

PROJECT STATUS REPORT

JANUARY 2015 - JUNE 2015

SECTION 1: PROJECT SUMMARY

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

Project Number: TT-M1019 - Project Num.: ATN/ME-12261-TT

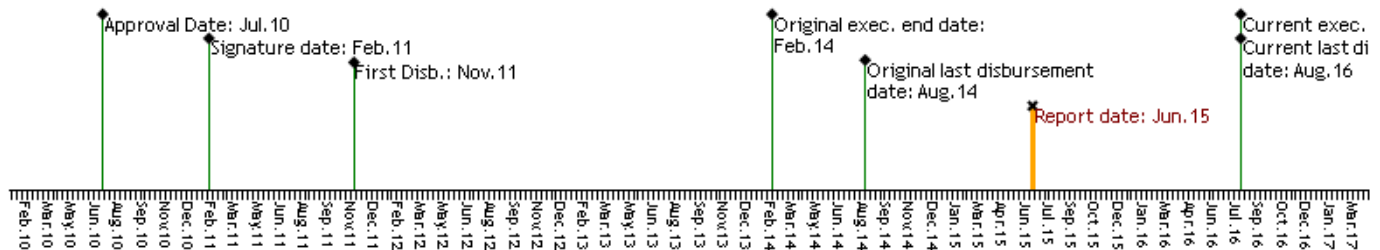
Purpose: To strengthen capacity of the Government of Trinidad and Tobago to structure and oversee the implementation of 2 pilot PPP projects in order to create a demonstration effect

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

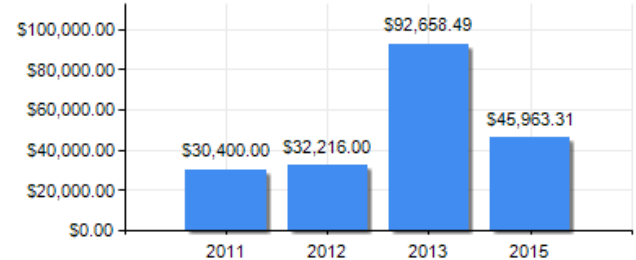
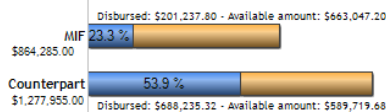
Executing Agency: MINISTRY OF FINANCE AND THE ECONOMY

Design Team Leader: DAVID BLOOMGARDEN
Supervision Team Leader: VASHTIE DOOKIESINGH

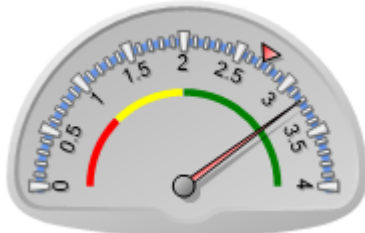
PROJECT CYCLE



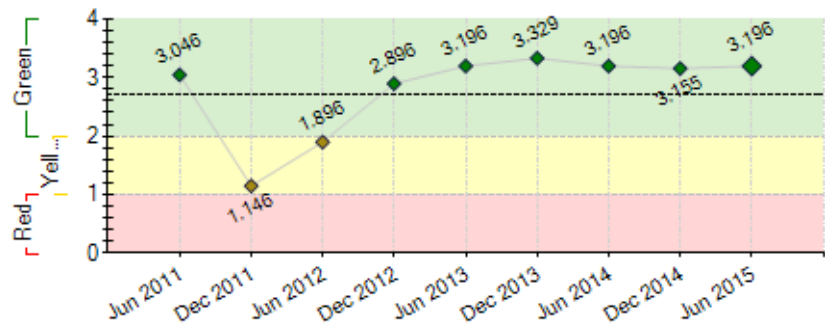
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 3.196
MIF Average: 2.726



----- MIF performance average

EXTERNAL RISKS

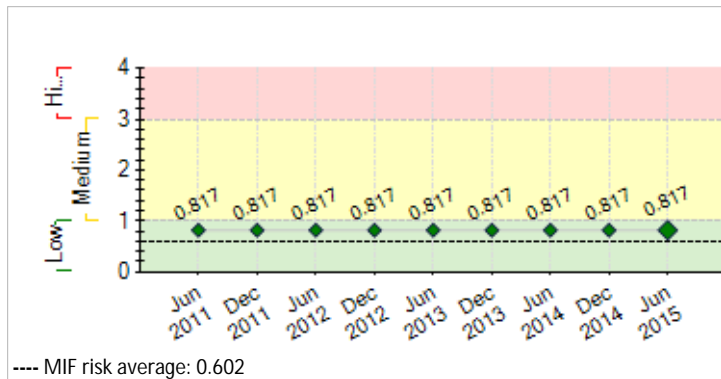
INSTITUTIONAL CAPACITY

Risk

Financial Management:

Procurement:

Technical Capacity:



SECTION 2: PERFORMANCE

Summary of project performance since inception

- The PPP Unit was established in 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 potential PPP projects were approved by Cabinet in March 2013 for implementation using PPP modality.
- Two pilot projects were selected: National Diagnostic Centres (Health) and ten primary schools and ten early childhood care and education centres (Education)
- Ernst and Young (Canada) and Mott MacDonald (UK) were engaged pursuant to IDB's international competitive procurement process to develop initial business cases (IBC) for both pilot projects.
- The IBC for Health pilot project received Cabinet's approval to advance to the Stage 2-procurement stage.
- The IBC for Education pilot Project is at an advance stage of completion.
- PPP Unit staff and public sector officials participated in PPP related study tour, conferences and training courses.
- PPP Unit conducted general stakeholder engagement and participated in local and regional PPP forum.
- MoFE has recruited Coordinator and Project Assistant in the PPP Unit and is awaiting assumption of duty of the Senior Legal Officer, Project Engineer (2), Project Manager and Business Operation Assistant II who were interviewed and selected.
- A Resident Advisor will assume duty in September 2015.
- MoFE is in the process of recruiting a Senior Financial Analyst.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The key objective of the project is to pilot the use of PPPs as a modality for delivery of quality infrastructure and services to citizens of Trinidad and Tobago and through development of these pilots to build required institutional capacity to extend this modality to other relevant projects. To date Value for Money Analysis and the Business Case for 2 pilots have been completed with support from international consultants. The process has taken significantly longer than expected due to 1. staffing gaps in the PPP Unit and 2. challenges in time allocation by technical teams in the line ministries responsible for the 2 pilots. The Executing Agency has prioritized and significantly advanced to increase staffing of the PPP Unit, training will be prioritized to have the team accelerate the learning curve and enable engagement and value added participation in the procurement phase of the 2 pilots. In addition the contracting of an experienced resident advisor commencing in Q3 2015 will assist in coaching and provision of in house technical support. The next critical action will be procurement of advisory support for the development of RFPs, negotiation and selection of a suitable provider for the 2 pilot projects.

Summary of project performance in the last six months

- The Initial Business Case (IBC) for the Health pilot project received Cabinet's approval to advance to Stage 2-procurement stage.
- The IBC for the Education pilot project is at an advance stage of completion.
- The Education Risk Workshop was held in June 2015.
- 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, Coordinator, Senior Legal Officer, Senior Financial Analyst, Project Engineers, Project Manager, Project Assistant and Business Operations Assistant II.
- 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 the PPP projects will be conducted.

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
Purpose: 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:	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:	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:	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	Delayed
Component 4: Stakeholder Outreach and Project Dissemination Weight: 10% Classification:	C4.11 Participation in 1 local and 1 regional forums on PPPs	0				2	2	Finished
						Jan 2015	Jun 2015	

Milestones	Planned	Due Date	Achieved	Date of achievement	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
M7 [*] Selection of 1st PPP pilot project by the PPP unit	1	May 2013	1	May 2013	Achieved
M6 [*] Operating manual for planning designing and managing PPPs developed and approved by the PPP Unit	1	May 2013	1	Mar 2013	Achieved
M10 [*] Selection of 2nd PPP pilot project	1	Jul 2013	1	May 2013	Achieved
M9 [*] Convening of 1 general stakeholder awareness forums	1	Jul 2013	1	Jul 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	Mar 2016	0	Nov 2014	

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Others, which?: Insufficient time allocation by technical teams in line Ministries responsible for the 2 pilots

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**Issue**[X] Lack of organizational, managerial and financial management capacity to **continue** and sustain the program once the execution phase is finalized.**Comments**

Intensive capacity building via training, coaching and knowledge transfer from consultants will be required over the next months to ensure that the newly constituted PPP Unit has the skills and experience to sustain the PPP program

Actions related to sustainability which have been taken in the reporting period:

The Public Procurement and Disposal of Public Property Act, 2015 applies to Public Private Partnerships but is yet to come into operation. This Act is partially

proclaimed and will come into operation on such date as is fixed by the President.

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

SECTION 6: PRACTICAL LESSONS

1. In Trinidad and Tobago as in other developed or developing jurisdictions utilizing PPPs as a modality for delivery of public infrastructure and related services, it has not been possible to recruit experience, intensive training and capacity building of government team members has been prioritized as a result	Relative to Implementation	Author DOOKIESINGH, VASHTIE [MIF]
2. Continuous communication on the structure and purpose of PPPs is required to catalyze a change in understanding and perceptions of government stakeholders on the purpose, attributes and relevance of PPPs	Sustainability	DOOKIESINGH, VASHTIE [MIF]
3. The strategy of building capacity through active participation in development of pilot PPPs has yielded results in terms of increasing the understanding and skills of government counterparts but this approach does require a slower pace of implementation as per on the job training and development	Implementation	DOOKIESINGH, VASHTIE [MIF]
4. The PPP Procurement Framework should aim to provide detailed guidance on how to develop and implement PPP projects.	Implementation	Pragg, Sara
The responsibility for procurement management should be assigned to the Ministry/government agency with direct responsibility for providing the asset and related services. However, ultimate responsibility resides in the Ministerial Team appointed by Cabinet to oversee the implementation of PPP projects.		
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.		
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. The current practice of the Human Resource function does not readily facilitate continuity of service for contracted officers.		