



# EVALUATING READINESS AND CAPACITY FOR INFRASTRUCTURE PUBLIC PRIVATE PARTNERSHIPS INFRASCOPE

## WHAT IS INFRASCOPE?

- ▲ **Infrascope:** Interactive index and learning tool that evaluates countries' capacity to sustainably develop and implement public-private partnerships in the transport, water and sanitation and electricity sectors
- ▲ Developed by the Multilateral Investment Fund (MIF) of the Inter- American Development Bank (IDB) and the Economist Intelligence Unit (EIU) in 2009 for the LAC region
- ▲ A truly global tool: in 2011, the Asian Development Bank (ADB) and in 2012 the European Bank for Reconstruction and Development (EBRD) commissioned the EIU for Infrascopes for the Asian and the Eastern European regions respectively; in 2015 the World Bank (WB) will publish one for the African region

Region	MDB	Latest edition
LAC	MIF/ IDB	2014
Asia	ADB	2014
Eastern Europe	EBRD	2012
Africa	WB	2015

# WHY INFRASCOPE?



## For public officials

- Opportunity to learn from other countries
- Independent assessments of institutional capacity for PPPs
- Greater accountability
- Monitor progress & identify strengths and weaknesses
- Inform national, regional & global policy initiatives

## For technical assistance providers

- Input for design of technical assistance
- Framework for discussion between governments and Multilateral Development Banks (MDBs)

## Strengths

Integrated focus that evaluates both ability “on paper” (quality of laws and regulations) as well as implementation and practice

Transparent design and rankings with analysis stimulate discussion

Updated every two years by the majority of MDBs

Reviews over time have strengthened the Infrascopes framework

# WHAT DOES INFRASCOPE MEASURE?

## Laws and regulations (25%)

- Consistency and quality of PPP regulations
- Effective PPP selection and decision making
- Fairness/openness of bids, contract changes
- Dispute resolution mechanisms

## Investment climate (15%)

- Political distortion
- Business environment
- Social attitudes towards privatization

## Institutional design (20%)

- Quality of institutional design and roles
- PPP contract, hold-up and expropriation risk

## Financial facilities (15%)

- Government payment risk
- Capital market: private infrastructure finance
- Long-term debt markets
- Subsidy schemes

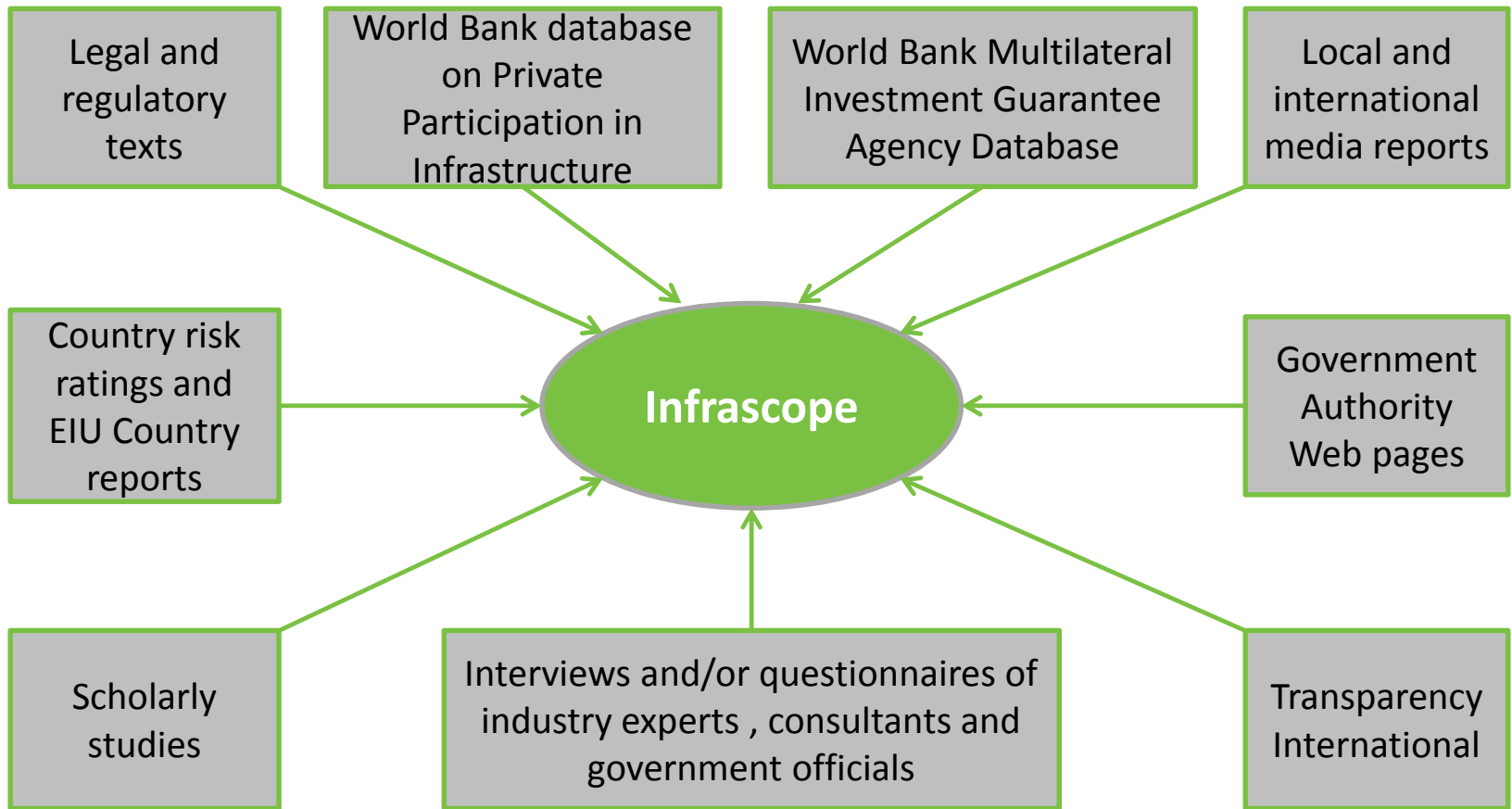
## Operational maturity (15%)

- Public capacity to plan and oversee PPPs
- Methods and criteria for awarding projects
- Regulators' risk allocation record
- Experience in transport and water concessions
- Quality of transport and water concessions

## Sub-national adjustment (10%)

- Sub-national adjustment factor

# WHERE DOES THE INFRASCOPE DATA ORIGINATE?



# INFRASCOPE: A UNIQUE TOOL



Multiple analysis and visualization options

Modifiable indicator weights

**WEIGHTS**

SELECT WEIGHT PROFILE:

Change weights by editing numbers in the yellow "Weight" column.  
Set a weight to zero to completely remove the influence of any indicator/category.

	Weight	Weight (%)	Progress Bar
1. REGULATORY FRAMEWORK	25	25.0%	██████████
2. INSTITUTIONAL FRAMEWORK	20	20.0%	██████████
3. OPERATIONAL MATURITY	15	15.0%	██████████
4. INVESTMENT CLIMATE	15	15.0%	██████████
5. FINANCIAL FACILITIES	15	15.0%	██████████
6. SUB-NATIONAL ADJUSTMENT	10	10.0%	██████████

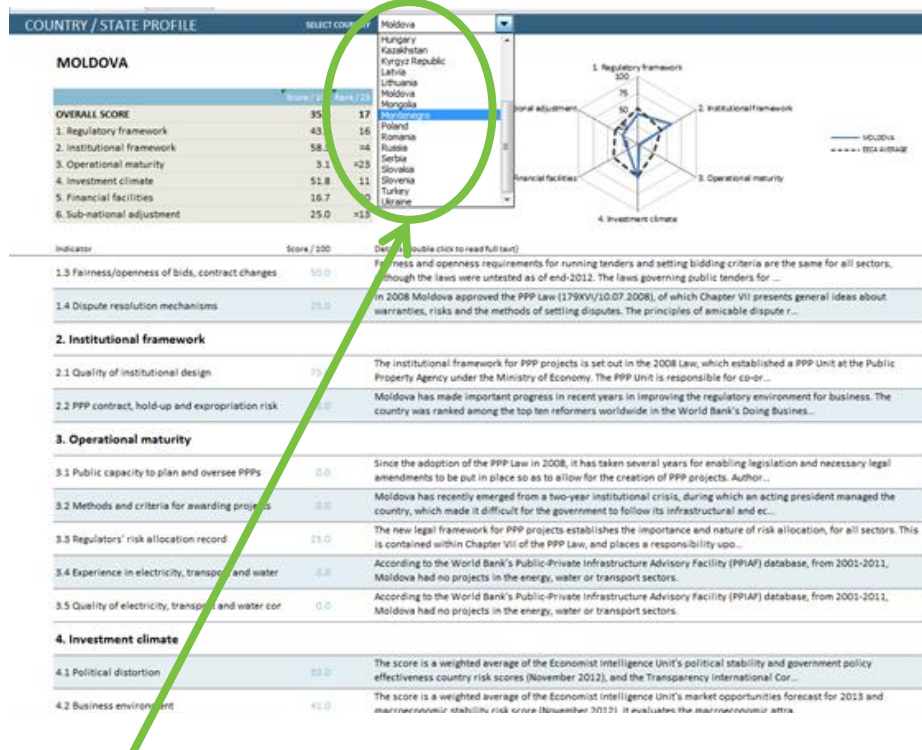
Category	Indicator	Weight	Weight (%)	Progress Bar
1. REGULATORY FRAMEWORK	1.1 Consistency and quality of PPP regulations	3	37.5%	██████████
	1.2 Effective PPP selection and decision making	2	25.0%	██████████
	1.3 Fairness/openness of bids, contract changes	1	12.5%	██████████
	1.4 Dispute resolution mechanisms	2	25.0%	██████████
2. INSTITUTIONAL FRAMEWORK	2.1 Quality of institutional design	2	66.7%	██████████
	2.2 PPP contract, hold-up and expropriation risk	1	33.3%	██████████
3. OPERATIONAL MATURITY	3.1 Public capacity to plan and oversee PPPs	2	25.0%	██████████
	3.2 Methods and criteria for awarding projects	1	12.5%	██████████
	3.3 Regulators' risk allocation record	1	12.5%	██████████
	3.4 Experience in electricity, transport and water concessions	2	25.0%	██████████
	3.5 Quality of electricity, transport and water concessions	2	25.0%	██████████
4. INVESTMENT CLIMATE	4.1 Political distortion	1	25.0%	██████████
	4.2 Business environment	1	25.0%	██████████
	4.3 Political will	2	50.0%	██████████
5. FINANCIAL FACILITIES	5.1 Government payment risk	1	22.2%	██████████
	5.2 Capital market: private infrastructure finance	2	44.4%	██████████
	5.3 Marketable debt	1	22.2%	██████████
	5.4 Government support and affordability for low income users	0.5	11.1%	██████████
6. SUB-NATIONAL ADJUSTMENT	6.1 Sub-national adjustment factor (national adjustment for state	1	100.0%	██████████

- Default weights were originally determined and later refined through an international peer review where leading global experts and MDBs defined relative importance of each of the categories
- Weights can be tailored to country-specific circumstances by editing numbers in the yellow "Weight" column
- Set a weight to zero to completely remove the influence of any indicator/category
- Determine variables of most importance
- Tailor findings to specific goals/weaknesses



# INFRASCOPE: A UNIQUE TOOL

- Multiple analysis and visualization options
- Country profiles



Country overview

Detailed analysis

- Choose a country and receive both an overview and a detailed analysis

# INFRASCOPE: A UNIQUE TOOL

- Comparison of different countries across different indicators (regulatory framework, institutional framework, operational maturity, investment climate, financial facilities, sub-national adjustment)

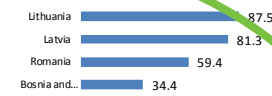
COUNTRY COMPARISON Romania Latvia Lithuania Bosnia and Herzegovina

	Romania	Latvia	Lithuania	Bosnia and Herzegovina
<b>OVERALL SCORE</b>	<b>47.4</b>	<b>54.4</b>	<b>62.9</b>	<b>29.6</b>
<b>1. Regulatory framework</b>	<b>59.4</b>	<b>81.3</b>	<b>87.5</b>	<b>34.4</b>
1.1 Consistency and quality of PPP regulations	50.0	100.0	100.0	50.0
1.2 Effective PPP selection and decision making	100.0	100.0	100.0	0.0
1.3 Fairness/openness of bids, contract changes	75.0	100.0	100.0	25.0
1.4 Dispute resolution mechanisms	25.0	25.0	50.0	50.0
<b>2. Institutional framework</b>	<b>41.7</b>	<b>91.7</b>	<b>66.7</b>	<b>25.0</b>
2.1 Quality of institutional design	50.0	100.0	75.0	25.0
2.2 PPP contract, hold-up and expropriation risk	25.0	75.0	50.0	25.0
<b>3. Operational maturity</b>	<b>39.7</b>	<b>18.8</b>	<b>28.4</b>	<b>15.6</b>
3.1 Public capacity to plan and oversee PPPs	25.0	25.0	50.0	25.0
3.2 Methods and criteria for awarding projects	25.0	25.0	25.0	50.0
3.3 Regulators' risk allocation record	25.0	75.0	50.0	25.0
3.4 Experience in electricity, transport and water conce	8.8	0.0	1.1	0.0
3.5 Quality of electricity, transport and water concessi	100.0	0.0	25.0	0.0
<b>4. Investment climate</b>	<b>40.9</b>	<b>27.8</b>	<b>61.5</b>	<b>35.3</b>
4.1 Political distortion	44.0	58.0	60.0	33.2
4.2 Business environment	53.0	53.0	52.5	41.5
4.3 Political will	33.3	0.0	66.7	33.3
<b>5. Financial facilities</b>	<b>47.2</b>	<b>41.7</b>	<b>61.1</b>	<b>5.6</b>
5.1 Government payment risk	50.0	25.0	50.0	0.0
5.2 Capital market: private infrastructure finance	50.0	25.0	50.0	0.0
5.3 Marketable debt	50.0	75.0	75.0	0.0
5.4 Government support and affordability for low incor	25.0	75.0	100.0	50.0
<b>6. Sub-national adjustment</b>	<b>50.0</b>	<b>25.0</b>	<b>50.0</b>	<b>75.0</b>
6.1 Sub-national adjustment factor (national adjustment for stat	50.0	25.0	50.0	75.0

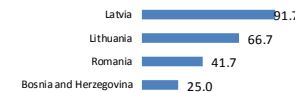
## OVERALL SCORE



## 1. Regulatory framework



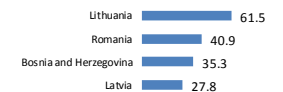
## 2. Institutional framework



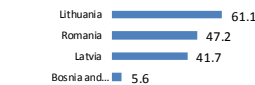
## 3. Operational maturity



## 4. Investment climate



## 5. Financial facilities



## 6. Sub-national adjustment



Scores 0-100 where 100=best



# INFRASCOPE: A HISTORY

- ▲ Began as a regional tool for Latin America and the Caribbean (LAC)
- ▲ Now a global tool covering Latin America and the Caribbean, Asia, Eastern Europe and Africa
- ▲ Peer review committees of international PPP experts strengthens the tool's global, integrated and coordinated efforts to provide accurate up-to-date information on the state of PPPs worldwide. It also reinforces MDB Bank collaboration
- ▲ The 1<sup>st</sup> review committee gathered in 2010; planned review for 2016

2009	2010	2011	2012	2013	2014	2015
1 <sup>st</sup> edition of LAC Infrascopes		1 <sup>st</sup> edition of Asia Infrascopes (ADB); 2 <sup>nd</sup> edition of LAC Infrascopes	1 <sup>st</sup> edition of EECIS Infrascopes (EBRD); 3 <sup>rd</sup> edition of LAC Infrascopes		4 <sup>th</sup> edition of LAC Infrascopes 2 <sup>nd</sup> edition of Asia Infrascopes	1 <sup>st</sup> edition of Africa Infrascopes (WB)

# INFRASCOPE: A GLOBAL TOOL

Latin America	Asia	EECIS	Africa
Argentina	Armenia	Albania	Angola
Brazil	Australia	Armenia	Cameroon
Chile	Bangladesh	Belarus	Cote D'Ivoire
Colombia	People's Republic of China	Bosnia and Herzegovina	Democratic Republic of Congo
Costa Rica	Georgia	Bulgaria	Egypt
Dominican Republic	India	Croatia	Ghana
Ecuador	India – Gujarat State	Estonia	Kenya
El Salvador	Indonesia	FYR Macedonia	Morocco
Guatemala	Japan	Georgia	Nigeria
Honduras	Kazakhstan	Hungary	Rwanda
Jamaica	Republic of Korea	Kazakhstan	South Africa
Mexico	Kyrgyz Republic	Kyrgyz Republic	Tanzania
Nicaragua	Mongolia	Latvia	Tunisia
Panama	Pakistan	Lithuania	Uganda
Paraguay	Pakistan – Sindh Province	Moldova	Zambia
Peru	Papua New Guinea	Mongolia	
Trinidad and Tobago	Philippines	Montenegro	
Uruguay	Tajikistan	Poland	
Venezuela	Thailand	Romania	
	United Kingdom	Russia	
	Viet Nam	Serbia	
		Slovakia	
		Slovenia	
		Turkey	
		Ukraine	

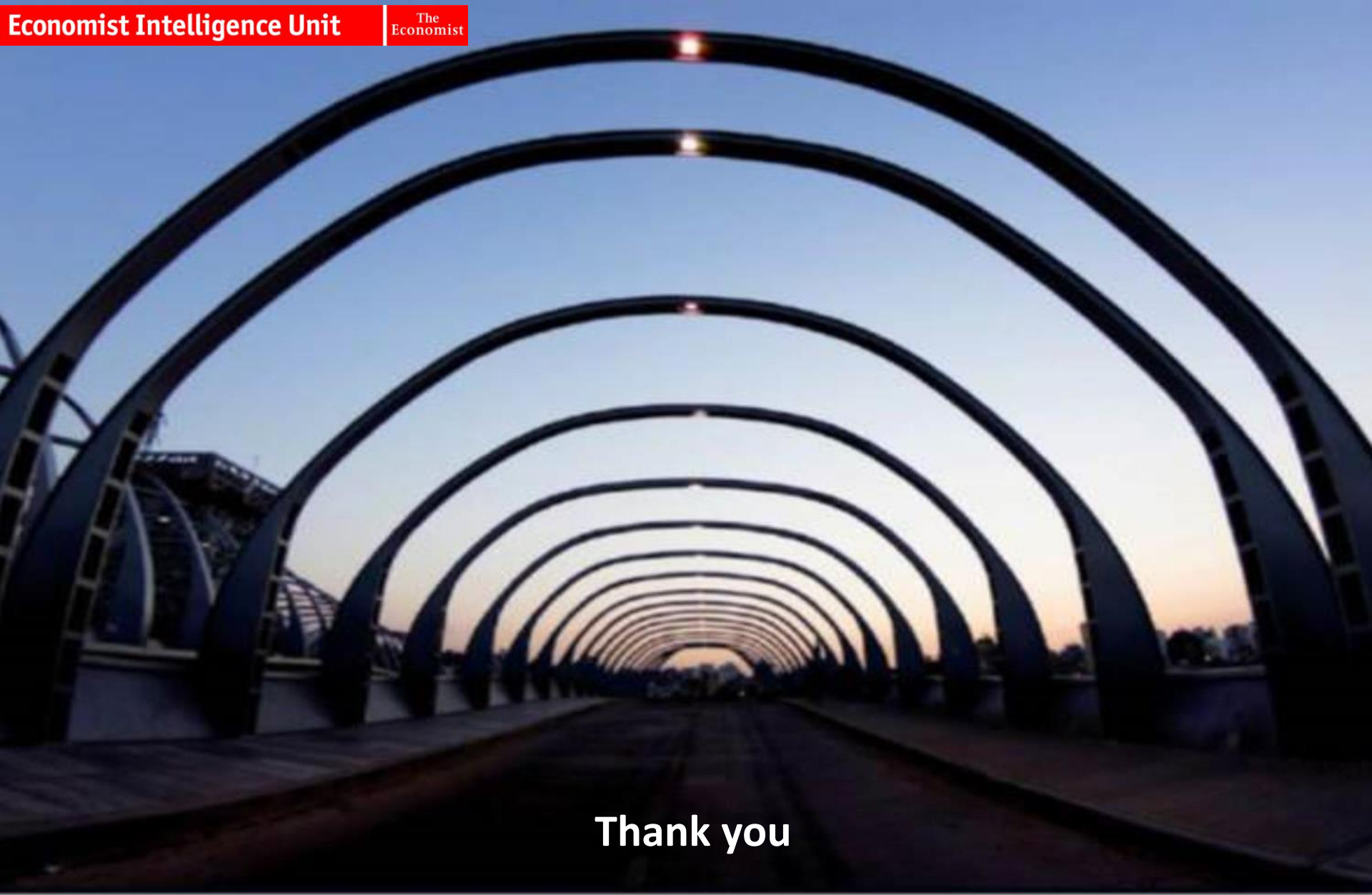
- ▲ The Infrascopes for each region has common methodology and diagnostic
- ▲ The Infrascopes is beneficial as a learning tool and as an input for planning technical assistance
- ▲ The different Infrascopes cover 4 regions of the world; majority of developing world
- ▲ The different Infrascopes cover a total of 77 countries\*

\*Please note that in addition, Asia Infrascopes assessed 2 sub-sovereign jurisdictions (Gujarat State, India and Sindh Province, Pakistan)

# CONCLUSIONS



- ▲ Although overall the policy frameworks for PPPs are improving worldwide, most countries are in the emerging category suggesting a need for improvements in institutional capacity to evaluate and design PPP projects
- ▲ Infrascopie continues to serve as a useful, common diagnostic standard to analyze strengths and areas for improvement when designing technical assistance projects and advisory services
- ▲ Independent review of Infrascopie methodology planned for 2016. MDBs and outside experts from both public and private sector collectively will review validity of variables, research methods and processes



Thank you

