

Contents

Acknowledgments	vii
Acronyms and Abbreviations	ix
Executive Summary	xi
1. Key Impediments to Private Participation in Infrastructure in ECA	1
Evolution of Private Participation in Infrastructure: Global Trends	1
Private Participation in Infrastructure in ECA: Recent Experiences	3
Private Investor Attitudes toward Future PPI in the ECA	7
2. Elements of an Alternative PPP Framework	15
Impediments → Instruments: Critical Path Analysis	15
Core Proposal for the Alternative PPP Framework	18
Framework Components	20
3. Implementing the Alternative PPP Framework	39
PPP Framework Adaptability to Country Circumstances	39
World Bank Group Instruments to Support the PPP Framework	41
A Programmatic Approach to PPP Framework Implementation.....	41
Technical Appendixes	43
A. Municipal Infrastructure Investment Needs in Selected ECA Countries ..	45
B. Country Ratings Outlook and Investment Climate in Selected ECA Countries.....	49
C. Trends in Private Participation in Infrastructure in Developing Countries.....	55
D. Lessons from IFI/Private Sector Roundtables in Municipal Water Services in Central and Eastern Europe and Central Asia	63
Bibliography	67

LIST OF TABLES

1.1 Debt/Equity Ratio for Selected PPIs in Water and Sanitation Projects	2
2.1 Impediments → Instruments: Critical Path Analysis.....	16
2.2 Social Impact of the Crisis by Sector: Argentina	17
2.3 Number of PPP in the UK—Breakdown by Year 1987–2003	37

3.1	World Bank Group Instruments	41
A.1	Waste Management Compliance Costs and Waste Volumes for Selected EU Accession Candidate Countries	46
A.2	Estimated Costs for Implementing Urban Waste Water Treatment Requirements Including Sewerage for Selected EU Accession Candidate Countries.....	47
A.3	Estimated Costs for the Implementation of Large Combustion Plants Requirements for Selected EU Accession Candidate Countries	47
A.4	Investments Needed to Comply with the IPPC Directive for Selected EU Accession Candidate Countries.....	48
B.1	Sovereign Ratings	50
B.2	Country Creditworthiness Indicators	50
B.3	Indicators of Investment Climate	51
B.4	Indicators of Corruption	52
B.5	Indicators of Judicial Efficiency	52
B.6	Contract Enforcement—Basic Indicators	53

LIST OF FIGURES

1.1	Annual Investment in Infrastructure Projects with Private Participation in Developing Countries (1990–2001)	2
1.2	Annual Investment in Infrastructure Projects with Private Participation in Europe and Central Asia, 1990–2001	3
1.3	PPI Investment in Poland, Romania and Turkey, 1990–2002	4
1.4	PPI Investment Type in Poland, Romania and Turkey, 1990–2002	5
1.5	Number of Annual Investments in Poland, Romania and Turkey, 1990–2002 ...	6
1.6	Investors' Priorities	9
2.1	Elements of the Alternative PPP Framework	20
2.2	LIIT Structure	21
2.3	Functioning of the Partial Risk Guarantee (PRG) Facility	25
2.4	Examples of PRG Impact on Spread Reduction and Maturity Extension	27
2.5	Structure and Functioning of the OBS Scheme in Chile.....	31
2.6	Number of Subsidies Granted (monthly average) 1992–2000	32
2.7	Value of Subsidy (monthly average) 1992–2000.....	32
2.8	Percent of Subsidy Allocation and Population by Region, 1998	33
2.9	Distribution of Subsidies by Area, 1998–2000	33
2.10	The COTAM Structure	35
C.1	Electricity Projects with Private Participation by Year of Financial Closure, Developing Countries, 1990–2001.....	56

C.2	Annual Investment in Electricity Projects with Private Participation by Type, Developing Countries, 1990–2001	56
C.3	Cumulative Investment in Electricity Projects with Private Participation by Region, Developing Countries, 1990–2001	57
C.4	Annual Investment in Electricity Projects with Private Participation by Segment, Developing Countries, 1990–2001.....	58
C.5	Annual Investment in Water and Sewerage Projects with Private Participation, Developing Countries, 1990–2001.....	58
C.6	Cumulative Investment in Water and Sewerage Projects with Private Participation by Type, Developing Countries, 1990–2001.....	59
C.7	Cumulative Investment in Water and Sewerage Projects with Private Participation by Region, Developing Countries, 1990–2001.....	60
C.8	Annual Investment in Infrastructure Projects with Private Participation, Europe and Central Asia, 1990–2001.....	60
C.9	Infrastructure Projects with Private Participation by Year of Financial Closure, Europe and Central Asia, 1990–2001.....	61
C.10	Cumulative Investment in Infrastructure Projects with Private Participation by Sector and Type, Europe and Central Asia, 1990–2001.....	61