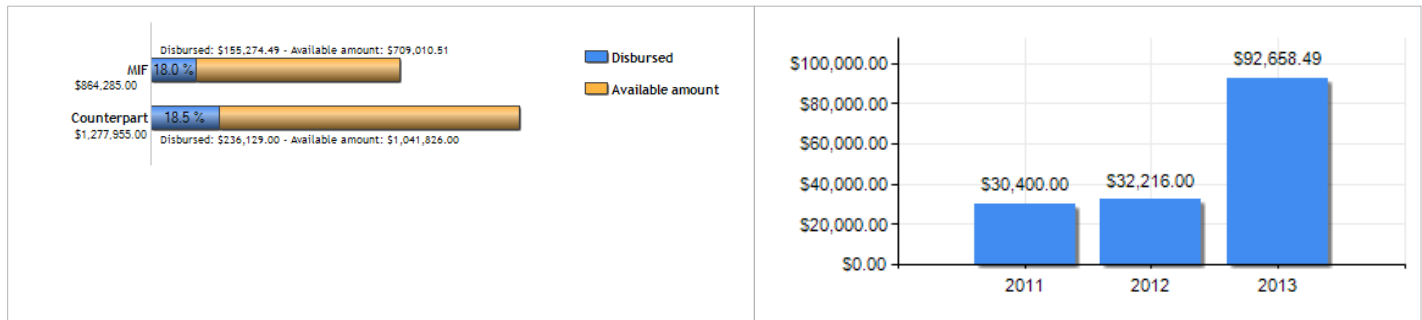
**Design Team Leader:** Bloomgarden, David

**Supervision Team Leader:** Dookiesingh, Vashtie

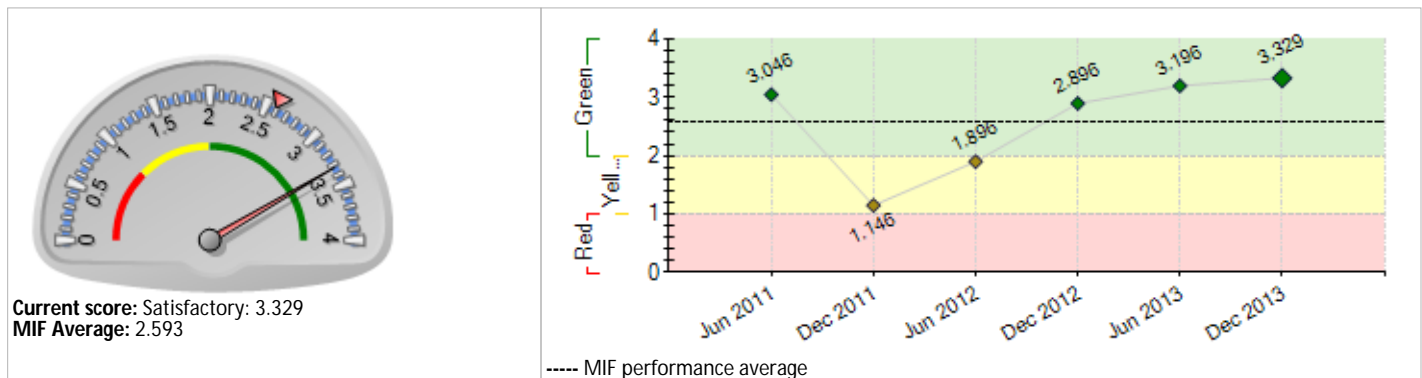
### TIMELINE



### FUNDS



### PERFORMANCE SCORE



### EXTERNAL RISKS

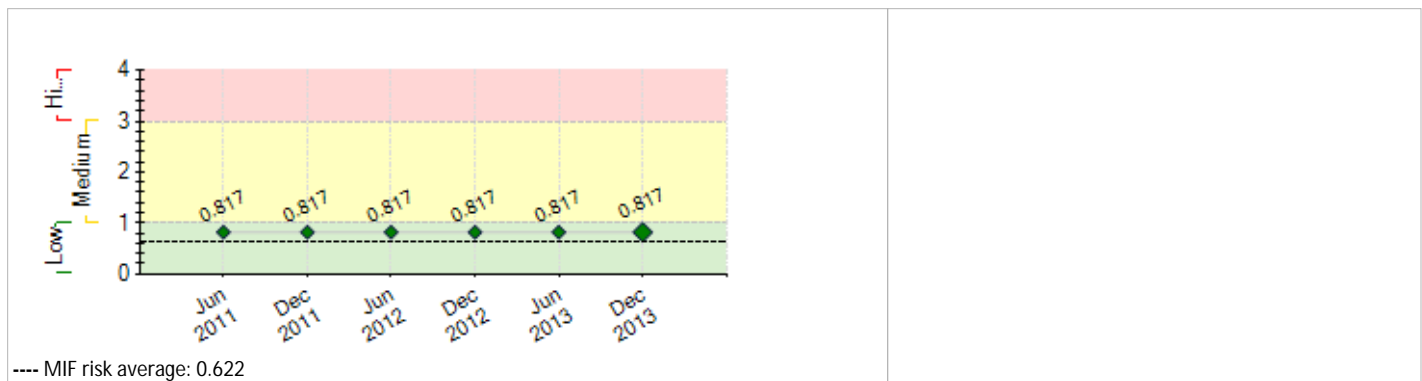
#### INSTITUTIONAL CAPACITY

**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 which established a PPP Ministerial Committee to manage the PPP programme, an overarching PPP Institutional framework and project development processes

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 projects from the pipeline were screened and Cabinet, on March 21 2013, approved the implementation of twenty (20) of those projects using the PPP modality

Two (2) PPP Pilots--namely, National Diagnostic Centres and Ten (10) Primary Schools and Early Childhood Care and Education (ECCE) Centres are being developed. - Expressions of interest were invited and evaluated for the Initial Business Cases (IBCs) Transaction Advisory Services. Four firms were shortlisted for each pilot.

Representatives of the PPP Unit and other public sector officials participated in a PPP related study tour, conferences and training courses. Details provided under performance in semester

PPP Unit webpage was established

General PPP stakeholder meetings were conducted

PPP Training Syllabus and Operational Guideline documents were developed and are being reviewed to go to Cabinet.

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

### Summary of project performance in the last six months

Two (2) PPP Pilots--namely, National Diagnostic Centres and Ten (10) Primary Schools and Early Childhood Care and Education (ECCE) Centres are being developed.

- Concept Notes were prepared and PPP Execution Teams were established
- Expressions of interests were invited and evaluated for the Initial Business Case (IBC) Transaction Advisory Services. Four (4) firms were shortlisted for each PPP pilot project
- Request for Proposals for the IBC Advisors were prepared

Representatives of the PPP Unit and other public sector officials participated in a PPP related study tour, conferences and training courses as follows:

- Institute for Public Private Partnership—Public Private Partnership (PPP) Strategies, Methods and Project Structuring Techniques
- Claret Consulting Training Course – P3 Project Management & Financial Modeling
- The UWI Certificate in Public Procurement Law and Governance: Executive Course for Attorneys at Law
- The Osgoode Certificate in Public Procurement Law and Practice
- Caribbean PPP Forum entitled Public-Private Partnerships for Sustainable Growth
- Canadian Council for Public-Private Partnerships (CCPPP) National Conference
- PPPs in Education Study Tour to Alberta, Canada

PPP Unit webpage was launched under the Ministry of Finance and the Economy website

#### 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
<b>Result:</b> 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	R.1 Two pilot infrastructure projects using the PPP model are awarded	0				2 Jan 2015	0	
<b>Component 1:</b> Strengthening Government Capacity to Engage in PPPs  <b>Weight:</b> 50%  <b>Classification:</b> Satisfactory	C1.I1 Organisational and institutional guidelines for PPP investments	0				1 Jan 2013	1 May 2012	Finished
	C1.I2 A specialized technical PPP unit in charge of identifying, formulating and managing PPP projects in full operation.					Aug 2012	Yes Nov 2011	Finished
<b>Component 2:</b> Establishing an Enabling Regulatory Framework for PPPs  <b>Weight:</b> 15%  <b>Classification:</b> Satisfactory	C2.I1 Methodologies and operational guidelines for planning, designing, and managing PPPs developed.					Mar 2013	Yes Mar 2013	
	C2.I2 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		
<b>Component 3:</b> Prepare and award 2 pilot PPP projects  <b>Weight:</b> 25%  <b>Classification:</b> Satisfactory	C3.I1 Pilot PPP projects identified and preliminary evaluation of the projects conducted	0				2 Jan 2014	2 May 2013	Finished
	C3.I2 High level approval of 2 pilot projects for implementation	0				2 Jan 2015		
<b>Component 4:</b> Stakeholder Outreach and Project Dissemination  <b>Weight:</b> 10%  <b>Classification:</b> Satisfactory	C4.I1 Participation in 1 local and 1 regional forums on PPPs	0				2 Jan 2015	1 Nov 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	1	Jul 2013	Achieved
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	1	Nov 2013	Achieved
M12	1 local and 1 regional PPP forum completed	1	Feb 2014			
M13	[*] Contract for 1st PPP pilot project awarded	1	Nov 2014			

[\*] Indicate that the milestone has been reformulated

#### CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[None reported in this period]

### 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. Deterioration of macroeconomic conditions can negatively impact government	Low	Select and structure PPP pilots that demonstrate viability and leverage financial and operational benefits of this model as enhancing	Project Coordinator

capacity to engage in large scale PPP development projects

value for money and a viable alternative to traditional contracting

**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:

Stakeholder forum on PPP—media launch of the PPP programme.

Development of the PPP Unit web site

PPP related training for government officials and PPP Unit staff.

PPP Unit staff and public sector officials from Trinidad and Tobago participated in PPP study tour to Alberta, Canada and the Caribbean PPP Forum entitled Public-Private Partnerships for Sustainable Growth which was held on November 19-20, 2013 in Barbados.

Terms of Reference (ToR) for the delivery of customized PPP training programmes for government officials was developed.

The delivery of customized PPP training is scheduled for the 1st quarter of 2014.

Terms of Reference to engage a Resident PPP Advisor for the PPP Unit was developed. Steps are being taken to engage a suitably qualified consultant to conduct PPP screening and capacity building exercise

## SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author
1. Lack of confidence amongst public sector officials, particularly potential project participants, in the benefits of PPPs and the value the PPP Unit can add in the PPP project development and implementation process could present several challenges to advancing the PPP programme—from identification of potential PPP projects to project development and possibly implementation. Governments wishing to implement a PPP programme through a structured framework should, in-alia, seek to build capacity within the public sector particularly PPP Unit and implement the first two or three PPP projects successfully through the established framework before seeking to advance a larger pool of potential PPP projects.		Alleyne, Zayid