Develop a Unified Public Investment Management (PIM) Framework Integrating TIP and PPP

(by Jay-Hyung Kim, World Bank PRMPS, April 16, 2013)

- **Difficult in practice to prove better value for money: TIP versus PPP**
  - In theory and wishful thinking: check better VfM through project appraisal → In practice: two separate tracks for traditional public investment and PPPs → Difficult to check and compare
  - By-pass cases, lack of capacity, renegotiations, corruptions, etc.

- **Need a Unified Framework for:**
  - Ensuring consistent assessment and decision making
  - Supporting optimal risk transfer
  - Avoiding unmanaged fiscal risks and improving transparency

- **Important to establish the fact that there should not be such a thing a ‘PPP project’ intrinsically → PPP is only a form of implementing a public investment project**
  - Every public project should be screened and managed by one integrated scheme
  - However, constraints and difficulties remain to swiftly apply such a unified framework → Develop a public investment management (PIM) tool for PPPs
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Develop Public Investment Management (PIM) Diagnostic Tool for PPPs: Extend the Public Expenditure and Financial Accountability (PEFA) assessment framework and 8 PIM Must-have features

- Step 1: Strategic guidance for screening and planning → Comprehensive or separate/Solicited or unsolicited/With or without user charges?
- Step 2: A unified framework for project appraisal → (i) Decision to proceed (by CBA) and (ii) Decision to implement (VFM test; public sector comparator) in order
- Step 3: Independent review of the appraisal → PPP unit as a promoter or a gate keeper?
- Step 4: Transparent accounting, budgeting, and safeguard ceiling for fiscal commitment
- Step 5: Tightening PPP project implementation → Effective management over contract terms
- Step 6: Project adjustment by renegotiation → Without changing the nature of the original VFM
- Step 7: Better service delivery through better operation and maintenance →
- Step 8: PPP Project ex post evaluation → Consider microeconomic as well as macroeconomic contribution