

## Public-Private Partnership Capabilities

At IP3, we set ourselves apart from the competition by integrating capacity building and training with specialized consulting services to create successful and sustainable PPP, regulation, and utility reform projects. We believe that success should be measured not only by the advice provided but also by the capacity developed and left behind with our clients, and the impact that our work has on the community at large.

### Public-Private Partnership Practice

IP3's Public-Private Partnership Practice provides advice on the selection of PPP options, project structuring, contract design, stakeholder consensus building, procurement, negotiation support, and project finance. Over the last two decades, developing nations around the world have spent, on average, 4% of their national output on infrastructure. Despite these massive expenditures, 1.1 billion people still lack access to safe water, 4 billion lack sound wastewater disposal, 2.4 billion lack adequate sanitation, and 2 billion lack electric power.

IP3 believes that where large government expenditures do not translate into improved public services, the problem is often a combination of weak institutional capacity, poor governance structures, a lack of incentives for efficiency, and political interference. Public-private partnerships are not the only solution to this problem, but they can be an effective tool for addressing the underlying causes of inefficiency and putting poorly-performing public enterprises on the path to recovery.

IP3's mission is to work with our clients and their stakeholders to design partnerships that draw on the comparative strengths of the public and the private sectors in order to improve the delivery of services in a manner that is affordable, equitable, and sustainable. Our core competencies include:

- PPP legal, policy and institutional framework development
- Project identification, screening and selection
- Feasibility analyses (technical, economic, tariff, and project financing)
- Public awareness and stakeholder consultation
- Transaction structuring, financing and procurement strategies
- Transaction bid and tender preparation, tendering/procurement assistance, and negotiation
- Bid evaluation, award, and negotiation
- Performance monitoring, contract compliance and dispute resolution
- PPP service delivery and the poor

IP3 has pioneered the development of innovative public-private partnerships across a range of sectors. The following sections describe our recent technical assistance and training projects.

### Technical Assistance

IP3 experts have advised Governments and donor agencies around the world on nearly every aspect of public-private partnership design and implementation from evaluating the options for PPP, to developing tender documents, structuring project finance, drafting contracts, and assisting with contract negotiations. Our work spans a range of sectors, including infrastructure (water, energy, solid waste, roads, and telecommunications), healthcare, education, agriculture, banking, and pensions.

**Eastern Europe****Municipal Public-Private Partnership Program (MP4)****2004 – 2005**

For the European Bank for Reconstruction and Development (EBRD), IP3 is assisting municipalities in Eastern Europe overcome the difficulties associated with attracting private investment into infrastructure services by supporting them in the identification and design of three to four bankable PPP projects in the municipal services sectors. To date, our Team has advised on the development of a PPP for solid waste incineration in Zagreb, Croatia; a PPP for water services delivery in the Sofia Metropolitan Region, Bulgaria; and a PPP for solid waste disposal in Stara Zagora, Bulgaria.

**Global****Studying on Leveraging PPPs to Enhance IDA Effectiveness in the Health, Education and Agriculture Sectors in Africa****2004**

For the United Kingdom's Department for International Development (DfID), IP3 is assisting the World Bank to evaluate PPPs as a means of enhancing the effectiveness of its lending programs in the health, education, and agriculture sectors in Africa. The goal of the project is specifically to identify three to four innovative PPP models that can be applied in IDA (International Development Association)-funded projects in order to enhance African governments' ability to achieve the Millennium Development Goals.

**Zambia****Building Consensus Amongst Water Sector Stakeholders in Zambia: Phases I and II****2004 - 2005**

For the Public-Private Infrastructure Advisory Facility (PPIAF) and Zambia's Ministry of Local Government and Housing, IP3 has developed and implemented a program to build consensus amongst key stakeholders for water sector reform, including the introduction of a PPP in the City of Lusaka. For this project, we developed and implemented a series of interactive stakeholder workshops on PPP, conducted a study tour for key decision makers to visit water sector PPPs underway in other parts of Africa, and designed a communications strategy for the Ministry and the Lusaka Water and Sewerage Company to use in reaching out to stakeholders as the PPP process proceeds.

**Pakistan****Design of a Public-Private Infrastructure Financing Facility****2004**

For the Asian Development Bank (ADB) and the Government of Pakistan, IP3 designed appropriate mechanisms for accelerating infrastructure development through increased private sector participation and thereby promoting economic growth and reducing poverty. Our Team assessed the performance of key infrastructure sectors; reviewed the legal and regulatory framework for private participation; recommended new frameworks and sector strategies needed to improve the capacity for efficient and transparent contracting of infrastructure projects to the private sector; and recommended measures to strengthen institutional capacity to effectively channel private capital into long term infrastructure projects.

**Global****Emerging Lessons in Consensus Building and Stakeholder Consultation for PPI****2003 – 2004**

For the Public-Private Infrastructure Advisory Facility (PPIAF), IP3 researched the experience to date with consensus building and public awareness of public-private partnerships in the infrastructure (water, power, telecommunications, and transportation) sectors. Our findings, as

well as recommendations for lessons learned and best practices, are summarized in a working paper intended for publication by the World Bank.

## **Gambia**

### **Update of National Privatization Strategy 2003 – 2004**

IP3 was engaged by PPIAF to assist the Government of the Gambia to fine tune its plan for privatizing state-owned enterprises. Specifically, we reviewed the Government's "Vision 2020," a strategic document outlining the enterprises slated for privatization, the timetable and the process for implementing privatizations. Our Team also advised the Government on the development of an appropriate enabling environment for privatization, including the establishment of a Multi-Sectoral Regulatory Authority.

## **Eastern Europe**

### **Infrastructure Reform and Finance Project 2004 – 2005**

For the United States Agency for International Development, IP3 is supporting the agency's Europe and Eurasia Bureau staff to develop its strategy for lending and support to the infrastructure sectors across Eastern Europe. For this project, we carried out an inventory of the policy, physical and institutional environment of each of the E&E Bureau client countries and suggested strategic interventions for USAID Missions. In later stages of the project, our Team will provide support for the implementation of specific mission projects throughout the region.

## **Eastern Europe**

### **Regional Competitiveness Initiative 2004 – 2005**

IP3 has been engaged by USAID to carry out the Regional Competitiveness Initiative (RCI) in Eastern Europe and the Former Soviet Union. The goal of the project is to encourage job expansion through competitiveness, SME development and economic growth. RCI will complement and create regional synergies between competitiveness activities including those supported by USAID missions, other international donors, local organizations and local and international businesses. It will also assist them expand their efforts with new competitiveness components (e.g., regional cluster initiatives, multinational supply and market chains, and regional corridor cluster development).

## **Indonesia**

### **Public-Private Partnership Development Facility 2003 – 2004**

In 2002-2003, the Asian Development Bank provided technical assistance for the design of a PSP Development Facility for Urban Infrastructure in Indonesia. The draft final report, in form of a draft RRP, a final report, and a credit manual, was determined to be insufficient, and necessitated substantial revision and additional inputs. The ADB contracted IP3 to provide expertise in designing a PSP development facility by (1) reviewing and commenting on the current proposal; (ii) providing relevant PDF input based on experience in other countries, and based on a revised version submitted by the PPTA consultants, (iii) reviewing the draft again and assisting the ADB in finalizing it to complete project preparation throughout the ADB's loan processing period.

## **Nepal**

### **Transaction Advisory for PSP in Water Services in Kathmandu Valley 2003**

To support its ongoing process of water sector reform, His Majesty's Government of Nepal (HMGN) is preparing to introduce private sector participation in the delivery of water services in

Kathmandu Valley. For the Asian Development Bank and the Kathmandu Valley Water Supply Management Support Committee, IP3 provided transaction advisory services for the development and procurement of the management contract.

## **India**

### **Evaluation of Options for PSP in Water Services in Calcutta**

**2003**

The United States-Asia Environmental Partnership (US-AEP) engaged IP3 to evaluate the options for introducing private participation in the provision of water services in two subdivisions of the Calcutta metropolitan area. Our findings were presented to the Kolkata Metropolitan Development Authority.

## **Croatia**

### **Feasibility Study for an Intermodal Trade and Transport Facility in Rijeka**

**2002**

IP3 was part of a consortium of firms engaged by USAID to analyze the feasibility of a public-private partnership arrangement for a new Intermodal Trade and Transport Facility (ITTF) in Rijeka, Croatia. The objective was to resolve the issue of heavy truck congestion in downtown Rijeka as well as capitalize on an expected increase in truck traffic and servicing needs in and around Rijeka, anticipated when Slovenia joins the European Union. The IP3 team assessed the technical and financial feasibility of the proposed ITTF, including projecting future demand and revenues for/from ITTF services and estimating investment costs for the development of a new facility. The assessment included developing a strategy to finance the planned facility using a public-private partnership structure.

## **Egypt**

### **Technical Assistance to the Governorates of Alexandria, Cairo, and Qalyoubiya on the Privatization of Solid Waste Management Systems – Phases I and II**

**1999-2003**

IP3 was contracted by USAID to provide privatization transaction support services to the Egyptian Environmental Affairs Agency (EEAA) and the Governorate of Alexandria in planning, structuring, and negotiating Egypt's first-ever solid waste management privatization. For this US\$20 million private investment, IP3 experts assisted the Governor's Office to prepare the project structure and implement the transaction. As a continuation of our work in Alexandria, IP3 was contracted to advise the Governorates of Cairo and Qalyoubiya on privatizing their solid waste management systems. For this project, we are developing the bidding documents, carrying out a technical and financial feasibility study, developing policies and procedures for contract compliance, and designing and carrying out a public awareness program.

## **Ivory Coast**

### **Public-Private Partnership Strategy for the African Development Bank**

**2001**

The purpose of the assignment was to develop a strategy and an action plan that might assist the AfDB to contribute towards the promotion of public-private partnerships in Regional Member Countries (RMCs). IP3 followed this overview with an assessment of the role that AfDB could play towards the development of PPPs, from provision of financial support to generating business opportunities in the AfDB's own projects.

## **Croatia**

### **Evaluation of Options for PPP in Municipal Services in the City of Rijeka**

**2001**

For this USAID-funded assignment, IP3 evaluated the performance of publicly owned water and transport assets in the Croatian city of Rijeka, and made recommendations for the introduction of

public-private partnerships. Our review encompassed the city-owned water and wastewater company, the bus company, the traffic and transportation company, the Rijeka Airport, and the Port Authority of Rijeka. As a direct result of our work, USAID funded a follow-on consultancy to further study the possibility of structuring a public-private partnership for the development of an intermodal trade and transport facility.

## **Guyana**

### **Evaluation of PPP Options and Design of a Performance-Based Management Contract 2000 – 2001**

The Government of Guyana decided to merge the country's two water and sanitation companies into one national company, and to introduce private sector participation (PSP) in the new company. IP3 advised the Government of Guyana and the Public-Private Infrastructure Advisory Facility (PPIAF) on the selection and design of an appropriate option for PSP in the water and sanitation sector (in this case, a performance-based management contract), and designed a regulatory framework. The PSP option and associated documents drafted by IP3 were approved by the Government of Guyana and a donor steering committee (including representatives of the World Bank, DFID, Inter-American Development Bank, Caribbean Development Bank, and European Union) in 2001, and the management contract was successfully awarded to a consortium led by the British firm Severn Trent in November, 2002.

## **Ghana**

### **Public-Private Partnership Strategy Development 2000 – 2001**

As part of a broader public sector reform initiative, the Government of Ghana launched in 1994 a comprehensive reform program called the National Institutional Renewal Programme (NIRP). The purpose of NIRP is to co-ordinate all on-going reforms in the public sector. Under this assignment for the Government of Ghana, IP3 developed and implemented a strategic and action plan for a public-private sector partnership within the context of the NIRP. The strategy focused specifically on the Ministry of Trade and Industry, the Ministry of Tourism, the Ministry of Food and Agriculture, the Road and Transport Ministry, and the Ministry of Works and Housing.

## **Malawi**

### **Private Sector Participation in Infrastructure and Utilities Development 2000 – 2001**

For USAID/Malawi and the Malawi Investment Promotion Agency, IP3 assessed the current status of Malawi's infrastructure and identified the legal, regulatory, and policy framework constraints to private sector participation. Based on the assessment findings, our Team conducted an awareness campaign, through a series of workshops, using the Build-Operate-Transfer (BOT) model and similar concepts for private sector participation.

## **South Africa**

### **Establishment and Management of the National Treasury Public-Private Partnership Unit 2000 – ongoing**

Working with the Department of Finance, now the National Treasury of the Republic of South Africa, under a subcontract to Chemonics International, IP3 designed the organizational structure and operational guidelines for South Africa's Public Private Partnership (P3) Unit. The P3 Unit serves as an information center for investors, a source of training and promotional activities for infrastructure initiatives, and an organization charged with overseeing the development of policies and procedures for award of contracts for privately funded infrastructure in South Africa.

Following on our work to establish the Unit, IP3 continues to provide several of the Unit's full time staff members who have advised on PPP transactions in a range of sectors including hospitals, vehicle fleet management, accommodations, construction, facilities operations and maintenance, schools, railways, prisons, eco-tourism; information technology, and toll roads.

## Egypt

### Legal, Institutional, and Regulatory Reform Project – Phase II 2000 – 2002

For this USAID-funded project, IP3 advised the Government of Egypt on an overarching program to reform the country's water and wastewater sector. Our work included designing and supporting the operationalization of a new water and wastewater regulatory agency and a new central government public-private partnership unit; as well as reviewing and implementing a number of pilot PPP transactions in the water sector. As a direct result of IP3's work, the Egyptian Government created the Egyptian Water and Wastewater Regulatory Authority (EWRA), which is now in the process of assuming responsibility for the regulation of more than 20 corporatized utilities. The law establishing the EWRA was signed by President Mubarak in April 2004. The President also signed a decree establishing a holding company for the water and wastewater utilities, the first step in a process to commercialize utilities at the national level.

## Training

IP3 is world renowned for its training programs in the field of public-private partnerships. Since our founding ten years ago, we have trained more than 10,000 individuals from over 175 countries. But our focus is not just on numbers – to us, it is the results that count. IP3's attention to quality and rigorous training methodology have resulted in our being the first and only international organization in the field of public-private partnerships to meet the high standards required for accreditation by the International Association of Continuing Education and Training (IACET). This accreditation enables us to provide students who successfully complete our training programs with Continuing Education Units (CEUs).



In addition to the IACET accreditation, participants to any IP3 training course are also eligible to become Certified Public-Private Partnership Specialists™. This accreditation program is jointly administered by IP3 and the Water, Engineering and Development Center of Loughborough University in the United Kingdom. The goal of the certification program is to create a world class standard in public-private partnership training and research and to provide participants who complete the requirements of the program with a comprehensive body of knowledge on public-private partnership design, procurement, implementation and monitoring. Further information on this certification program can be found at [www.ip3.org](http://www.ip3.org) or at [www.globalcertifications.org](http://www.globalcertifications.org).

The following is a selection of IP3's training programs in the field of public-private partnerships.

## Iraq

### Management Skills Development in Public-Private Partnerships 2004

Under contract to the United Nations Children's Fund (UNICEF), IP3 reviewed the human resource development needs of Iraq's newly formed Ministry of Municipalities and Public Works (MMPW), and made recommendations for the development of a training program to address key knowledge gaps. We then conducted a series of training courses in the areas of competitive utility management, public-private partnership design and modeling, and regulatory planning in the water and municipal service delivery sectors for key staff of the Ministry.

**Germany****Staff Training on Public-Private Partnerships for KfW****2004**

IP3 was engaged by Katalyst21, an international consulting firm, under a contract with the German aid agency KfW, to provide training to KfW's professional staff on public-private partnerships. Our specific tasks included teaching KfW staff about structuring PPPs so that they address the needs of the poor.

**Philippines****Training for ADB Staff on Public-Private Partnerships in the Water and Energy Sectors****2003**

IP3 was engaged by the Asian Development Bank's training division to design and implement a series of training programs for the professional staff of the public sector lending arm of the Bank. The purpose of the training was to build the capacity of ADB staff to incorporate public-private partnerships into public sector loan programs. As part of this year-long series of training programs, we conducted two sector-specific trainings on PPPs in the energy and water sectors.

**Egypt****International Best Practices in PSP in the Water and Wastewater Sectors****2000-2001**

In support of a USAID technical assistance project for PSP in water and wastewater in Egypt, IP3 designed and implemented an educational program for more than 300 Chairman, Deputy-Chairmen, and senior staff of Egyptian water utilities that are in the process of developing PSP projects. The year long training program will prepare utility managers to conceptualize, structure, and implement PSP projects, and to prepare for changes in the enabling environment, such as the introduction of independent regulation.

**Egypt****Solid Waste Privatization and Contract Compliance Training Project****2002**

For USAID (under the Development II Training Project), the Governorates of Cairo and Qualubiya, and the Egyptian Environmental Affairs Agency, IP3 managed an intensive 4-month training project on solid waste privatization and contract compliance. The training, conducted entirely in Arabic, consisted of 28 one-week training courses for over 1,000 officials. Key topics included legal and regulatory issues, solid waste system planning, privatization strategies, and contract compliance and performance monitoring techniques. A substantial component of this project was training on public relations and stakeholder consultation to promote implementation of the government's option for privatization of solid waste services. In this component, public awareness specialists from IP3 trained government officials on the challenges and obstacles to a public awareness campaign, developing a communication strategy, advertising and media relations, dispute resolution, activities and event organization and checklist for public awareness campaigns.

**Jordan****Training on BOT Project Finance****2002**

In Amman, for the Executive Privatization Commission, IP3 designed and conducted a training program on how to finance build-operate-transfer (BOT) projects. This course was designed to provide the EPC staff and other government officials involved in the privatization process with the necessary skills needed to identify, design, implement, and monitor competitively tendered development of BOT projects in their organizations.

**Egypt****Regulatory and Privatization Issues in Telecommunications****2002**

For USAID, IP3 conducted a training program on Regulatory and Privatization Issues in Telecommunications for the Ministry of Communication and Information Technology (MCIT) and the Telecommunications Regulatory Authority (TRA) of the Government of Egypt. The objective of the training was to introduce the PPP methodology to the MCIT to enable the ministry to identify, evaluate, and implement public-private partnerships in the telecommunications sector.

**Egypt****Privatization of Specific Businesses****2001**

For USAID and the Egyptian Ministry of Economy and Foreign Trade, IP3 prepared and implemented a training program on privatization and valuation techniques for privatization projects. Participants learned the various steps in preparing a joint-venture bank, insurance company, or an enterprise for sale, including the techniques of selecting the most appropriate selling methods; designing clear bidding procedures, documents, evaluation criteria, and due diligence techniques; conducting valuation; and utilizing effective sales & investment promotion campaigns. A major part of training was dedicated to valuation issues and the important role that transparent and independent valuation of joint-venture banks and enterprises plays in allowing privatization transactions to succeed. Specifically, the workshop trained participants on how proper valuation allows potential private investors measure the actual size of the bank's capital cushion, analyze its risk-adjusted capital base, determine the strength of its asset/liability management practices, project how much additional infusions of capital will be required, and determine if there is excess staffing in the bank and if workforce redeployment strategies need to be developed.

**Egypt****Privatization Best Practices Training Series****2000 – 2001**

For USAID and the Government of Egypt (Ministries of Public Enterprises and of Economy and Foreign Trade), IP3 conducted a series of training workshops on Privatization Best Practices. The workshops covered such topics as restructuring options, labor management during privatization, valuation of public enterprises for sale, techniques to match company with the most appropriate privatization method, structuring privatization transactions, legal and regulatory considerations for privatization, developing privatization plans, developing and using effective privatization decision support systems, and overall privatization best practices from international case studies. Over 200 Egyptian officials from MPE and MOEFT were trained. IP3 was responsible for the entire project, from the training needs assessment, to the development of all curriculum materials and implementation of the training.

**Democratic Republic of Congo****Public-Private Partnerships in Utilities and Public Services Training Program****2000**

For USAID and the Government of the DRC, IP3 conducted a training needs assessment and implemented a subsequent training program on public-private partnerships for the utilities and public services sectors. The workshop focused on issues such as legislative and regulatory reform for PPPs, institutionalizing the PPP process, stakeholder consultation, and development of alternative service delivery methods.

## **Egypt**

### **Private Sector Participation in Egyptian Water Utilities Training Program**

**2000 – 2001**

For USAID and Egypt's Ministry of Housing, Utilities, and New Communities, IP3 conducted a year-long series of fourteen training workshops on seven different topics in water sector reform. The workshops focused on issues such as regulating water utilities; PPP institutional development; legal issues, financing, and management of PPP projects; and water utility operations. Approximately 280 Egyptian officials were trained. IP3 was responsible for conducting the training sessions, developing all curriculum materials, including presentation slides and case studies, creating a compendium of presentation and reading materials, and all logistical/administrative aspects of the training.

## **Ukraine**

### **Private Pensions Study Program**

**2000**

For the Academy for Educational Development and USAID, IP3 designed and implemented a training program on private pensions for Ukrainian pensions, capital markets, and university officials. The training program focused on key topics such how private pensions work in the United States, the key regulatory aspects of private pensions, and how private pension plans, such as 401K plans and IRA plans are managed.

## **For More Information**

For more information on IP3's capabilities in the field of public-private partnerships, for to find out how to access our services, please contact:

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