

PROJECT STATUS REPORT

JULY 2014 - DECEMBER 2014

SECTION 1: PROJECT SUMMARY

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

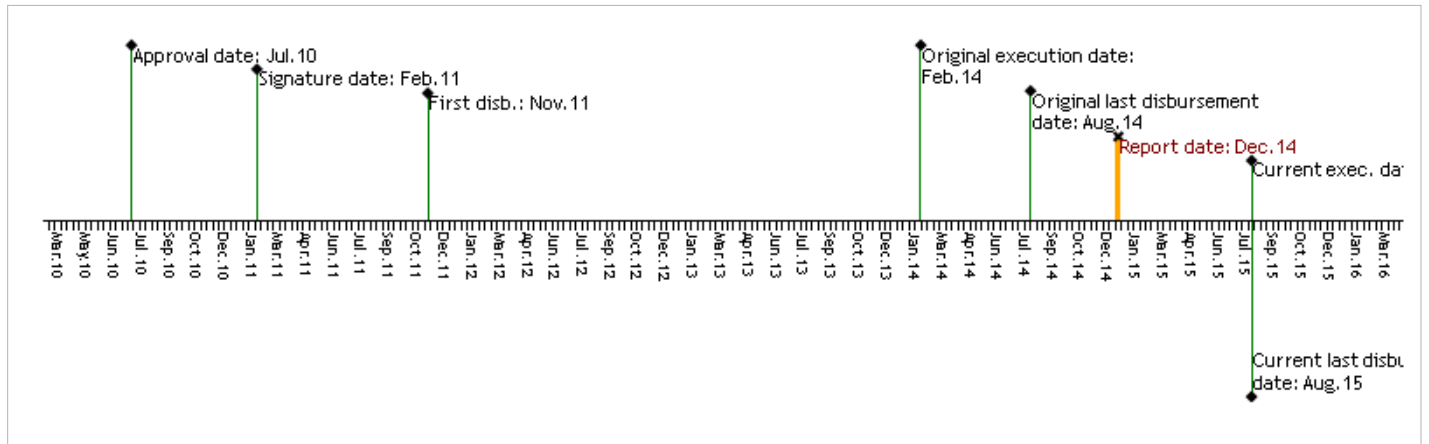
Project number: TT-M1019 - Operation Number: ATN/ME-12261-TT

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

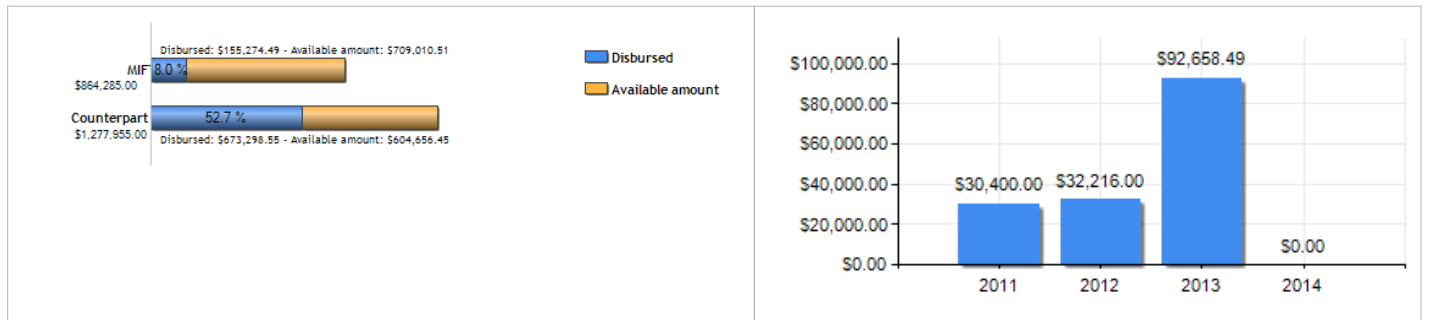
Country Administrator	Beneficiary Country	Group	Subgroup
TRINIDAD AND TOBAGO	TRINIDAD AND TOBAGO	INF - Infrastructure and Public Services	PPPA - Public-Private Partnerships

Executing agency:	MINISTRY OF FINANCE AND THE ECONOMY	Design Team Leader:	Bloomgarden, David
		Supervision Team Leader:	Dookiesingh, Vashtie

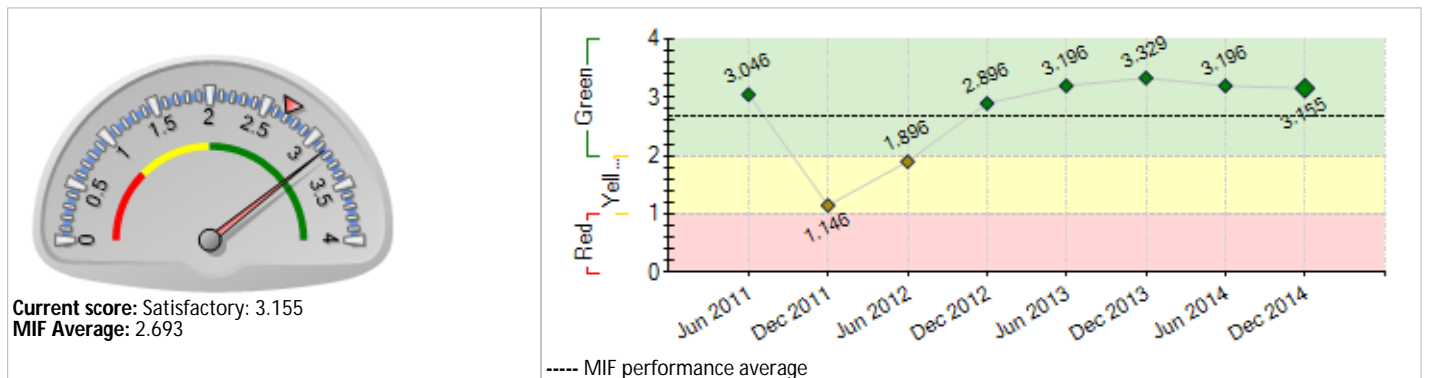
TIMELINE



FUNDS



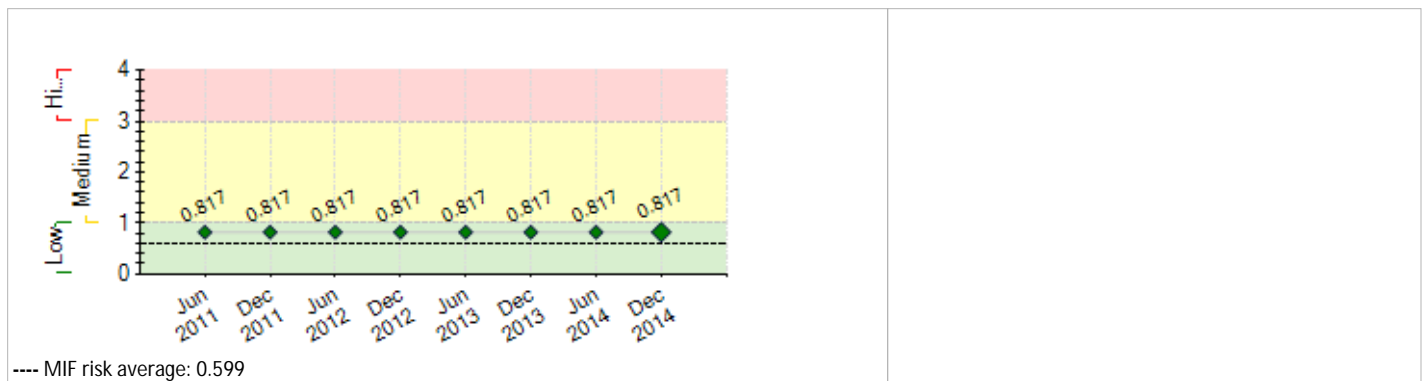
PERFORMANCE SCORE



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 in 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.
- Twenty (20) potential PPP projects were approved by Cabinet on March 2013 for implementation using the modality.
- In addition the two (2) Pilots--namely, National Diagnostic Centres and Ten (10) Primary Schools and Early Childhood Care and Education (ECCE) Centres, a National Broadband Plan for development is being pursued as a PPP.
- Ernst and Young (Canada) and Mott MacDonald (UK) were engaged pursuant to IDB's international competitive procurement process to develop Initial Business Cases for the Education and Health projects respectively.
- Despite delays due late supply of data and reallocation of project sites, the IBC for the both the Health and Education Pilots are being developed and are expected to be completed and submitted to Cabinet for its approval in March 2015 and April 2015 respectively.
- Representatives of the PPP Unit and other public sector officials participated in a PPP related study tour, conferences and training courses.
- PPP Unit conducted general stakeholder engagement and participated in local and regional PPP forum and conducted general PPP stakeholder .
- The Public Procurement and Disposal Public Property Bill, 2014 was passed in the Senate.
- PPP Unit webpage was established
- MOFE is recruiting additional staff for the PPP Unit.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The project is making slow but deliberate progress towards the development of 2 well structured pilots and investments have been made in building the technical capacity of line Ministries. The critical challenge is the absence of staffing of the PPP unit as the project approaches the transaction stage. A unit head has been identified and the Ministry of Finance and the Economy is currently negotiating with the preferred candidate.

Summary of project performance in the last six months

- The IBCs for both PPP Pilots have advanced.
- Two (2) components of the IBC for the Health Pilot, namely, the Demand and Capacity Assessment and the Legal and Institutional Report were completed.
- There were some delays to the IBC development partly caused by changes to the proposed project sites in the case of the Education Project and delays in data supply and lack of dedicated procurement management support in the case of the Health Project. Notwithstanding this, sites have been confirmed for the Education project and all data for the Health project were provided by the Health Team to Mott MacDonald in good order to facilitate completion of both IBCs.
- The Health and Education IBCs are expected to be completed and submitted to Cabinet for approval in March 2015 and April 2015 respectively.
- MOFE is in the process of recruiting staff for the PPP Unit so that additional and dedicated technical, financial and legal resources could be assigned to the PPP projects being developed.
- During the next semester, it is expected that: the PPP Unit will be fully staffed with support from a Resident Advisor; additional PPP Unit Staff and government officials would receive training in PPPs; Cabinet will approve the procurement of the PPP Pilots; Transaction Advisors will be engaged to develop the procurement package for the PPP Pilots; and market sounding for PPP projects will be conducted.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The critical next step is completion of the business cases for the pilot projects, transition into transaction stage and staffing of the unit. An extension will be required to the project timeframe to facilitate completion and achievement of results

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	R.1 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.I1 Organisational and institutional guidelines for PPP investments	0				1 Jan 2013	1 May 2012	On Course
	C1.I2 A specialized technical PPP unit in charge of identifying, formulating and managing PPP projects in full operation.					Aug 2012	Yes Dec 2011	On Course
Component 2: Establishing an Enabling	C2.I1 Methodologies and operational guidelines for planning, designing, and managing PPPs						Yes	On Course

Regulatory Framework for PPPs Weight: 15% Classification: Satisfactory	developed.					Mar 2013	Mar 2013	On Course
	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	Jun 2014	
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	2	Finished
	C3.12 High level approval of 2 pilot projects for implementation	0				Jan 2014	May 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	1	On Course
						Jan 2015	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	1	Aug 2011	6	Nov 2011	Achieved late
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	1	Nov 2013	Achieved
M13 [*] Contract for 1st PPP pilot project awarded	1	Sep 2015	1	Nov 2014	Achieved

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Executing agency institutional capacity

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 capacity to engage in large scale PPP development projects	Low	Select and structure PPP pilots that demonstrate viability and leverage financial and operational benefits of this model as enhancing value for money and a viable alternative to traditional contracting	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:

The Public Procurement and Disposal of Public Property Act, 2015 applies to Public-Private Partnerships but is yet to come into operation. This Act will come into operation on such date as is fixed by the President by Proclamation

The recruitment process for engaging additional PPP Unit staff is ongoing.

SECTION 6: PRACTICAL LESSONS

1. The PPP Procurement Framework (Legislation/Policy/Regulations and any underpinning guidelines as applicable) should aim to provide detailed guidance on how to develop and implement PPP projects.

Relative to
Implementation

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The responsibility for procurement management should be assigned to the ministry or government agency with direct responsibility for providing the asset and related services.

The team charged with the responsibility for development of a PPP project should seek to identify and accumulate at the earliest possible opportunity the data sets that would be required to develop the business case for the project.

The human resource function within Government does not readily facilitate continuity of service for the contracted officers. There is need to facilitate continuity of contracted PPP Unit staff so that the specialized skill sets developed could be retained and applied through the Unit as long as is feasible.