**Gathering experience on PPPs in the water & sanitation sector:**

**Questionnaire to identify problems and best practices**

Team members may not have experience across the whole variety of PPP types, and may concentrate on those PPPs they worked on.

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| **Part 1: Definition of PPPs and need for standardization** | | | |
| * 1. **Provide one positive example of PPP you have been involved with - specify country & year**   **(200 Words + Links)** | | | |
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| **1.2 What elements do you think a standard on PPPs in Water supply and sanitation should include, in terms of structure and content? (100 Words)** | | | |
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| **Part 2: Prerequisites for an effective PPP agreement**  The following draft OECD principles are meant to guide policy makers when using PPPs. They cover in particular institutional and procedural features in the governance system that focus on value for money, efficiency, effectiveness, and transparency.   1. The political leadership should ensure public awareness of the relative costs, benefits and risks of PPPs and conventional procurement; 2. Clear, predictable and well regulated legal framework for PPPs; 3. Ensure that the necessary institutional roles and capacities are present in the public sector; 4. The decision to invest should be based on a whole of government perspective and be separate from how to finance the project; 5. The project should be affordable and transparently treated in the budget process – regardless of which level of government it applies to; 6. Carefully investigate which investment method yields most value for money; 7. Transfer the risks to those that manage them best; 8. Involve the user in the design and monitoring of PPP to increase value for money; 9. Maintain value for money during operation, renegotiation and project failure; 10. Ensure competition and integrity in the procurement process. | | | |
| **2.1 What are the most common failures you have experienced? - specify countries & years (100 Words)** | | | |
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| **2.2. What are the solutions that could mitigate such risks? - specify country & year (200 words)** | | | |
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| **Part 3: Developing the policy and considering private participation: underlying policy problems in water services**  The first step in developing policy is to decide whether a private participation can be an efficient tool to achieve the public authority’s objectives. This starts with setting objectives and the trade-off between them. The biggest challenge for national and local authorities is indeed to address those underlying problems and to encourage investment for example to improve quality, to lower costs and to extend access to the service. | | | |
| **3.1. Provide an example of an efficient institutional & analytical framework which has proved efficient- specify country & year (200 words)** | | | |
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| **Part 4: Different types of PPPs and related risks** | | | |
| The challenge lies in how to balance the private sector risks so that they no longer constitute a significant hurdle to private financing of infrastructure project, while offering optimal benefits to the authority. | | | |
| **Type of PPP** | **Benefits for authority** | **Risks for authority** | **Best practices to be included in a standardization process?** |
| Service contracts |  |  |  |
| Management contracts |  |  |  |
| Lease contracts (affermage) |  |  |  |
| Concession contracts |  |  |  |
| Build Own Operate Transfer (BOOT), Build Operate and Transfer (BOT), Build Own Operate (BOO), Design Build Finance Operate (DBFO) |  |  |  |
| Joint Ownership |  |  |  |
| Outright sale/divestiture |  |  |  |
| **Part 5: The life of the PPP contracts from initial stages through completion**  The different stages necessary to implement and manage a PPP agreement are:   * Project governance (right set of institutions to carry out the required task); * Project identification (investment assessment, output specifications, affordability, risk allocation, bankability, value for money analysis); * Detailed preparation (governance structure and its advisers, project plan and timetable, design of PPP arrangement, procurement method, bid evaluation criteria and draft PPP contract); * Procurement (procurement notice, prequalification and shortlisting, invitation to tender, interaction with bidders, evaluation of tenders and PPP contract award, financing agreements); * Implementation and monitoring of the contract (project delivery and service outputs (KPI), managing changes permitted in the PPP contract, managing changes not foreseen in the PPP contract, potential dispute resolution mechanisms and contract end); * Ex-post evaluation (institutional and analytical framework). | | | |
| **5.1. Amongst those items, which one(s) should be detailed in the standard? Please provide appropriate case-studies if you deem it useful. (200 words)** | | | |
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| **5.2 Do you think other items should be included? Please specify.** | | | |
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| **Part 6: Financial framework and payment scheme**  A large number of financing agreements are needed for a project-financed PPP. A financial model is most needed for the authority to:   * Periodically calculate the payments due by the authority to the private partner and estimate future payment commitments; * Periodically assess the long-term economic and financial sustainability of the contract; * Evaluate the impact of changes (e.g. refinancing, need for additional capacity, modification of the services scope) given the typical long duration and complexity of most PPP contracts; * Facilitate the preparation of financial statements and monitor key financial indicators; * Calculate the compensation sums due by the authority in the event of an early contract termination. | | | |
| **6.1. Please suggest features that should be encompassed in a robust financial framework? *Note: given the broad diversity of PPP arrangements, this ought to be broken down by types of arrangement (see part. 4). (200 Words)*** | | | |
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| **6.2. How can payment schemes or other mechanisms ensure the necessary fair retribution? (100 Words)** | | | |
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