

BUILDING STRONGER INSTITUTIONS TO DELIVER BETTER PPPs

The role of early-stage project preparation

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There is unprecedented interest among developing countries to attract private investment into infrastructure and basic services to meet growing national demand. Today, nearly all developing countries have successfully brought an infrastructure PPP to market. Following a substantial drop in private participation in infrastructure due to the COVID-19 pandemic, private participation rebounded in 2021¹ and many governments are looking to the private sector to help finance and deliver infrastructure investment—seen as a key driver of post-pandemic recovery.

Establishing strong PPP frameworks and institutions communicates a government's commitment to PPPs and is expected to foster efficiency and accountability in their governance and lead to higher quality transactions. PPPs can be implemented on a one-off basis without any specific supporting legal and institutional framework. However, to fulfill countries' ongoing infrastructure investment requirements and to generate "value-for-money" transactions, they will need to go beyond first-mover projects to establishing PPP programs that encourage an active bidder and financing market.

To better understand the drivers of success for PPP programs and how development partners can best provide support to national governments to establish and build their PPP program, the World Bank

¹ Global private participation in infrastructure (PPI) in 2020 was at \$45 billion in 252 projects—a 52 percent drop from 2019. PPI investment in 2021 accounted for \$76.2 billion across 240 projects – [PPI Database](#).

Group's Infrastructure, PPPs & Guarantees (IPG) group and the Public-Private Infrastructure Advisory Facility (PPIAF) established the PPP Institutions Building Program.

The PPP Institutions Building Program aimed to distill collective experience of delivering PPP support across the World Bank Group and learn from other institutions and global experience. The program undertook: i) analysis and research to identify critical factors for success and failure of PPP programs and ii) a review of tools, resources, and technical assistance provided to develop PPP institutions. The program is also providing comprehensive institutional building support to selected countries funded by PPIAF.

While there is no one-size-fits-all solution that will guarantee success and the drivers of success for PPP programs are complex and multifaceted, findings around how to support PPP program success have been identified. These findings have been grouped into five key themes: capacity building, legal and institutional frameworks, project preparation, funding and financing, and contract management. This practice note, together with notes on the other four key topics, aims at disseminating the findings of the program on these specific themes. These notes are complemented with a note that maps the tools and products utilized to provide PPP institutional support that were reviewed as part of the research.

This practice note describes findings and lessons learned relating to pipeline identification and screening and early-stage project preparation and does not focus on individual transaction structuring support.

1. What role does project preparation play in PPP program success?

Project preparation spans several phases of the PPP project cycle, from initial project identification—through screening and prioritization—to more in-depth project analysis and structuring. Overall, this process is seen to be critical to the development of bankable PPP projects and, in turn, to the success of PPP programs. However, establishing this link directly is difficult as the extent of project preparation varies widely across and within countries.

Project preparation can support the development of an appropriate risk allocation and a competitive tendering process, factors that are strongly linked to successful PPP project outcomes. An appropriate risk allocation is considered one of the most important PPP project success factors across a range of academic work, more so than project economic viability and as important as the strength of the private sector partner. Competitiveness is also widely noted as a project success factor, and the degree of competitiveness of PPP programs has been positively linked to increased PPP transaction volume. In addition, project preparation is thought to reduce the incidence of PPP projects becoming distressed or being cancelled, which may negatively impact PPP programs².

Nigeria's PPP port concession program in 2005-06, consisted of thoroughly prepared projects backed by sector reform. This led to the successful concessioning of 26 ports, which received over 100EOIs and 59 bids.

Central PPP institutions often focus most closely on early-stage project preparation, including project identification, screening, and prioritization. In many countries, early-stage project preparation is important in choosing suitable projects and allocating human and financial resources to their subsequent preparation. In environments where project preparation resources are particularly scarce, screening and prioritizing projects for PPP potential at an early stage can be critical to avoid the expenditure of resources on more detailed project appraisal if a project is not suitable to be a PPP.

PPP project pipelines, which are typically developed and managed by central PPP institutions (in coordination with contracting authorities), capture the outcome of early-stage project preparation and selection work. In general, the use of PPP pipelines and project screening tools does not appear to encourage increased PPP transactions, as they mainly serve to prioritize projects that have already been pre-identified for PPP delivery. Despite this lack of direct impact on the growth of PPP programs, PPP pipelines are seen to encourage competition, which as noted above, can contribute to PPP project and ultimately PPP program success.

In Egypt, a pipeline of 12–15 IPPs drove strong competition for its first IPP with 50 firms submitting EOIs, resulting in the lowest electricity price for a developing country at the time.

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In addition, in smaller or less-developed PPP programs, pipelines tend to focus on a smaller number of priority PPP projects and often developed with specific objectives, for example: to initiate a PPP program, help a PPP program institutionalize new project development procedures, and/or facilitate early engagement with development finance institutions (DFIs). In more established PPP programs, although the general aim of allocating resources to projects remained similar, there is a greater focus on rigorous assessment of potential projects to support preparation funding allocation decisions.

² Measures of project distress are negatively correlated with PPP investment and PPP projects; however, this relationship has not been shown to be causal.

2. How has project preparation technical assistance been provided to PPP institutions to date?

Greater standardization of PPP project identification, preparation, and documentation can help governments to implement suitable, well-prepared projects that deliver public needs and can attract private investment. Recognizing this, development partners have devoted considerable resources to project preparation support, through both: (i) the development of tools and products that have been developed to support qualitative and quantitative assessment of infrastructure needs and project selection/preparation, covering individual or multiple stages of the PPP project cycle; and (ii) the delivery of technical assistance to governments to support different stages of PPP project preparation, which may or may not leverage specific tools or products. Project preparation support has been reviewed with the intent of identifying gaps and overlaps in the guidance, tools, and products that exist and understanding how specific technical assistance may be most useful or face challenges in supporting PPP institutions. The key findings from this review are captured below.

2.1 Guidance, Tools, and Products

PPP project preparation tools typically cover assessment of a project’s strategic, economic, commercial, financial, fiscal, and management viability to support government decision making as the project proceeds through the PPP project cycle. They can also serve to improve and standardize the project preparation data developed by government PPP practitioners throughout the project cycle. There are a wide range of tools and products that have been developed by development partners and used to support approaches to project preparation, a selection of which are captured below.

Overview of Tools and Products

Tool/Product	Development Partner
Guidance on PPP Contractual Provisions: Suggested content for core PPP contractual provisions, including guidance and case study examples.	World Bank Group
Infrastructure Prioritization Framework: Research paper and quantitative framework to guide selection and prioritization of infrastructure projects.	World Bank Group
PPP Screening Tool and PPP Screening and Assessment Tool: Quantitative tool to assess the suitability, and determine the prioritization, of potential projects.	World Bank Group
Global Infrastructure Facility (GIF) Project Readiness Assessment Tool: Quantitative tool to assess project readiness and support decision making on the provision of GIF assistance.	World Bank Group
PPP Project Preparation Status Tool: Quantitative tool to assess a project’s PPP suitability and readiness.	European PPP Expertise Centre
Quantitative Value for Money Toolkit: Quantitative tool to support identification and selection of suitable PPP projects.	Economic and Social Commission for Asia and the Pacific (ESCAP)
Governmental Processes Facilitating Infrastructure Project Preparation Tool: Guidance on PPP enabling environment needs to support project preparation processes and decision making.	Global Infrastructure Hub
Risk Allocation Tool: Sample matrices to support government decision making on risk allocation across a range of project issues.	Global Infrastructure Hub
5-Case Model: Standardized tool and guidance material for preparing, appraising, and approving investment proposals.	UK Infrastructure and Projects Authority

Project Initiation Routemap: Standardized approach to assessing and improving public capability to initiate and implement PPP projects.	UK Infrastructure and Projects Authority
High-Level Decision-Making Tool*: Upstream quantitative tool to support decision making on public vs. PPP procurement considerations.	World Economic Forum
Strategic Infrastructure Planner Tool: Standardized assessment of a country's infrastructure readiness and needs.	World Economic Forum
Standardized Project Preparation Templates: Templates across a range of sectors to standardize data requirements and support project decision making.	Multilateral platform for sustainable infrastructure (SOURCE)

* Refers to tools or products that are still under development/awaiting publication.

There are a number of tools that focus solely on early-stage analysis, while others include support for early-stage analysis as well as subsequent phases of the PPP project cycle. Although there is natural overlap in the scope of tools offering early-stage analysis support due to their similar focus, there is some differentiation in their approach. Some tools are focused on quantitative assessment of the early-stage feasibility and suitability of potential PPP projects through inputting available project data, while others use a more qualitative approach, providing guidance based on best practices across developing countries. The more qualitative tools focus on project readiness and enabling environment requirements and require less-detailed project-specific data than the quantitative tools. The use of quantitative tools, therefore, can be challenging where projects have not been studied sufficiently to develop a minimum level of project data.

Given the project-specific nature of detailed project preparation, there are fewer tools that focus explicitly on this stage of project development. The tools that do cover this area provide guidance that ranges from basic preparation checklists to detailed conceptual approaches to project preparation. Checklist tools are particularly useful for verification that standard preparation milestones have been met appropriately. More detailed approaches aim to improve and standardize the project preparation data developed throughout the project cycle, allowing government clients to see where information gaps may lie. Despite the guidance available on the detailed project preparation process and required data, there were no tools identified that directly support governments in using project data to help inform government decision making.

Beyond the detailed project preparation stage, there are also a few tools that focus on contract development and support risk allocation and the resulting contract drafting. These tools cover a range of typical risks and issues and include some sample contractual provisions. However, these tools do not cover sector-specific risks in detail.

2.2 Technical Assistance for Project Preparation

The provision of technical assistance to support the development of PPP projects has been a key focus for development partners, although the nature of this technical assistance varies depending on the stage of project development that is targeted. Early-stage project preparation is often provided to central PPP institutions that look across sectors to identify, screen, and prioritize projects in a PPP pipeline. Once projects have been prioritized, additional support has also been provided to central PPP institutions and relevant contracting authorities for project preparation via further project-specific analysis³.

³ The PPP Institutions Building Program has focused on a review of technical assistance provided to build PPP institutions. As a result, it focuses on relatively early-stage project preparation support that may be provided to central institutions and not the more detailed project development work typically managed by contracting authorities.

2.2.1 Pipeline Exercises

PPP pipeline development is one of the most common components of technical assistance to central PPP institutions. These exercises typically use a relatively similar methodology to screen and prioritize projects. The methodology typically involves a multi-stage screening process to long-list and short-list projects based on standard project criteria. The criteria used in most exercises cover technical and financial feasibility, ease of implementation, fit with development priorities, environmental and social impacts, private sector attractiveness, government support requirements, and availability of project information, although there was some variance in the depth of coverage of these topics, particularly with respect to private sector attractiveness. In addition, pipeline exercises frequently use a quantitative tool to help score, rank, and prioritize projects. However, despite the availability of multiple screening tools developed by development partners, much technical assistance has relied on the development of bespoke tools to prioritize projects.

Pipeline exercises are often carried out multiple times in the same jurisdiction to refine or update the pipeline as government priorities or infrastructure needs change or evolve. These exercises are sometimes linked to parallel support being provided to central institutions. However, in a number of cases, for example in Afghanistan, Ethiopia, and Senegal, pipeline exercises have been carried out in the same jurisdiction within one to two years of one another. It is not clear that the frequency with which PPP pipeline exercises are conducted is an efficient approach to supporting PPP institutions.

In **Burkina Faso**, the project pipeline was developed but ultimately non-pipeline projects moved forward via direct negotiation.

In **Ethiopia, Lesotho, and Senegal**, projects that moved forward after being identified in a screening process had already been identified for support by development partners prior to the pipeline exercise.

The main, and frequently sole, objective of these pipeline exercises has typically been to identify suitable first-mover projects that can proceed to more comprehensive project preparation. However, it is not clear that these exercises reliably drive the selection and development of projects that ultimately move to the project preparation phase. In many cases, pipeline exercises did not identify any projects that moved forward to more detailed project preparation, and often, projects that were studied further were those that were already the subject of development partner project

development technical assistance.

Although the dynamic nature of PPP pipelines may partially explain the inability of any individual pipeline exercise to achieve narrowly-defined transaction-related objectives, a number of challenges have also been identified that are also likely relevant. These include:

- **Lack of Capacity:** Pipeline exercises generally rely on contracting authorities to identify projects and provide project data. However, contracting authorities may lack sufficient understanding of PPPs to identify suitable projects and understand data requirements, particularly in lower-capacity environments.
- **Data Gathering:** Data availability is a frequent challenge for pipeline exercises, as in many cases potential projects have not been studied sufficiently and project data consists only of a general project concept. In fragile environments, lack of physical access to gather data and visit project sites can be an additional challenge. The lack of data limits quantitative analysis of projects and inhibits the ability of pipeline exercises to reliably inform project selection.
- **Institutional Silos:** Due to the often multi-sector nature of pipeline reviews, it is common for them to be implemented via central PPP institutions. However, central PPP institutions rely on contracting authorities for project data, identification, and screening. This can present a

challenge for new or inexperienced central PPP institutions that may not have developed sufficiently strong relationships with contracting authorities.

- **Lack of Consideration of USPs:** Pipeline exercises frequently focus only on projects originating from technical officials in contracting authorities. However, particularly in nascent PPP programs, first-mover projects are often unsolicited proposals (USPs) or directly negotiated and originate via high-level political connections and/or have high political commitment. Excluding these projects may limit the quality of the pipeline.
- **Political Commitment:** Assessment of government priority or public sector support for projects within pipeline exercises generally relies on existing development planning documentation. This may not adequately reflect political commitment to the development of PPP programs or pipeline projects, undermining the relevance of pipeline projects.

Despite these challenges and the mixed performance of pipeline exercises in supporting the identification of PPP projects that move to project preparation, pipeline exercises have often served other purposes that are relevant for the development of PPP institutions. In particular, they may help to:

- **Build practical capacity and institutional relationships:** Pipeline exercises can be a practical way to introduce core PPP concepts to government PPP practitioners and build experience in implementing pipeline development processes using their own projects. They also facilitate direct communication and the building of institutional relationships between the central PPP institution and contracting authorities, who must work together to identify and screen projects.

In **Afghanistan**, the process of preparing the pipeline helped to build experience in using new PPP framework processes, both within the new central PPP institution and contracting authorities.

In **Indonesia**, pipeline reviews informed resource requirements for the development of a guarantee fund.

- **Understand the size of a country's PPP program potential:** Pipeline exercises can support the development of an understanding of the potential size of a country's PPP program. This can help to determine PPP program funding and financing requirements and identify constraints that are critical to PPP program development.
- **Blocking unsuitable projects:** Pipeline exercises can help to block or redesign projects with poor value and prioritize projects with more suitable PPP characteristics. This can help to avoid the expenditure of scarce project development resources on projects that are unlikely to be successful PPPs.

2.2.2 Project Preparation

Although a majority of project preparation technical assistance provided to central PPP institutions focuses on the project identification and screening work that is captured in pipeline exercises, further technical assistance is sometimes necessary to enable government decision making on whether to invest the resources required for full project preparation. This is particularly the case where sufficient project data is not available in advance of pipeline exercises. This technical assistance is often carried out as a second step of a pipeline exercise and includes follow-on analysis or pre-feasibility study of a small number of prioritized projects. This can be particularly useful in low-capacity environments where data availability is frequently an

In **Afghanistan, Burkina Faso, and Sri Lanka**, the delivery of a small number of pre-feasibility studies for projects emanating from pipeline exercises was incorporated into the design of technical assistance. However, to date none of the projects selected for pre-feasibility study have proceeded to implementation. In Afghanistan and Sri Lanka, changes of government led to the termination of World Bank Group support for project preparation.

impediment to project preparation objectives, and it can also allow time to build or understand political commitment for specific projects.

Despite the fact that pre-feasibility studies represent a later step in the project development process

In Ethiopia, following an initial PPP pipeline exercise, further technical assistance supported the refinement of the screening mechanism to encourage more uniform, and higher quality coverage of, relevant topics within pre-feasibility studies.

than pipeline exercises, some of the key findings and challenges associated with pipeline exercises also apply to pre-feasibility studies. Notably, projects selected for pre-feasibility study do not consistently proceed to full project preparation and procurement. In addition, there is often significant differentiation in the format, depth, and scope of the pre-feasibility studies undertaken to support PPP institutions. In some circumstances, they may lack sufficient or suitable information to enable effective government decision making.

3. How can technical assistance to support project preparation be strengthened?

3.1 Considerations for pipeline development

Pipeline development technical assistance should be designed to focus on objectives beyond just the identification of projects, wherever relevant.

The development of pipeline exercises should be based on a clear understanding of the range of objectives that such exercises can support. Beyond project identification, other objectives that are highly relevant for building PPP institutions exist and may be particularly relevant in less-developed markets where PPP experience and capacity is lower. These objectives include: developing practical capacity to identify suitable PPP projects; building institutional relationships across government; developing processes and procedures for project identification and screening; assessing PPP program potential, including identifying high priority sectors and likely funding and financing requirements; and, removing projects that are unlikely to be successful in order to avoid wasting scarce project preparation resources.

The nature of pipeline exercises to be conducted should be based on an assessment of potential data availability, which should be assessed prior to undertaking any pipeline development analysis.

The lack of sufficient project data is an issue that has impacted a number of pipeline exercises and may undermine the utility of a detailed screening and prioritization exercise. In this situation, a preliminary data check should inform the type of pipeline exercise that may be most appropriate. Where basic project pre-feasibility work is expected to be available for many projects, a full screening and prioritization exercise may be appropriate. However, where project data is limited, a more targeted, qualitative identification exercise may be more suitable. This may differ from a full screening and prioritization exercise by:

- Focusing initially on evaluating a small sub-set of higher-potential projects instead of seeking to identify a large number of candidate projects.
- Selecting a pool of a few priority projects, as opposed to a longer, prioritized list, through an informal assessment of project characteristics and political commitment.

If, however, the technical assistance has other non-transaction-related objectives, a full screening and prioritization may still be merited, but its design and expected outcomes should be tailored accordingly, as noted below.

The design of a pipeline exercise should be tailored to its objectives.

The design considerations relevant for various objectives relevant for pipeline exercises include:

Transaction-related objectives: To increase the likelihood of identifying projects that are ultimately developed as PPPs, pipeline exercises should be designed to incorporate:

- A wider range of information to improve their ability to identify projects that have political support. This should specifically include a greater understanding of a government’s infrastructure development priorities and political commitment for specific projects. It may also be useful to consider giving greater weight within a scoring methodology to political commitment.
- Projects that have been accepted as USPs or those that are being considered for direct negotiation.

Capacity-building objectives: Pipeline exercises can serve as a practical anchor for capacity building; however, this will likely require a longer exercise to allow time for more in-depth stakeholder engagement, the development of institutional relationships, and the provision of hands-on support (to both central PPP institutions and contracting authorities). In lesser-developed jurisdictions this should include frequent in-country workshops and the use of simplified screening approaches.

Process development: Helping to institutionalize a pipeline development process within a PPP program may enable governments to better manage dynamic project pipelines and reduce the need for frequent externally supported pipeline exercises. Pipeline exercises should be designed to provide operationalization support for procedures consistent with the PPP framework, or should support the development of these procedures in the absence of a PPP framework.

PPP program constraints should be routinely evaluated as a part of full screening and prioritization exercises to manage PPP program growth expectations and guide the development of follow-on support.

Constraints that should be considered include:

- Project preparation costs: For prioritized projects or for key high potential projects these costs should be estimated and, where possible potential funding sources identified.
- Government support requirements: General estimates of the potential need for government support⁴ should be determined and considered in light of available fiscal space to provide such support.
- Financing constraints: Where particularly severe financing constraints exist, for example in the case of extremely limited access to foreign currency, ensure these are understood.
- Capacity and resource constraints: The level of capacity of the institutions that will be involved with the development of projects identified in a pipeline, as well as the staff resources available to support the process, should be considered.

3.2 Considerations for preliminary project preparation

Build in time to assess political support and funding potential for prioritized projects prior to undertaking pre-feasibility studies.

To increase the likelihood that projects receiving funding for pre-feasibility studies will result in projects that are subsequently prepared as PPPs, it may be useful to build in additional time between project selection and the commencement of pre-feasibility studies. This period would be used to hold:

⁴ Governments provide a range of support to PPPs during the project implementation phase, via both direct (e.g., capital subsidies and availability payments) and indirect measures (e.g., guarantees).

- In-depth, project specific consultations with senior government officials and the relevant contracting authority to gauge commitment (rather than relying primarily on the pipeline screening scoring system or the views of central PPP institution staff), including a specific discussion around potential needs for government support to implement the project.
- Discussions with development partners who may be able to support detailed project preparation to ensure there is a likely commitment should the project be assessed to be feasible.

Consider approaches to increase capacity building during preliminary project preparation.

The development of pre-feasibility studies can be a practical anchor for case study-led capacity building around early-stage project development and screening. This requires more structured coordination between the consulting firm undertaking the pre-feasibility work, the contracting authority, and central PPP institutions than might otherwise be expected for pre-feasibility work alone. Opportunities to include other contracting authorities with high-potential projects or to conduct separate sessions with high-level decision makers may also be useful to consider where appropriate.

4. Checklist for technical assistance for project preparation

This note has captured a range of different recommendations that are applicable to the design and development of project preparation support to PPP institutions. These recommendations can be grouped into categories that are relevant for consideration at different stages in development, design, and implementation of technical assistance. The key categories include findings related to:

- Selection: What support is appropriate given specific circumstances or objectives.
- Sequencing: When certain types of support may be appropriate given other components of a technical assistance program.
- Tool Usage: What tools or products may be particularly relevant and when.
- Design: Suggestions to improve the efficiency or effectiveness of how support is delivered.

The recommendations below are also split between PPP project screening exercises and preliminary project preparation.

PPP Project Screening Exercises

Selection	Carefully consider whether proposed pipeline exercises have a high likelihood of achieving transaction-related objectives prior to their approval. This may be assisted by the identification of funding for follow-on project development support. If not, consider whether a targeted, qualitative project identification exercise may be more appropriate to achieve transaction-related objectives than a more comprehensive pipeline screening and prioritization exercise, unless there are additional objectives that may justify a formal pipeline exercise.
Sequencing	Require an assessment of typical project data availability before designing pipeline screening exercises. In addition, pipeline screening may be useful: <ul style="list-style-type: none">▪ In parallel with PPP framework assessments, to help to identify PPP program-specific challenges and roadblocks.▪ In advance of support for the development of project development or investment funds, to support a realistic assessment of project funding and financing requirements.▪ When followed by a review period, to allow time for a government to decide on its project's priorities, prior to the initiation of any pre-feasibility study.
Tool Usage	<ul style="list-style-type: none">▪ Encourage use of existing tools, albeit customized to country-specific priorities, when a more comprehensive screening and prioritization exercise is being carried out, to reduce costs associated with the development of a bespoke tool.
Key Design Considerations	<ol style="list-style-type: none">1. The nature of a pipeline exercise should be based on an assessment of potential data availability. Data availability is a consistent challenge. If limited project feasibility work is available, consider a more targeted qualitative project identification exercise. Such an exercise may differ from a more comprehensive screening and prioritization exercise in the following ways:<ol style="list-style-type: none">a. Focusing initially on evaluating a small sub-set of higher-potential projects instead of seeking to identify a large number of candidate projects.

- b. Selecting a pool of a few priority projects, as opposed to a longer, prioritized list, through an informal assessment of project characteristics and political commitment.
- 2. Ensure the design of a pipeline screening exercise is tailored to its objectives, which may be broader than identifying projects to be developed as PPPs.**
- Objectives, and associated design implications, include:
- a. Transaction-related objectives:
 - i. Better assess political support for individual projects through increased client engagement.
 - ii. Consider increasing weightings associated with political support in full pipeline screening and prioritization exercises.
 - iii. Incorporate an understanding of where USPs and direct negotiation approaches may be likely to impact pipelines.
 - iv. Include discussion with potential funders of follow-on project development support (development partners) to increase follow-on funding opportunities.
 - b. Capacity building objectives: Schedule workshops and trainings anchored around characteristics of good PPP projects, required project information and the project development process.
 - c. Process development or operationalization: incorporate additional client engagement to:
 - i. Assess project planning procedures and approval processes to support the development of PPP project development processes, or
 - ii. Provide awareness building, training, and guidance to support PPP process operationalization.
- 3. Ensure potential PPP program constraints are routinely evaluated and considered in the development of formal pipeline prioritization exercises** to manage PPP program growth expectations, facilitate client discussion around ways to address constraints, and support the development of follow-on work. Constraints that should be considered include:
- a. Project preparation costs: Costs should be estimated and, where possible, potential funding sources identified.
 - b. Government support requirements: General estimates of the potential need for government financial support should be determined and considered in light of available fiscal space to provide such support.
 - c. Financing constraints: Where particularly severe financing constraints exist, for example in the case of extremely limited access to foreign currency, ensure these are noted.
 - d. Capacity and resource constraints: The level of government capacity and the staff resources available to support project development.

Other Design Considerations

- Consider supporting sector-specific pipeline reviews more frequently to encourage deeper engagement with contracting authorities in high-potential sectors.
- Consider a greater focus on assessment of contract management capacity in pipeline exercises to inform associated PPP program resourcing requirements.

Preliminary Project Preparation

Selection	Political support and downstream funding options should be closely evaluated prior to undertaking technical assistance for preliminary project preparation.
Sequencing	<p>If following a project screening exercise, build in time to allow for government review of the screening exercise before the initiation of pre-feasibility studies. This should also include conversations with development partners who may support project development funding.</p> <p>In addition, preliminary project preparation may complement PPP framework assessments by helping to identify PPP program-specific challenges and roadblocks.</p>
Key Design Considerations	<p>Consider approaches to increase capacity building alongside preliminary project preparation.</p> <ol style="list-style-type: none">Encourage the inclusion of more structured coordination between the consultants, the contracting authority and central PPP institutions throughout the project, covering both project issues and relevant general PPP topics.include other contracting authorities with high-potential projects in more general sessions and conduct separate sessions with high-level decisions makers where appropriate.

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