Infrastructure Project Preparation Facility

November 2017

EBRD EVALUATION DEPARTMENT
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Under the supervision of the Chief Evaluator, Joe Eichenberger, this Approach Paper was prepared by Bob Finlayson, Senior Evaluation Manager. The Approach Paper was prepared in coordination and collaboration with EBRD Management focal points in the EBRD Infrastructure Business Group.

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Annex 1: Previous EvD Evaluations
1. Introduction

1.1 Scope of the evaluation

This paper outlines the proposed approach for the Evaluation Department (EvD) to prepare an interim review of the European Bank for Reconstruction and Development’s (the Bank or EBRD) Infrastructure Project Preparation Facility (IPPF) approved in October 2014. The IPPF is designed to support the preparation of infrastructure projects using modalities such as private sector participation (PSP) and Public Private Partnerships (PPP) in EBRD’s countries of operation (COO).

The IPPF was approved following the global financial crisis, when there were continuing economic difficulties facing many countries and a growing consensus among G20 countries of the importance of infrastructure as a driver of economic growth. Within this setting, there was increasing recognition that an important constraint on infrastructure investment was limited project preparation capacity to procure and deliver these projects, rather than limited availability of finance. As a result, several international financial institutions (IFIs) and agencies established project preparation facilities and knowledge hubs in 2014.¹

The IPPF was established in the Infrastructure Business Group (IBG), as a dedicated unit. The IPPF was allocated EUR 40 million from the Special Shareholders Fund (SSF) for the period 2015-2017, and it covers all COOs. Following the initial three year implementation period, the Board approval indicated there would be a stock taking with a view to establishing a co-investment multi donor fund for specific countries and sectors. The Rationale for inclusion in the work programme

1.2 Rationale for inclusion of the evaluation in the work programme

Given the importance of the IPPF initiative, and the allocation of funds in 2017, the Board and management decided to include a review of the facility in EvD’s work programme. This evaluation will be an interim report, rather than a final analysis of the overall performance of the IPPF facility as operations are on-going and the achievement of tangible results takes time. On the basis of findings, the outputs will be a list of issues to consider, and recommendations where there are opportunities for improvement in the current arrangements.

2. IPPF Facility

2.1 Expected Benefits from the IPPF

The IPPF represented an important shift in how EBRD would develop infrastructure projects. Traditionally, EBRD had provided finance for construction projects and relied upon consultants engaged by the government and sponsors to design and tender the projects. The IPPF would enable EBRD to move upstream and rapidly catalyse the development of replicable and bankable infrastructure projects

¹ Asian Development Bank (ADB) established an Asian Pacific Project Preparation Financing Facility (AP3F) in 2014 that would be sized at USD 150 million over a five year period sourced from external donors. The World Bank Group (WBG) established a Global Infrastructure Facility (GIF) in 2014 of USD 80 million, with USD 15 million being sourced internally and USD 65 million sourced externally. A downstream window of USD 200 million for credit enhancement was being considered by WBG for phase 2, subject to an evaluation of the performance of phase 1. The Infrastructure Investment Working Group (IIWG) of the G20 had signalled its intention to create a new ‘knowledge platform’, the Global Infrastructure Hub, that would act as a network-based centre of excellence for knowledge acquisition on preparation of PPP projects.
using an in-house panel of pre-qualified consultants recruited by EBRD. The Board approval document for the IPPF indicated this new approach was expected to generate benefits in three areas:

1. Re-energising transition through the delivery of infrastructure;
2. Creating infrastructure uplift and replicability through policy dialogue and better knowledge exchange; and
3. Delivering increased and improved priority business more efficiently.

Each of these benefits was elaborated in the Board document, and a summary of the main points is as follows:

2.1.1 Re-energising transition through the delivery of infrastructure

The “Stuck in Transition” report in 2013 highlighted the need for EBRD to reenergise transition in its COOs. EBRD’s sector transition indicators indicated there was a shortfall in infrastructure investment in most COOs, and particularly in non-European Union (EU) countries that had significantly lagged the G20 countries. The IPPF would help fill this infrastructure gap.

2.1.2 Creating infrastructure uplift and replicability through policy dialogue and better knowledge exchange

EBRD would develop policy dialogue frameworks under the IPPF to provide consistent regulatory practices and replicable project structures by: (i) institutional strengthening; (ii) legal and regulatory preparedness; (iii) driving transition through commercialisation, corporatisation and PSP; (iv) resource and energy efficiency; (v) local currency financing; and (vi) capital market development. These initiatives would reflect the priorities of IBG’s Policy Dialogue Plan (PDP) approved by SPCom in 2013. The plan was designed to move beyond ad hoc project-by-project assessments and coordinate activities of IBG, Vice President (VP) Policy, and Office General Counsel’s (OGC) Legal Transition Team (LTT). Greater use would be made of integrated approaches backed by technical cooperation (TC) support. The PDP would build on previous policy-oriented activities, such as LTT’s legal work to improve PPP laws around the region.

The major themes of the PDP were as follows:

- PSP and PPP;
- Commercialization and financial sustainability, including the need to decentralize municipal services; and
- Market oriented use of EU funds in EU states.

The main policy areas were identified for 2015 to 2017:

- Facilities Management PPPs: How Best to Incorporate the private sector in sectors such as health and education;
- Performance-Based Road (PBC) Contracting: Approaches to National Road Network Management;
Automated Fare Collection Contractual Models – Finding the Best Level of PSP;

Barriers to Transport PPPs in Kazakhstan;

The Landlord Port Model;

Rail Reform and Regional Integration: Moving from Initial Reforms to Concrete Investments;

Private Sector Participation in Integrated Solid Waste Management;

Challenges and opportunities in the district heating sector: methods to achieve full cost recovery;

Decentralization in SEMED region: Enabling and Structuring Sub-sovereign Investment; and

Optimising Benefits from EU Structural and Cohesion Funds: Romania, Bulgaria and Croatia.

These policy areas were quite broad and they were not individually costed. This information would be disseminated through seminars, policy notes and EBRD infrastructure project profiles. There was an intention to facilitate knowledge exchange of international best practices through centralised agencies such Global Infrastructure Hub (GIH) established by the G20. A web based platform developed by Sustainable Infrastructure Foundation (SIF) would encourage the use of standardized project preparation frameworks, and panels of pre-qualified experts would be recruited by EBRD to provide rapid access to specialists on infrastructure delivery. Standardized PPP certification programs and training frameworks would be developed using international norms.

### 2.1.3 Delivering increased and improved priority business more efficiently

The IPPF was initiated by Transport and Municipal and Environmental Infrastructure (MEI) and it did not include energy, natural resources or social infrastructure in health and education in its scope of operations. In 2014 when the IPPF was approved, EBRD was financing an average of 55 projects per year in transport and MEI, totalling approximately EUR 1.8 billion per annum. This financing was complemented by around EUR 3.5 billion in co-financing from other IFIs, donors, and commercial finance from banks and capital markets. It was expected the IPPF would allow EBRD to build a more systematic partnership with government agencies and co-financers in its COOs that were engaged in the development of infrastructure projects. This partnership would be reinforced by linking the work of the IPPF to the new Country Strategies called for by the Bank's Medium-Term Directions, especially for enhanced policy dialogue in the infrastructure sectors.

The establishment of panels of prequalified consultants would enable the IPPF unit to rapidly mobilise teams of specialists to develop project pipelines with ministries of finance, planning, and line agencies, and facilitate financing of construction. The IPPF’s incremental output was expected to be 30 projects over

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2 The GIH was established in November 2014 following an agreement by the G20 leaders to increase the volume and quality of public and private infrastructure investment.

3 SIF is a Swiss based non-profit foundation that disseminates a standardised PPP preparation methodology, “Source”, and it is coordinated by a panel of advisors from various IFIs.

4 In practice the IPPF is supporting the development of social infrastructure such as schools in Jordan and a hospital in Croatia, but this change in scope was implemented informally after the IPPF was approved.
the implementation period, plus enhanced policy dialogue. Approximately 4-9 projects would be PPP-related. The IPPF was expected to generate significant efficiency gains as it would provide EBRD with the opportunity to establish a lean special purpose operation in IBG and streamline the time taken to mobilise consultants through the use of framework contracts and pre-qualification.

2.2 Structure of the IPPF

It was envisaged in the Board approval document that initially, the IPPF would be established in the IBG for a period of three years (starting from the end of 2014), with a possibility for a further extension, subject to the success of the model and availability of funding. The IPPF’s focus would be on: (i) providing sustainable public sector infrastructure; and (ii) developing PPPs. The program would be implemented through two separate Windows that would have the following features:

2.2.1 Sustainable Public Sector Infrastructure Window

The Sustainable Public Sector Infrastructure Window (the SIW) would focus on the preparation of bankable projects for government agencies based on the principles of commercialisation, corporatisation and institutional strengthening. Consultants would be used for project preparation activities such as technical and financial feasibility, environmental and social due diligence, and regulatory and institutional strengthening. The SIW would be open to projects in all of the Bank’s COOs and be used to finance project preparation for critical infrastructure where TC funds were not readily available and transition gaps were evident. For COOs that were part of the EU, the preparation of projects was expected to primarily occur in recent accession countries such as Bulgaria, Romania and Croatia. The SIW is non-reimbursable, and benefiting clients are expected to contribute in kind support amounting to 3% of the total TC budget for each project, net of taxes.

2.2.2 PPP Preparation Window

The PPP Preparation Window (the PPW) would focus on increasing institutional capacity at the local level in areas such as improving regulatory structures and standardising PPP contracts. It would do this by using standardised frameworks tested internationally, using teams of pre-qualified experts. The Framework Consultants would provide advice on technical, financial and legal issues for project due diligence to enable project sponsors to develop bankable deals with clearly identified revenue sources and appropriate allocation of risks. It would provide procurement support in line with the Bank’s Concession Policy. The PPW would be open to projects in all COOs. Cost recovery would be based on an initial screening process, estimation of project costs, and a derived upfront Transaction Support Fee levied on the responsible government agency and capped at a maximum of EUR 200,000. If the project reached financial close, the successful bidder would reimburse EBRD for all of its net costs and the government for the transaction fee. If the project did not reach financial close, the project costs would be written off.

2.3 Resources of the IPPF

Initially, the IPPF resource allocation of EUR 40 million was sourced from the SSF and it would be equally split between the SIW and the PPW. This allocation would be subject to an annual review, to ensure

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5 There has been some slippage in the start date as the SFF funding was not approved until May 2015, and the creation of a sub account and recruitment of consultants was not completed until October 2015. As a result, the review will not cover a full 36 month operating period.
sufficient funds were available to meet the needs for project preparation under each of the two windows. The funding would consist of two instalments of EUR 15 million in 2015 and 2016 respectively, and a further EUR 10 million approved in 2017. Annual business plans would provide an indicative list of activities that were subject to Board approval.

The IPPF would be managed and administered by a dedicated unit within IBG comprised of a lead manager, two project preparation managers, a PPP specialist, two policy experts hired under short term EBRD staff contracts, and a secretary. The IPPF operations would be tightly coordinated with the existing project support structures of the IBG, and other IFIs active in infrastructure project preparation such as ADB, Inter-American Development Bank (IADB), and WBG.

Eight consultancy firms would be retained under Framework Agreements, and divided equally between the SIW and the PPW. Each consultant firm would have the capacity to field a multi-disciplinary team of experts who could work across the MEI and transport sectors. It was expected the panel of consultants would be launched in Q3 2015. The Framework Consultants would be supplemented by a separate roster of individual experts who were contracted by IPPF on an “as needed” basis for short term, specific forms of analysis, or policy dialogue advice. All PPP projects prepared by the IPPF would be uploaded to the SIF platform in a consistent manner (format, content, etc.) to be made available to all interested bidders.

### 2.4 Planned Operation of the IPPF

The IPPF Unit is accountable to IBG, and it is closely coordinated with Economics Policy and Governance (EPG) and Vice President Policy and Partnerships. The IPPF Head prepares an annual plan that is included in the SSF Work Plan, and reports to management semi-annually and the Board annually. Priority policy areas of the IPPF Plan that were expected to be rolled out in 2015 and 2016, included, inter alia, PPP development in Kazakhstan and Turkey, development of enhanced performance-based contracts, especially in the road sector, PSP in solid waste management projects, and sub-sovereign lending in Southern and Eastern Mediterranean (SEMED). The IPPF would take the lead organizing events to help unlock private investment in infrastructure. EPG would draw upon contributions from IBG and lead on preparation of policy notes on transition and reform issues.

The Board approval paper presented a results framework and the main indicators were:

- **Efficiency** - a reduction in recruitment times from 6 months to four weeks;
- **Quality** - an increase from 33% to 50% of PPP projects reaching contract award; and
- **Replicability** - an increase in project numbers of 15-20 projects financed by EBRD.

The Transition Impact (TI) indicators consisted of:

- 2 projects similar to IPPF projects replicated without IFI support;
- 1 project prepared on a commercial basis in a country where IPPF has prepared at least 3 projects;
- 4 projects receive financial support based on structures that were not possible prior to IPPF support; and
- IPPF clients demonstrate a shift to financial sustainability.

The IPPF would achieve these targets by supporting the following activities:

- The SIW would fund the preparation of 11 projects from July 2015 to December 2016; and
up to 10 projects from January 2017 to December 2017;

- The PPW would fund the preparation of 5 projects from July 2015 to December 2016; and
- Support would be provided to 2 policy dialogue events per year that reflected the IBG’s PDP, and include training on issues such as: developing commercialised structures for public utilities, market oriented use of EU funds, and PPPs using prescribed certification programs.

It was expected it would take 24-30 months to prepare projects, and an indicative list was included as an appendix to the 2015 business plan. The SIW would support projects in Croatia (ports); Turkey (railways, urban transport, municipal infrastructure); Romania (urban transport, district heating, solid waste management); and Bulgaria (LED street lighting). In addition, there would be policy dialogue activities in support of the land-lord port model; knowledge platforms; solid waste management; automated fare collection systems; and training in project management.

The PPW was expected to support projects in Georgia (ports); Egypt (ports); Morocco (ports); Turkey (facilities management and water); Serbia (solid waste); Croatia (facilities management); and Kazakhstan (roads). Policy dialogue activities would include performance-based road contracting, PPP certification training services, and design of facilities management PPPs.

### 2.5 Actual Operations of the IPPF

EUR 40 million was approved for IPPF on 29 October 2014 by the EBRD’s Board of Directors (BDS 14-246), for the first three years of IPPF’s operations. EUR 15 million was approved in July 2015 for the first year of operation (BDS15-171). A second annual tranche of EUR 15 million was approved in October 2016. The final EUR 10 million was budgeted in the EBRD Shareholder Special Fund: Workplan 2017 and it was indicated that approval on a no objection basis would be sought in mid-2017.  

The IPPF consultant panel became fully operational in October 2015 with the signing of eight Framework Agreements, with four agreements for each fund. In the 2015 Business Plan the results framework was revised as follows:

- Improve responsiveness – reduce mobilisation time from 9 months to 6 weeks;
- Deliver high quality policy dialogue - 2 activities per year;
- Achieve uplift in infrastructure – IBG’s ABI or AMI increased;
- Strengthen market institutions – 4 projects receive financial support from EBRD or commercial banks based on structures derived from IPPF policy dialogue; and
- Market structure – beneficiary clients move from generating losses to financial sustainability.

As of 30 June 2017, the IPPF’s two windows had mobilised 27 separate project assignments (25 under the SIW and 2 under the PPP) using the rapid consultant call-off procedure defined in the contracts. Mobilisation was occurring within 8 weeks from the date of the Request for Proposals. The SIW had

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6 The final tranche had not been approved at the time of finalizing this approach paper, but it is anticipated it will be a formality.
mobilised framework consultants for the 25 projects across the road, urban transport, water, irrigation, district heating and solid waste sectors. The SIW’s COOs included Armenia, Bosnia and Herzegovina, Croatia, Egypt, Georgia, Jordan, Kazakhstan, Kyrgyz Republic, Morocco, Romania, Turkey and Uzbekistan. Under the PPW, mandates had been signed for two PPP projects in the transport sector in Belarus (M10 Road Project) and Egypt (6th October Dry Port Project). Negotiations were at an advanced stage in the health sector in Kazakhstan and Romania; for hospital facilities management PPPs in Almaty and Bucharest (2), respectively; BiH for the Corridor 5C Motorway; Sofia Airport PPP; Jordan Schools PPP; Greek Street Lighting PPP Framework and Egypt’s 10th of Ramadan Dry Port PPP.

Total commitments at 30 June 2017 were EUR 14.4 million, with an additional EUR 4.3 million near contractual commitment. The IPPF contributed nearly EUR 400 million in ABI for 2016 for the IBG, exceeding the business plan target of EUR 50 million for 2016 by a large margin. The PPP Window was contributing to partial coverage of IPPF’s costs. As of 1 September 2016, the first PPP mandate had generated EUR 23,467 from the Egyptian Government and the World Bank Group’s Global Infrastructure Facility (“GIF”). These receipts were payments for a Pre-feasibility study for the Western Cairo Railway bypass that will connect to the dry port and a pre-feasibility study for the Port Olvia project in Ukraine.

On the policy front, IPPF carried out policy seminars for clients in 1H 2016 (Facilities Management PPPs and Performance-based Road Contracting), additional seminars on water management, automated ticketing in urban transport, and district heating services, completed in 2H 2016 and a seminar on inland water transport during 1H 2017. The IPPF indirectly supported facilities management PPPs under the Hospital PPP Framework in Turkey, where EBRD prepared a standardised value for money methodology (completed) and monitoring support (near mobilisation) for the public sector of the new PPP contracts. 7 The Turkish PPP program covers 29 new hospitals with an estimated investment value of EUR 14 billion, of which 14 have already reached financial close. EBRD has allocated EUR 950 million to support this initiative.

There were some minor changes made to the original IPPF business plan, including the removal from the list of policy activities of the work on EU funds, which was assumed by VP for Partnerships and Policy. The targeted consultant mobilization time in the results framework was shifted from 6 to 8 weeks. In April 2016, the IPPF signed a MOU with IFC Advisory Services, which recognised that IFC was active in the COOs, and IPPF would cooperate with it on selected projects. It was anticipated IPPF would work with other IFIs such as ADB in regions such as in Central Asia where there was an overlap in operations. As of 30 June 2016, the IPPF was expected to launch the preparation of up to 30 projects under the SIW, and up to 10 projects under the PPP window, plus various policy dialogue and training activities, by July 2018.

3. Evaluation Methodology

3.1 Overview

The evaluation will identify the expected results of the IPPF. The paper will then describe the evolution of EBRD’s infrastructure development program, and how it led to the formulation of the IPPF Strategy. The evaluation will draw upon documents such as previous EvD evaluations, and LTT’s reviews of concessions in COOs. It will then review international best practices on the development of infrastructure, particularly at the sub sovereign municipal level. The evaluation will examine infrastructure development

7 This study was prepared under a separate standalone TC, but it has synergies with other IPPF initiatives in Turkey and countries such as Kazakhstan.
frameworks within a sample of COOs at the national and sub-national level. A sample of IPPF public sector and PPP projects will be reviewed at the enabling environment and project levels to identify the achievement of the planned outputs and outcomes, and to the extent data is available, the broader project impacts.

This information will be collated, analysed and used to answer a series of evaluation questions on expected and actual results from 2014 to 2017 (the evaluation period). The evaluation will identify critical issues, and draw lessons that can be used to help guide the future structure and operations of the IPPF. The output of the evaluation will be a Special Evaluation Study of approximately 35 pages, plus appendices providing further details on the case studies and summaries of other relevant analyses.

3.2 Evaluation Questions

The evaluation will contribute to a better understanding of the larger objectives of the IPPF program. The analysis will aim to understand which policy dialogue activities and projects were most effective and efficient in meeting the IPPF objectives and the critical constraints and risks impacting on policy and project performance. The evaluation will aim to address these issues by seeking answers to the following questions:

(i) Was the IPPF strategy and its objectives relevant and well-suited to the requirements of the COOs and the institutional context of EBRD?

(ii) Was the IPPF strategy implemented effectively?

(iii) What have been the early results of the IPPF projects?

(iv) Does experience suggest ways the effectiveness, efficiency and sustainability of the IPPF can be improved?

Underpinning each of these questions, the evaluation will investigate the following issues:

3.2.1 Objectives

(i) How has EBRD’s approach to infrastructure development evolved over time, particularly at the sub sovereign municipal level?

(ii) Did the IPPF program reflect infrastructure gaps identified in documents such as the EBRD’s infrastructure assessments of COOs? Was its specific focus on MEI justified?

(iii) Was the IPPF program aligned with EBRD’s corporate, country and sector strategies, and activities of other IFIs within COOs?

(iv) Did the services offered by the IPPF meet country needs? If some were more attractive than others (ie SIW versus PPW versus standalone TC) what were the reasons?

(v) To what extent did IPPF structure and content reflect international best practices developing PPPs?

(vi) Is there a need to broaden the formal scope of the IPPF sectors to include energy, natural resources and social infrastructure for health and education?
(vii) Is there potential to broaden the scope of IPPF services to develop institutional capacity in areas such as public sector investment management frameworks, credit enhanced fiscal offtake systems, viability gap funds and facility management capacity during the operating period using whole of life project development concepts at the national and sub-national level?

(viii) Is there potential to strengthen EBRD’s overarching policy and strategic framework to guide the development of private sector participation in infrastructure at the country level?

3.2.2 Implementation

(i) What was the purpose and level of IPPF resources allocated over the evaluation period in terms of objectives, instruments, countries, and sectors and was it adequate to achieve expected transition impact targets?

(ii) Were the organisational arrangements within EBRD sufficient to execute the IPPF Plan in areas such as IPPF team resources (management, staffing, information systems, budgeting, procurement, and monitoring and reporting arrangements)?

(iii) How well were the IPPF activities coordinated with other IFIs and development agencies, and are there opportunities for greater collaboration moving forward?

(iv) To what extent was the program and projects evaluable, focussing on adequacy of definitions of outputs, outcomes, and impacts; availability of baselines and targets; and data collection and reporting arrangements?

3.2.3 Early Results

(i) What were the linkages between country and sector strategies, and IPPF policy dialogue and project delivery?

(ii) To what extent did the IPPF assistance lead to an increase in policy dialogue and understanding of PSP requirements in infrastructure development in COOs?

(iii) Were there differences in the level of success developing projects at the national and local level?

(iv) To what extent was new institutional capacity developed within COOs to prepare infrastructure projects, particularly at the municipal level?

(v) To what extent did the IPPF mobilise additional funding from EBRD and other sources to finance projects?

(vi) To what extent did the IPPF panel increase the capacity, effectiveness, efficiency and sustainability of processes to prepare infrastructure projects within EBRD and its COOs?

3.2.4 Opportunities for improvement in operations

On the basis of this analysis, the evaluation will identify opportunities to improve efficiency and effectiveness of EBRD’s future operations to support the preparation and implementation of privately financed infrastructure. In line with actual and potential practice, the evaluation will look at the potential
scope of the facility across both traditional sectors such as energy, transport, and solid waste; and emerging sectors such as and health and education at municipal levels.

### 3.3 Country Sample

The country sample will be based on purposeful selection. It will include cases where governments have been preparing projects with resources from both the SIW and PPW windows to gain an understanding of why each modality was chosen, and how well the projects under each window were progressing. Selection will reflect the diverse institutional arrangements for preparing infrastructure projects across regions. The SIW COOs encompassed Turkey, Croatia and Jordan. Under the PPW window the main COOs were Egypt and Belarus, with increasing interest in countries such as Ukraine, Jordan, and Kazakhstan. Based on this analysis, it is proposed that Belarus, Jordan, Egypt, Turkey and Kazakhstan form the sample set that will be used to prepare case studies at the country level.

### 3.4 Stakeholder Consultation

It is proposed that EvD interview the following stakeholders:

- EBRD - Core IPPF - IPPF team, LTT, EPG;
- EBRD - Non-Core IPPF - MEI, transport and energy sector departments, RO staff;
- Sample of member firms from SIW and PPW consultant panels;
- Ministries of Finance, Planning at national level, municipalities and project sponsors at local levels in sample countries;
- Global Infrastructure Hub;
- European PPP Expertise Centre (EPEC)/European Investment Bank (EIB)
- Bilateral agencies such as KfW;
- Global Infrastructure Facility;
- IFC Advisory Services;
- IADB; and
- IMF.

### 3.5 Methods

A document review will be conducted to prepare background chapters on issues such as the evolution of infrastructure development programs within EBRD and its COOs. Interviews with EPEC, EIB, GIH and GIF, IADB and IFC will be used to gain an overview of international best practices and the nature of EBRD’s interactions with these agencies. The evaluation sections of the report will draw upon the country case studies and desk reviews of other IPPF projects to the extent this data is available.
4. Potential Problems and Limitations

The main challenge of this evaluation arises from the recent establishment of the IPPF program. Most projects are ongoing, and a full evaluation of the results of these activities will not be possible. The country case studies will draw upon recent projects that best illustrate IPPF operations. Part of their impact relates to their structure and innovativeness, which are largely time-neutral. It is expected there will be sufficient data to perform the evaluation, and many of the areas related to relevance, organizational arrangements, and implementation of existing operations are ready for evaluation. To the extent possible EvD will draw upon the experience of other IFIs to help identify international best practices and draw conclusions on likely issues impacting on the performance of the IPPF.

5. Administrative Arrangements

5.1 EvD team

The evaluation will be prepared by Bob Finlayson, Associate Director/Senior Manager. An external panel member (to be identified) may be requested to review the draft report.

5.2 Timetable

The following table provides a summary of the indicative timetable for the evaluation:

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date (2017/2018)</th>
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<tbody>
<tr>
<td>Approach paper prepared, circulated, approved</td>
<td>Mid June</td>
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<tr>
<td>Background documentation review</td>
<td>Mid June – Mid July</td>
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<td>Internal data collection and internal interviews</td>
<td>Mid July-Mid August</td>
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<tr>
<td>Field missions and report drafting</td>
<td>August-October</td>
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<tr>
<td>Draft report circulated to internal peer reviewer</td>
<td>Early November</td>
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<tr>
<td>Draft sent to external panel</td>
<td>Mid November</td>
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<td>Draft submitted to CE</td>
<td>Early December</td>
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<tr>
<td>Draft circulated for management comments</td>
<td>Mid January</td>
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<td>Final editing and distribution</td>
<td>Mid March</td>
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5.3 Budget

The travel budget is estimated to be £20,000, and a consultant budget of £10,000. These figures are provisional and may be subject to change.
Annex 1: Previous EvD Evaluations

The primary EvD evaluation relevant to this study is the document “Private Sector Participation in Municipal and Environmental Infrastructure Projects - Review and Evaluation Regional”. This report reviewed EBRD’s objectives and activities supporting PSP in the MEI sector between 2001 and 2012. The main findings were as follows:

- PSP in MEI sectors in the COOs was disappointing, being well below levels observed in other regions, and overall it had changed relatively little since transition began;
- The strategic importance of PSP in MEI in sector policies within EBRD was initially high, but it had declined as a priority over the past 15 years due to poor project performance;
- About 2% of the TC funds allocated to MEI were committed to promote or support PSP projects over the evaluation period;
- Unlike infrastructure sectors, countries in COOs did not have PSP strategies for municipalities, making it difficult for EBRD to develop a coherent strategy to promote and finance PSPs;
- In the period 2001 – 2004 PSP operations were focused on the water/waste water sub-sector and financed international operators, mainly in more advanced transition countries;
- In the period 2005 – 2008, opportunities to finance PSP projects deteriorated due to the combined effect of EU grants in more advanced countries, a lack of adequate PPP legislation in less advanced countries, and a more cautious approach of international investors;
- In the period 2009 - 2012, the number of PSP projects doubled (although one third was expansions of existing projects), while the average size of PSP project shrank. EBRD expanded its geographical reach, signing its first MEI PSP project in an early transition country (ETC) in Central Asia, a contract in Turkey, and entered new sub-sectors such as parking and ferry services; and
- There were few examples of policy dialogue with cities and governments on the PPP concept and the development or amendment of PPP-enabling legislation at the municipal level.

These findings provided an important justification for the IPPF to be established to help address these issues.

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