

PROJECT STATUS REPORT (FINAL)

JULY 2017 - DECEMBER 2017

SECTION 1: PROJECT SUMMARY

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

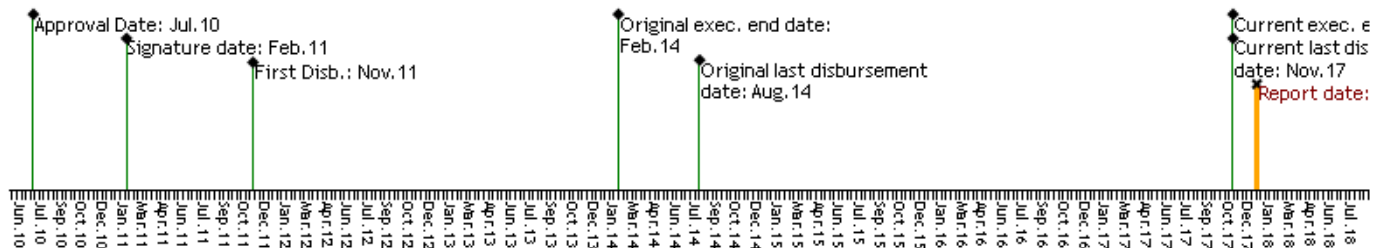
Project Number: TT-M1019 - Project Num.: ATN/ME-12261-TT

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:	INTER-AMERICAN DEVELOPMENT BANK	Design Team Leader:	DAVID BLOOMGARDEN
		Supervision Team Leader:	VASHTIE DOOKIESINGH

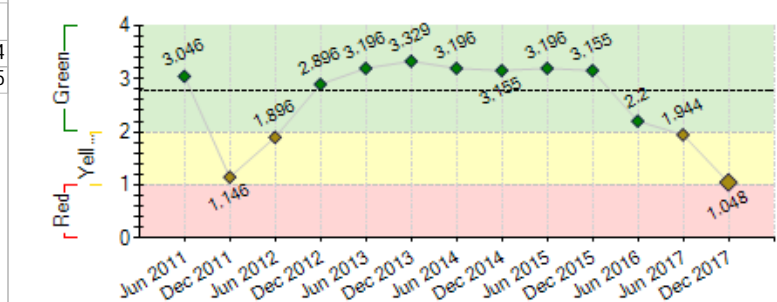
PROJECT CYCLE



FUNDS

	Approved	Cancelled	Disbursed
FOMIN	\$869,285.00	\$265,128.36	\$604,156.64
Counterpart	\$1,277,955.00	\$0.00	\$783,522.75

PERFORMANCE SCORE



SECTION 2: RESULTS AND ACHIEVEMENTS

Performance once project is completed

The project was on track to meet its original objectives, specifically the roll out of 2 pilot PPP projects in the health and education sectors respectively. In this regard business case and value for money analysis were completed for a PPP to expand diagnostic services to out patients of the public health system and for a PPP for construction and maintenance of 10 schools. In accordance with national policy the business cases were presented and accepted by cabinet, however there was a change in political administration in late 2014, the incoming party's policy and programming priorities did not include advancing on the pilot PPP projects. Funds remaining were utilized to build technical capacity via participation in further training and in a policy analysis and screening of projects for the sub national government in Tobago based on a request. In addition additional funds were utilized to support a competitive process for private citizens to define and engage in small scale partnerships to improve efficiency quality and reach of public services. Seed money was provided to top ranked teams following the IDB's Demand Solutions model. The key risk of a change in government priorities was the central factor contributing to the lack of achievements of this project's main goal. Given the sharp economic downturn of the country due to plummeting oil prices, government's focus on revenue debt and expenditure management assumed the central focus of the Ministry of Finance and the Economy.

Comments from the Supervision Team Leader

Despite good technical execution of the project activities, the goal of the project specifically the implementation of 2 PPP pilots were not met as a change in political administration following the country's general elections in 2014 and the accompanying steep economic downturn due to collapsing energy commodity prices in TT resulted in a de prioritization of the pilot PPP projects in diagnostic services and schools infrastructure. Despite the best efforts of the IDB Country Office to advance the implementation of these initiatives there was an absence of political support. The PPP unit however remains in place and it is hoped that investments in capacity building across Ministries and within the PPP Unit will sustain governments ability to engage in PPP's going forward.

Final evaluation

In conclusion, and despite some of the limitations in progress of implementation, specifically staffing and government consensus and co-ordination, one should give credit to the fact that the 2 business cases developed under TT-CC2016 have the potential to lead to the signature of 2 PPP contracts in a reasonable future.

Indeed, the business cases were developed by reputable firms, according to a process which is considered by the evaluation as in line with both best practices and the PPP Policy, and have been approved by the Government of Trinidad and Tobago. It is therefore recommended that the procurement process for these two projects moves forward. If the Government of Trinidad and Tobago decides to move to the next stages of the PPP procurement process, attraction of additional resources should not be a problem given the number of development partners / donors supporting PPPs (not only IDB, but also the WB, CDB, etc.).

Comments from the Supervision Team Leader

Agree with the Evaluators comments

The government of Trinidad and Tobago approved business cases for both pilot PPP projects but advancing the projects was stalled due to change in political administration and economic downturn

[Final evaluation](#)

<http://mif.iadb.org/file.aspx?DOCNUM=40854984>

SECTION 3: INDICATORS

	Indicators	Baseline	Planned	Achieved	Percentage
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 Classification: Unsatisfactory	R.1 Two pilot infrastructure projects using the PPP model are awarded	0	2	0	0 %
Component 1: Strengthening Government Capacity to Engage in PPPs Weight: 50% Classification: Satisfactory	C1.1 Organisational and institutional guidelines for PPP investments	0	1	1	0 %
	C1.2 A specialized technical PPP unit in charge of identifying, formulating and managing PPP projects in full operation.			Yes	0 %
Component 2: Establishing an Enabling Regulatory Framework for PPPs Weight: 15% Classification: Satisfactory	C2.1 Methodologies and operational guidelines for planning, designing, and managing PPPs developed.			Yes	0 %
	C2.2 Proposal for any required regulatory reforms in financial, fiscal, environmental, accounting, procurement and other elements related to the regulatory framework for PPP projects developed			Yes	0 %
Component 3: Prepare and award 2 pilot PPP projects Weight: 25% Classification: Satisfactory	C3.1 Pilot PPP projects identified and preliminary evaluation of the projects conducted	0	2	2	0 %
	C3.2 High level approval of 2 pilot projects for implementation	0	2	1	0 %
Component 4: Stakeholder Outreach and Project Dissemination Weight: 10% Classification: Satisfactory	C4.1 Participation in 1 local and 1 regional forums on PPPs	0	2	2	0 %

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
------------	---------	----------	----------	---------------------	--------

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Borrower/executing agency commitments
- [X] Community/political opposition
- [X] Purchase difficulties
- [X] National political changes
- [X] Delays in fulfilling the contract terms
- [X] Political changes of the executing agency

SECTION 4: RISKS

CRITICAL RISKS MANAGED DURING IMPLEMENTATION

1. Deterioration of macroeconomic conditions can negatively impact government capacity to engage in large scale PPP development projects
Level: High **Responsible:** Project Coordinator **Status:** In effect
Comments: N/A
2. Government is not committed to resourcing the PPP unit over the long term
Level: Medium **Responsible:** Project Coordinator **Status:** In effect
Comments: N/A

3. Government is not committed to resourcing the PPP unit over the long term				
Level: Medium		Responsible: Project Coordinator		Status: In effect
Comments: N/A				
4. Lack of support for regulatory changes required to facilitate engagement in and leverage of PPPs				
Level: Low		Responsible: Project Coordinator		Status: In effect
Comments: N/A				
PROJECT RISK LEVEL: Medium		TOTAL NUMBER OF RISKS: 7	IN EFFECT RISKS: 4	NOT IN EFFECT RISKS: 3
MITIGATED RISKS: 0				

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: P - Probable

Capacity building in PPP identification and structuring has built some institutional capacity, national procurement legislation also includes specific provisions for PPP as a procurement modality. Should government decide to use the modality going forward there is a policy framework, technical methodology and trained senior public servants that can engage. In addition the IDB Country Office continues to support the agenda in dialogue and technical support going forward

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY**Issue**

[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

Comments

Due to the economic downturn government may not be able to engage in PPPs which may increase the debt burden of the country.

[X] Relevant actor's **opposition or lack of interest** to continue with the project's activities or services

The current political administration has not demonstrated a clear commitment to PPPs as an alternative to public sector delivery of infrastructure and related services

Actions related to sustainability which have been implemented:

Investments in training and capacity building across Ministries including the PPP Unit and the Tobago House of Assembly can sustain capacity for PPP development. In addition the CDB with funding from PPIAF, MIF and the IDB has developed a toolkit for PPP Development in the Caribbean that can assist in future projects

[Sustainability Plan](#)

SECTION 6: KNOWLEDGE

Lessons learned

1. Politicians and technocrats do not have a high tolerance for the level of analysis and time requirements to assess and develop both value for money analysis. As a result there are attempts to structure PPPs via shot cuts which do not necessarily result in relevant risk allocation and management of performance.

2. Change in political leadership in 2014 and shifting priorities could not be mitigated adequately, as a result the pilot PPP projects approved by the previous government were shelved indefinitely

3. Despite investment in capacity building at the level of senior technocrats, there are still divergent views of the fundamentals of PPP between political and technical leadership across government. Attempts to engage a broad range of political and technical leadership on the broad principles of PPP's at the early stages of the project and through implementation may have helped in building greater awareness and understanding on the features, purpose and financial impact of PPPs.

**Relative to
Risk**

**Author
Pragg, Sara**

Sustainability

Pragg, Sara

Implementation

Pragg, Sara

Indicate which are the main products of the project, where they can be found, and how they could be "shared" with other entities or similar projects.

<http://www.caribank.org/publications/featured-publications/public-private-partnership-toolkit>

Main products of the project

[No related products to display]

SECTION 7: DOCUMENTS

01/JUL/2010	Donors Memorandum	[http://www.fomin.org/file.aspx?DOCNUM=35233900]
02/MAR/2017	Intermediate Evaluation Report	[http://www.fomin.org/file.aspx?DOCNUM=40854980]
02/MAR/2017	Intermediate Evaluation Report	[http://www.fomin.org/file.aspx?DOCNUM=40854982]
15/OCT/2014	Final Evaluation Report	[http://www.fomin.org/file.aspx?DOCNUM=39159485]

[Project profile](#)

<http://apps.fomin.org/public/psr/projectprofile.aspx?proj=TT-M1019&lg=EN>