

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: RSDD/RSID

<b>TA No. and Name</b> 6215: Public-Private Infrastructure Advisory Facility			<b>Amount Approved:</b> \$500,000		
			<b>Revised Amount:</b> -		
<b>Executing Agency:</b> Asian Development Bank	<b>Source of Funding:</b> TASF		<b>TA Amount Undisbursed:</b> -	<b>TA Amount Utilized:</b> \$500,000	
<b>Approval:</b> 17 Dec 2004			<b>Completion Date</b>		
<b>Signing:</b> N/A			<b>Original:</b> 31 Dec 2005	<b>Actual:</b> 31 Dec 2005	
<b>Fielding of Consultants:</b> N/A			<b>Closing Date</b>		
			<b>Original:</b> 31 Dec 2005	<b>Actual:</b> 31 Jan 2006	
<p><b>Description</b></p> <p>The Public-Private Infrastructure Advisory Facility (PPIAF) is a multi-donor technical assistance (TA) facility established in July 1999 by the World Bank and the Governments of Japan and the United Kingdom. Its mandate is to help developing countries improve the quality of their infrastructure through private sector involvement. PPIAF supports TA to developing countries and also identifies and disseminates best practices on matters related to private sector involvement in infrastructure in developing countries.</p> <p>The Asian Development Bank (ADB) joined PPIAF in 2001 through an initial contribution of \$250,000 to the trust fund supporting PPIAF activities according to the terms of the agreement between ADB, International Bank for Reconstruction and Development (IBRD), and International Development Association (IDA) for PPIAF Trust Fund. The initial contribution covered the 12-month period from 1 January 2001 to 31 December 2001. ADB made a second contribution of \$500,000 in December 2002 covering membership for 2 years. This technical assistance represented ADB's third cash contribution to the PPIAF Trust Fund. ADB's continued membership for FY2005 allowed ADB to leverage its resources to enhance knowledge and carry out critical studies on private sector and infrastructure development. As a member, ADB is represented on the PPIAF Program Council (PC) made up of representatives of participating donors. The PC meets once a year to review the strategic direction of the PPIAF program, its achievements, and its financing requirements. A Program Management Unit manages PPIAF in accordance with a general strategy and annual work programs approved by the PC. The World Bank acts as the PPIAF Trust Fund Administrator.</p>					
<p><b>Expected Impact, Outcome and Outputs</b></p> <p>With the overall goal of reducing poverty in the developing member countries (DMCs) through sustainable economic development, the TA was to support PPIAF in facilitating greater private sector participation (PSP) in infrastructure in line with ADB's private sector development strategy. The TA was to enable ADB to access an existing partnership of major donors and assist its DMCs resource mobilization and achieve knowledge sharing by having access to private sector studies conducted under PPIAF. The TA's primary outputs comprised specific TA projects to support promotion of private sector investment in infrastructure. Key activities included the following: (i) framing infrastructure development strategies to guide DMC governments on option for expanding private sector involvement in infrastructure; (ii) building consensus for appropriate policy, regulatory, and institutional reforms through seminars, workshops, study tours, and public awareness campaigns; (iii) designing and implementing specific policy, regulatory, and institutional reforms to promote private sector involvement in infrastructure; (iv) supporting the design and implementation of pioneering projects and transactions; (v) building DMC capacity to design and execute private infrastructure arrangements; and (vi) knowledge-building and disseminating best practices in infrastructure development.</p>					

**Delivery of Inputs and Conduct of Activities**

The TA allowed ADB to leverage its resources to initiate and carry out important studies and other activities that promote private sector and infrastructure development in DMCs, as well as continued access to project deliverables not available to the public. The TA has been cost effective—ADB received support for projects worth \$2.2 million against a contribution of \$1.25 million. The terms of reference were comprehensive and performance of consultants was satisfactory. PPIAF continued to respond to strong demand from governments for guidance in framing development strategies with private sector participation across a wide range of infrastructure sectors. ADB Operational Departments and DMCs were fully involved in formulating and implementing the projects. RSID will continue to play a coordinating role.

**Evaluation of Outputs and Achievement of Outcome**

During the period FY2004 to FY2006, PPIAF funding was approved for three ADB TA projects, namely: (i) Lao PDR – Capacity Building for Institutional and Regulatory Framework for Enhancing Transport Services for \$110,000; (ii) East Asia Pacific – Cross Border Infrastructure for \$55,000. and (iii) CAREC Member Electricity Regulators' Forum (CMERF) for \$262,800. Key activities under these projects assisted in improving institutional capacity to make decisions for efficient functioning of private sector delivery of transport services, cross border infrastructure development, and provide a forum for CAREC member countries to share their regulatory experience and serve as a knowledge base for regulatory practices and information. Performance of the consultants was satisfactory.

Results of the independent strategic review of the first five years of PPIAF's operations validated the important role that PPIAF plays in supporting governments in improving the quality of infrastructure through private sector involvement. PPIAF-financed activities are considered to be of high quality across a wide range of interventions.

**Overall Assessment and Rating**

The TA overall rating is successful.

**Major Lessons**

The existing procedures for implementing ADB-managed PPIAF approved activities are quite complicated. The regional departments submit project proposals directly to the Program Management Unit of PPIAF. These projects are evaluated and if approved, ADB is informed accordingly. For such approved activities, the overall task management is divided between an ADB co-task manager who is responsible for the technical management, and a World Bank co-task manager who is responsible for financial management and contracting arrangements. These procedures have not been found to be efficient and streamlining is necessary to allow for full transfer of project funds to the ADB for full administration. The revised procedures have been negotiated and approved to allow ADB to have full fiduciary control of ADB-initiated PPIAF projects. The amendment letter agreements were signed by ADB President on 18 October 2006.

**Recommendation and Follow-Up Action**

A follow-on TA of \$500,000 representing a fourth cash contribution to the PPIAF Trust Fund is programmed for 2007. This will cover ADB's membership for another 2 years.

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