



ECONOMIST
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Brazil sub-national methodology appendix

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1. Infrascope background

The original Infrascope methodology was created by Economist Impact (formerly The Economist Intelligence Unit, or EIU) in consultation with the Multilateral Investment Fund at the Inter-American Development Bank (IDB) and a wide group of sector stakeholders. The first edition was published in 2009, which covered Latin America and the Caribbean.

Following that edition's success, the Infrascope gained the support of the Asian Development Bank, the European Bank for Reconstruction and Development, the World Bank, the Millennium Challenge Corporation and the African Development Bank in expanding and refreshing subsequent Infrascope releases. The index results have received regular updates since, with some editions expanding regional coverage. Editions have been published for Latin America and the Caribbean (2009, 2010, 2012, 2014, 2017, 2019, 2021/22 and 2023/24); Asia and the Pacific (2011, 2014 and 2018); Eastern Europe and the Commonwealth of Independent States (2012); Africa (2015); and Eastern Europe, Central Asia and the Southern and Eastern Mediterranean (2017).

The primary goal of the Infrascope is to serve as a benchmarking tool, enabling users to assess, evaluate and compare different environments for PPPs. This tool aids in planning, designing and implementing effective interventions and technical assistance programs.

The theory of change and methodological framework behind the methodology was developed through extensive analysis involving key stakeholders in the PPP development process. This analysis highlighted the roles of each stakeholder and pinpointed their information needs for making well-informed decisions. Stakeholders include governments, advisors, multilateral institutions, project companies, lenders and investors.

The methodology has been regularly updated to better capture evolving themes and priorities in infrastructure development and public-private partnerships (PPPs). The 2023/24 edition features the latest regional methodology, covering all 26 IDB member countries across Latin American and Caribbean.

This appendix outlines an adapted methodology for sub-national analysis. This new methodology has been applied as part of a pilot program for five Brazilian states, the results of which are published in an accompanying executive summary report.

This state-level methodology relies on the same key definitions for PPPs and sector coverage as the regional methodology. For further details and background information, please refer to the [2023/24 regional methodology](#).

2. Pilot program: Brazilian states

2.1. The importance of sub-national assessment

In recent years, research on PPPs has highlighted the critical role of subnational governments, particularly at the state level, in advancing economic and social development. In recognition of the significant potential impact of regional governance outcomes, emphasis is growing for strengthening state-level PPP frameworks. Many states are now actively revising their policies and market structures to attract private sector investment, addressing the specific needs of their local contexts.

By tailoring PPP approaches to regional priorities, states can better manage resources, engage with community stakeholders and implement projects that directly benefit their populations. This shift toward a subnational focus fosters more responsive and effective infrastructure development and promotes sustainable growth and improved public services. Emphasizing state-level initiatives ensures that infrastructure projects are more aligned with local demands and challenges.

The following list describes key areas where state-level variation often matters. These aspects of

local PPP ecosystems are not captured through country-level scoring alone.

- States often have their own:
 - PPP policies, separate from national regulations
 - PPP institutions and agencies
 - PPP projects, independent from national sponsorship
 - Infrastructure plans and development strategies
 - Project development funds and other support funds
 - Environmental or social requirements tailored to their specific context
 - Processes for managing and evaluating ongoing or completed projects
- States face different fiscal and financial risk environments
- States often rely on project consortiums (multiple municipalities) and technical project teams
- States offer varying levels of support to municipalities looking to structure PPPs

2.2. PPP governance across Brazilian states

Brazil was the first country chosen for the pilot program to develop a sub-national Infrascope framework. This program reviewed and adapted the regional Infrascope methodology, producing a subnational (state-level) framework that evaluates the enabling environment for PPPs. The program covered five pilot states: Pará, Pernambuco, Mato Grosso do Sul, Rio Grande do Sul and São Paulo. Each of these states plays a vital yet distinct role in Brazil's economic and social landscape, making them ideal candidates for the pilot study.

Brazil's national laws governing PPPs, procurement and concessions typically apply to public administrations at all levels: federal, state and municipal level. However, each

state in Brazil can operate under its own PPP framework as well, with specific regulations and guidelines established at the sub-national level. These frameworks vary significantly from state to state, particularly on local factors such as economic priorities, infrastructure demands and administrative capacity.

State-level PPP policies in the country generally follow national legislation but are adapted to meet local needs. For example, São Paulo, the largest state economy, has its own robust PPP framework with a comprehensive PPP manual. In Brazil, federal institutions often focus on specific thematic areas and benefit from longer-established frameworks, whereas state-level agencies work across sectors and exhibit more significant variability and maturity levels.

3. Methodology updates

3.1. Reviewing sources and methods

In adapting the Infrascope for relevance at the state level, we have reviewed the global Infrascope methodology's 106 sub-indicators and conducted a comprehensive data audit to review the accuracy and reliability of existing quantitative sources. The audit also assessed the availability of alternative data and information sources at the sub-national level.

We reviewed key documents, including academic papers, government reports, policy documents and government portals, among other resources. States generally have many infrastructure-related institutions and bodies, as well as a range of communication portals, which can complicate the public's understanding of the PPP landscape, as information is not concentrated in just one place. By integrating diverse data points, the framework is designed to capture the full spectrum of elements that contribute to successful PPP environments at the state level.

Our review also assessed the index's qualitative indicators for relevance at the state level. Many core topics in these indicators are frequently covered in national regulations. For example, Brazil's national PPP and concession laws often set regulatory precedent for all states, leaving

little room for variation when it comes to core regulatory questions.

We have retained all such indicators, even if they would not differ across states, as they represent a foundational baseline for strong PPP performance. However, to ensure sufficient differentiation across states, we supplemented many of these indicators' existing scoring criteria with additional criteria that can potentially vary by state.

3.2. Structuring the state-level framework

Similar to the 2023/24 Infrascope for Latin America and the Caribbean, the new sub-national Infrascope adaptation is designed to evaluate states' capacity to implement sustainable, efficient and impact-driven PPPs. The analysis is structured across the same five critical areas of consideration:

- **Regulations and institutions:** a state's regulatory and institutional frameworks for private participation in infrastructure
- **Project preparation and sustainability:** the processes that guide project preparation and the incorporation of environmental and social sustainability considerations

- **Financing:** financial frameworks and facilities that support infrastructure development, the bankability of projects and the maturity of the financial sector
- **Risk management and contract monitoring:** risk allocation (including disaster risk), contract monitoring and reporting, and risks from government action
- **Performance evaluation and impact (ex-post):** the monitoring, ex-post evaluation and reporting of operational PPP projects; the maturity and quality of infrastructure PPP outcomes; and the impact on environmental and social outcomes

Even at the indicator and sub-indicator levels, the new methodology framework contains minimal adjustments to the overall thematic structure—ensuring a measure of comparability with regional findings.

However, within individual sub-indicators, the new methodology often features adapted wording or scoring guidance, including additional criteria focused on state laws, state institutions, or more detailed policy guidance than is found in national regulations. As such, the results from the new methodology should not be compared one-for-one against those from the regional framework.

The updated methodology framework consists of five categories, 19 sub-categories, 51 indicators and 99 sub-indicators. Given the addition of new criteria within each sub-indicator, there are now 186 unique criteria/questions that are scored, an increase from 149 in the regional Infrascope framework. Overall, there are 110 criteria that have been retained from the regional framework, 57 criteria that are new and 19 that have been partly adapted.

4. Sources and index calculation methodology

4.1. Sources

The Economist Impact research team gathered data for the index from the following sources:

- interviews and/or questionnaires from sector experts, consultants and government officials;
- surveys from national regulators;
- legal and regulatory texts;
- scholarly studies;
- websites of government authorities;
- local and international news media reports;
- Brazil's Banco Central;
- Brazil's National Council of Justice;
- EIU's Operational Risk Model;
- EIU's Business Environment Rankings;
- FIRJAN Fiscal Management Index;
- Institutional Capacities Index (ITI);
- Ranking de Competitividade dos Estados
- Tesouro Nacional Transparente;
- Transparency and Public Governance Index (ITGP);
- credit ratings/risk data and studies (Moody's, S&P);

- the World Bank Private Participation in Infrastructure (PPI) Database;
- the World Bank Enterprise Survey;
- IJ Global's project finance and infrastructure database; and
- Infralata's infrastructure database.

We also conducted several in-depth interviews with policymakers, legal experts and state infrastructure experts from multilateral consulting institutions, public sector organizations and the private sector. These interviews helped to inform and validate Economist Impact's scoring decisions across many of the qualitative indicators in the framework.

4.2. Index calculation methodology

Scoring

All qualitative indicators have been scored on an integer scale. This scale ranges from 0-1 to 0-8, depending on the configurations formulated for each indicator. Scores are assigned by Economist Impact's research managers and a team of state analysts following a detailed scoring guide.

In an effort to increase the granularity and accuracy of the Infrascope while maintaining objectivity, the scoring framework for qualitative indicators includes binary or dichotomous

indicators (1=yes and 0=no) as well as those that award points when certain criteria are met (0=no, +1 if criteria A is met, +1 if criteria B is met). Scores are based on evidence from local laws, regulations, specialized reports and interviews conducted with local experts and key stakeholders.

The quantitative indicators rely on data from sources (see list in section 4.1) such as IJ Global, the World Bank's PPI database and the EIU's proprietary business environment and risk indicators.

Normalization

Indicator scores are normalized and then aggregated across categories to enable a comparison of broader concepts. Normalization rebases the raw indicator data to a common unit (0-100) so that it can be aggregated upwards: for example, the integer scores for qualitatively scored indicators are transformed to a 0-100 score.

Quantitative indicators are likewise normalized to a 0-100 scale, generally using bookends that correspond to each indicator's minimum and maximum data points:

The formula used is $x_{norm} = (x - \text{Min}(x)) / (\text{Max}(x) - \text{Min}(x))$, where $\text{Min}(x)$ and $\text{Max}(x)$ are respectively the lowest and highest values across the Infrascope's state sample for any given indicator. The normalized value is then transformed to a 0-100 score to make it directly comparable with other indicators. This in effect means that the state with the highest raw data value on an indicator will score 100, while the lowest will score 0.

Some quantitative indicators, which feature a built-in scale (for example, scores taken from existing indices), maintain the source scale's original minimum and maximum endpoints, even if no state receives a score corresponding to either endpoint.

Limitations

Missing data points

In rare cases the data in the model may show a blank, which signifies a missing or unavailable data point. For example, in a state without any data available about tendered PPPs in the past ten years, a blank would be shown for question 2.3.1.a ("Financial close"). Missing data points translate to a score of 0 when normalized to a 0-100 scale. In the five-state pilot study, no state had any missing data points.

There are other cases where state-level data are unavailable across all states. For example, indicator 4.4.3.a contains a metric for "Enforceability of contracts within the country's regulatory system"), which is a national-level metric. In such cases, we use the country's data point for all states, normalizing it to a 0-100 scale, where the minimum and maximum possible scores reflect those from the lowest and highest performing countries in the Latin America and Caribbean region. Indicators where this occurs include 1.1.3.c, 2.3.3.a, 3.2.1.a and 4.4.3.a.

Not applicable (or "n/a") data points

A data point labelled as "n/a" signifies that the question is not applicable to a particular state. For example, if a state has no PPP unit (that is, if it scores 0 for 1.2.1, "Existence of a national PPP agency"), all subsequent questions in sub-category 1.2 would not be applicable to that state, since these questions ask about the activities of the PPP unit. In such cases, the state would be assigned an "n/a" for 1.2.2 and 1.2.3. Data points listed as "n/a" translate to whatever the question's "default" score is.

For most questions in the index, the default score is 0, and positive performance is rewarded with an increase in score—for such questions, "n/a" would receive a score of 0. However, for some sub-indicators (4.4.1.b and 4.4.1.c), the default

score is full points, and negative government actions are penalized with a decrease in score—for such questions, “n/a” receives full points. Note: 2.3.2.a is considered to be a question where the default score is 0 because high levels of industry concentration are the norm for countries just

starting out with PPPs, and subsequently attaining lower levels of concentration is rewarded.

The following indicators may potentially contain countries with “n/a” data points:

Number	Indicator	May receive “n/a” if...
1.2.2.a	Staffing of national PPP agency (capacity)	... there is no PPP agency (see 1.2.1.a)
1.2.2.b	Staffing of national PPP agency (training/certification)	... there is no PPP agency (see 1.2.1.a)
2.1.1.b	Selection and prioritization (prioritization strategy)	... there is no state or national infrastructure plan (see 2.1.1.a)
2.3.2.a	Level of concentration in the industry	... there have been no PPP projects in the past five years
3.1.1.a	Finance structure	... there have been no PPP projects in the past ten years
3.1.3.a	Sources of financing (project bonds)	... there have been no PPP projects in the past ten years
3.1.5.a	Sources of financing (multilateral banks)	... there have been no PPP projects in the past ten years
3.1.6.a	Sources of financing (institutional investors)	... there have been no PPP projects in the past ten years
4.1.4.a	Government guarantees	... there have been no PPP projects in the past ten years
4.4.1.b	Government risks (payment default)	... there have been no active PPPs in the past ten years
4.4.1.c	Government risks (price revisions)	... there have been no active PPPs in the past ten years
5.2.1.a	Project mortality rate	... there have been no PPP projects in the past ten years

The existence of “n/a” data points represents a limitation of the methodology framework. In an ideal world, if certain questions do not apply, it might be preferred if the state could be scored on different but related criteria. For example, if a state has no PPP unit, it might provide greater insight if the subsequent questions about PPP units instead asked about the activities of other agencies to ascertain whether the activities typically carried out by the PPP unit are being undertaken elsewhere in the administration. However, such an alternative scheme cannot be applied consistently across the state sample and is difficult to devise from a methodological standpoint, especially for indicators with missing data—for example, if a state has no PPP projects, it is not clear what an appropriate substitute question would be for 4.1.4.a (“How many types of

sovereign guarantees have been offered to PPPs in the past ten years?”). Therefore, such questions are scored as 0 in the Infrascope index.

Weighting the index

At the conclusion of the indicator scoring and normalization, Economist Impact applies a series of neutral weightings to calculate the composite or overall index score (see the table below). Neutral weighting implies equality across components within each category, subcategory and indicator, and these weights do not represent a final judgment on the relative importance of any component. Calculations for the overall index result in composite scores of 0-100 for each state, where 100 represents the highest quality and performance, and 0 the lowest.

Weights (within each parent group)

	MAIN CATEGORIES	Weight %
1)	REGULATIONS AND INSTITUTIONS	20%
2)	PROJECT PREPARATION AND SUSTAINABILITY	20%
3)	FINANCING	20%
4)	RISK MANAGEMENT AND CONTRACT MONITORING	20%
5)	PERFORMANCE EVALUATION AND IMPACT (EX-POST)	20%

	INDICATORS	Weight %
1.1)	CONDUCTIVE REGULATORY ENVIRONMENT AND POLITICAL SUPPORT FOR PPPs	25%
1.1.1)	Public procurement and PPP contracts	33%
1.1.1.a)	Existence of laws	25%
1.1.1.b)	State codification	25%
1.1.1.c)	Minimum standards	25%
1.1.1.d)	Consistent regulations	25%
1.1.2)	Inter-agency co-ordination	33%
1.1.2.a)	Codification of processes	33%
1.1.2.b)	Overlapping jurisdictions	33%
1.1.2.c)	Awarding PPPs vs. regulating standards	33%
1.1.3)	Political will and support for PPPs	33%
1.1.3.a)	High-level support	33%
1.1.3.b)	Political turnover	33%
1.1.3.c)	Political effectiveness	33%
1.2)	PPP DEDICATED AGENCY	25%
1.2.1)	Existence of PPP agency	33%

1.2.1.a)	Existence of PPP agency	100%
1.2.2)	Staffing of PPP agency	33%
1.2.2.a)	Capacity	50%
1.2.2.b)	Training/certification	50%
1.2.3)	Project consortiums and technical teams	33%
1.2.3.a)	Regulation	50%
1.2.3.b)	Institutional support	50%
1.3)	COMPETITIVENESS AND OPENNESS OF BIDDING	25%
1.3.1)	Competitive bidding regulations	25%
1.3.1.a)	Competitive bidding regulations	100%
1.3.2)	Unsolicited bids/proposals	25%
1.3.2.a)	Unsolicited bids/proposals	100%
1.3.3)	Publication of project portfolio	25%
1.3.3.a)	PPP registry	50%
1.3.3.b)	PPP pipeline	50%
1.3.4)	Publication of bidding materials	25%
1.3.4.a)	Bidding/Q&A documents	33%
1.3.4.b)	Contracts	33%
1.3.4.c)	Evaluations/debriefs	33%
1.4)	FAIRNESS AND OPENNESS OF CONTRACT CHANGES	25%
1.4.1)	Contract disputes and arbitration	33%
1.4.1.a)	Appeal procedures	25%
1.4.1.b)	Time for ruling	25%
1.4.1.c)	International arbitration	25%
1.4.1.d)	Independent tribunal	25%
1.4.2)	Renegotiation procedures	33%

1.4.2.a)	Transparent system	33%
1.4.2.b)	Grounds for termination	33%
1.4.2.c)	Compensation	33%
1.4.3)	Transparency and oversight	33%
1.4.3.a)	Disclosure of renegotiations	50%
1.4.3.b)	Signoff	50%
2.1)	PROJECT SELECTION	25%
2.1.1)	Selection and prioritization	50%
2.1.1.a)	State infrastructure plan	33%
2.1.1.b)	Prioritization strategy	33%
2.1.1.c)	Needs assessments	33%
2.1.2)	Economic principles for project selection	50%
2.1.2.a)	Cost-benefit analysis	33%
2.1.2.b)	Fiscal affordability	33%
2.1.2.c)	Value for money	33%
2.2)	PROJECT PREPARATION AND SUPPORT	25%
2.2.1)	Preparation facilities	50%
2.2.1.a)	Standard processes	25%
2.2.1.b)	Municipality support	25%
2.2.1.c)	Standardized tracking platform	25%
2.2.1.d)	Budgeting	25%
2.2.2)	Project support	50%
2.2.2.a)	Project development fund	50%
2.2.2.b)	Viability gap fund	50%
2.3)	EFFICIENCY OF PROJECT PREPARATION	25%
2.3.1)	Financial close	33%
2.3.1.a)	Financial close	100%
2.3.2)	Level of concentration in the industry	33%
2.3.2.a)	Level of concentration in the industry	100%

2.3.3)	Land administration	33%
2.3.3.a)	Permits, licenses, dispute resolution and protections	50%
2.3.3.b)	Government support	50%
2.4)	ENVIRONMENTAL AND SOCIAL SUSTAINABILITY	25%
2.4.1)	Environmental and community impacts	50%
2.4.1.a)	Environmental impact assessment	25%
2.4.1.b)	Climate regulatory criteria	25%
2.4.1.c)	Consultation with communities	25%
2.4.1.d)	Resilience	25%
2.4.2)	Social equitability	50%
2.4.2.a)	Social inclusion	25%
2.4.2.b)	Gender	25%
2.4.2.c)	Job creation	25%
2.4.2.d)	MSMEs	25%
3.1)	STRUCTURE AND SOURCES OF FINANCING	33%
3.1.1)	Finance structure	17%
3.1.1.a)	Finance structure	100%
3.1.2)	Performance-based payments	17%
3.1.2.a)	Performance-based payments	100%
3.1.3)	Sources of financing (project bonds)	17%
3.1.3.a)	Project bonds	100%
3.1.4)	Sources of financing (sustainable financing)	17%
3.1.4.a)	Sustainable financing	100%
3.1.5)	Sources of financing (multilateral banks)	17%
3.1.5.a)	Multilateral banks	100%
3.1.6)	Sources of financing (institutional investors)	17%

3.1.6.a)	Institutional investors	100%
3.2)	ACCESS TO CAPITAL	33%
3.2.1)	Average cost of capital	33%
3.2.1.a)	Average cost of capital	100%
3.2.2)	Government financial support	33%
3.2.2.a)	Government financial support	100%
3.2.3)	Debt performance	33%
3.2.3.a)	Debt performance	100%
3.3)	MACRO ENVIRONMENT	33%
3.3.1)	Fiscal risk	50%
3.3.1.a)	State fiscal management	50%
3.3.1.b)	State fiscal situation	50%
3.3.2)	Financial maturity	50%
3.3.2.a)	Financial development	100%
4.1)	RISK ALLOCATION	25%
4.1.1)	Risk identification and allocation	25%
4.1.1.a)	Risk identification and allocation	100%
4.1.2)	Contingent liabilities	25%
4.1.2.a)	Regulation	50%
4.1.2.b)	Risk framework	50%
4.1.3)	Lenders' step-in rights	25%
4.1.3.a)	Lenders' step-in rights	100%
4.1.4)	Government guarantees	25%
4.1.4.a)	Government guarantees	100%
4.2)	STATE-LEVEL MONITORING AND REPORTING	25%
4.2.1)	Contract management	100%
4.2.1.a)	Construction and operation	33%
4.2.1.b)	Project performance data	33%
4.2.1.c)	Published reports	33%
4.3)	DISASTER RISK	25%
4.3.1)	Disaster risk sensitive investment (regulation)	33%

4.3.1.a)	Regulation	100%
4.3.2)	Disaster risk sensitive investment (insurance)	33%
4.3.2.a)	Insurance	100%
4.3.3)	Disaster risk management	33%
4.3.3.a)	Force majeure	100%
4.4)	RISK OF GOVERNMENT ACTION	25%
4.4.1)	Government risks	33%
4.4.1.a)	Expropriation	33%
4.4.1.b)	Payment default	33%
4.4.1.c)	Price revisions	33%
4.4.2)	Contract termination	33%
4.4.2.a)	Investor appeal	25%
4.4.2.b)	Contract transfer	25%
4.4.2.c)	Indemnities	25%
4.4.2.d)	Procedure	25%
4.4.3)	Regulatory risk	33%
4.4.3.a)	Enforceability of contracts	50%
4.4.3.b)	Corruption and transparency	50%
5.1)	EX-POST EVALUATION OF PPP PROJECTS	25%
5.1.1)	Agency and evaluations	100%
5.1.1.a)	Agency and requirement	33%
5.1.1.b)	Project evaluations (implementation)	33%
5.1.1.c)	Project evaluations (content)	33%
5.2)	MATURITY AND QUALITY	25%
5.2.1)	Project mortality rate	33%
5.2.1.a)	Project mortality rate	100%
5.2.2)	Value of PPP investment	33%
5.2.2.a)	Value of PPP investment	100%
5.2.3)	Quality of infrastructure	33%
5.2.3.a)	Quality of infrastructure	100%

5.3)	IMPACT ON INFRASTRUCTURE QUALITY/OUTCOMES	25%
5.3.1)	Quality monitoring and reporting	100%
5.3.1.a)	Framework and implementation	33%
5.3.1.b)	Key performance indicators	33%
5.3.1.c)	Project data	33%

5.4)	IMPACT ON ENVIRONMENTAL AND SOCIAL OUTCOMES	25%
5.4.1)	Climate outcomes	50%
5.4.1.a)	Climate outcomes	50%
5.4.1.b)	Long-term environmental impact	50%
5.4.2)	Progress toward SDGs	50%
5.4.2.a)	Progress toward SDGs	100%

5. Detailed indicator definitions

1) REGULATIONS AND INSTITUTIONS

1.1) Conducive regulatory environment and political support for PPPs

1.1.1) Public procurement and PPP contracts

1.1.1.a) Public procurement and PPP contracts (existence of laws)

This indicator evaluates whether the existing legal framework for PPP implementation is clear at the state level.

Question: Does any of the below apply?

- a) PPP contracts are contemplated as a modality in public procurement.
- b) PPP contracts can be undertaken in the state under existing procurement law or policy guidelines.
- c) There is a PPP law or other regulation that fulfils a similar role (eg, in civil law jurisdictions).
- d) The state has a public procurement law, which is clear on the extent to which the law can be applied to a PPP.

Scoring:

0= No

1= Yes, PPP contracts are contemplated in the regulatory framework

+1: The state clearly delineates the legal routes for PPP procurement to ensure no overlapping or competing regulatory systems

1.1.1.b) Public procurement and PPP contracts (state codification)

This indicator measures whether there are state PPP policies or regulatory guidelines that further codify and expand on PPP procurement laws.

Question: Has PPP as a procurement modality been codified in detailed PPP policies or regulatory guidelines, including at the state level?

Scoring:

0= No

1= Yes, at a national level only

2= Yes, state-level regulations codify PPP procurement processes

+1: State PPP regulations provide clear, actionable and transparent guidance (available online) about how they align with or adapt federal PPP laws, leaving no room for ambiguity or unclear processes

1.1.1.c) Public procurement and PPP contracts (minimum standards)

This indicator assesses whether the legal framework governing PPPs meets minimum standards for the development of successful infrastructure PPPs.

Question: Does the regulatory framework governing PPP procurement in the state meet “minimum standards” to enable successful projects?

Note: these standards may be contained in various locations (eg, public procurement laws, PPP laws, PPP policies/regulations)

Scoring:

0= No

+1: Defines which government jurisdictions can implement PPPs

+1: Defines which sectors can implement PPPs

+1: Defines which PPP modalities or contract types may be used

+1: Defines the key characteristics contracts should include

+1: Defines the roles of state agencies and/or municipalities in PPP procurement

1.1.1.d) Public procurement and PPP contracts (consistent regulations)

This indicator analyses the relationship between infrastructure PPP-specific regulations and broader procurement laws.

Question: Is the regulatory framework governing PPP procurement in the state consistent with procurement law and public investment regulation? Are national and subnational legal frameworks governing PPP procurement consistent?

Scoring:

0= No

+1: The state's regulations governing PPPs are consistent with state procurement law and public investment regulation

+1: The state's regulations governing PPPs are consistent with national procurement law and public investment regulation

1.1.2) Inter-agency co-ordination

1.1.2.a) Inter-agency co-ordination (codification of processes)

This indicator assesses the sophistication of PPP frameworks relative to a high standard, where a high standard framework is one that provides detailed guidelines outlining the interaction process between the different agencies in charge of preparing, procuring and managing the PPP contract and delivery process.

Question: Are there regulations or guidelines outlining the interaction process between the different agencies and government bodies in charge of preparing, procuring and managing the PPP contract and delivery process?

Scoring:

0= No

+1: Yes, based on national guidance

+1: Yes, the state provides guidance on interaction processes between state, national and/or municipal bodies

Note: a list of each agency's role in procurement is not sufficient (this is covered in 1.1.1.c). Rather, guidance should describe interaction processes over the project lifecycle, which may include a concrete series of steps/touchpoints for co-ordinating activities across agencies, handoff procedures, processes outlining inter-agency trainings or knowledge sharing, or other guidelines for managing project development workflows.

1.1.2.b) Inter-agency co-ordination (overlapping jurisdictions)

This indicator assesses the sophistication of PPP frameworks' co-ordination mechanisms, where co-ordination mechanisms refer to functions assigned to a specific institution such as an infrastructure agency or PPP unit; or detailed guidelines that clarify roles and responsibilities.

Question: Are there mechanisms for co-ordination between government agencies in the case of overlapping jurisdictions (eg, sectoral or geographical overlaps)?

Scoring:

0= No

+1: Yes, for co-ordination at the state level

+1: Yes, for co-ordination between state and national levels

+1: Yes, for co-ordination between state and municipal levels (or between municipalities)

Note: this indicator assesses mechanisms for dealing with overlapping jurisdictions (eg, when a project falls under the purview of multiple agencies). Such mechanisms could include cross-agency oversight bodies, joint co-ordination procedures and detailed policy guidance for addressing such cases.

1.1.2.c) Inter-agency co-ordination (awarding PPPs vs. regulating standards)

This indicator evaluates whether any guidance has been developed for the harmonization of sector-specific and PPP regulation and for the definition of the roles and responsibilities, so as to avoid any conflict between these two types of entities. Regulators may exist with the role of monitoring service standards and tariffs in sectors where PPPs are implemented.

Question: Does the regulatory framework provide clear guidance on aspects of interaction between bodies that have power to award PPPs and bodies that regulate tariffs and service standards?

Scoring:

0= No

1= Yes, but only at a national regulatory level

2= Yes, at both state and national levels

1.1.3) Political will and support for PPPs**1.1.3.a) Political will and support for PPPs (high-level support)**

This indicator assesses the extent of high-level support for PPPs from politicians in office.

Question: Do high-level political figures in the state (governor, vice governor, state secretaries, state legislative leaders, state senators) have a published, consistent PPP agenda? Have they actively supported PPP projects since taking office?

Scoring:

0= No

1= Active (de facto) PPP support

2= Published (de jure) PPP agenda

+1: National political figures have a published agenda or active support for projects in the state

1.1.3.b) Political will and support for PPPs (political turnover)

This indicator assesses the stability of support for PPPs across political administrations.

Question: Is there evidence that political turnover in the past five years has had significant disruptive effects on the state's PPP agenda or its ongoing PPP projects?

Scoring:

0= Yes

1= No

1.1.3.c) Political will and support for PPPs (political effectiveness)

This indicator assesses the political effectiveness risk of a country. It is the average of the Political Stability Risk and Government Effectiveness Risk scores from the EIU Country Risk Service.

Question: EIU indicator for political effectiveness

Scoring:

EIU Score (0-100)

100 = high risk, 0 = low risk

[Source: EIU Operational Risk Model]

1.2) PPP dedicated agency and project teams**1.2.1) Existence of PPP agency****1.2.1.a) Existence of PPP agency**

This indicator assesses whether a dedicated agency exists to promote co-ordination, quality control, accountability, and information related to PPPs within a single sector or across a range of sectors. These units are created as new agencies or within a secretariat such as the finance secretariat.

Question: Is there a PPP agency, unit or office providing dedicated institutional support for development, technical support, oversight or other PPP-specific activity?

Scoring:

0= No

1= There is no state-level PPP unit or task force, but a national PPP agency provides support to the state

2= A state-level PPP unit or task force exists, but it has limited functionality, jurisdiction or public activity

3= A state-level PPP unit or task force exists, and it is fully operational

1.2.2) Staffing of PPP agency**1.2.2.a) Staffing of PPP agency (capacity)**

This indicator assesses whether the PPP agency has adequate staffing or human resources support.

Question: Is the PPP agency adequately staffed, and with required capacity (technical, financial, legal) to manage projects across procurement, preparation and management phases?

Scoring:

0= No; OR there is no state or national PPP unit (n/a)

1= There is no state PPP unit or task force, but a national PPP agency is sufficiently staffed to support PPP efforts in the state

2= The state PPP unit has ad hoc staffing (from other departments)

3= The state PPP unit has dedicated full-time staff

+1: The state PPP unit has technical, financial, legal skills/capacity available

1.2.2.b) Staffing of PPP agency (training/certification)

This indicator assesses whether the PPP agency promotes the skilling, training and development of its human resources.

Question: Does the state or national PPP agency provide technical training or incentivize staff to obtain PPP-specific certifications?

Scoring:

0= No; OR there is no PPP unit (n/a)

+1= Yes, the national PPP agency provides training or incentives to the state PPP agency

+1= Yes, the state PPP agency provides for its own training/incentives

1.2.3) Project consortiums and technical teams**1.2.3.a) Project consortiums and technical teams (regulation)**

This indicator assesses whether project consortiums (eg, multiple municipalities) and technical project teams are outlined in state regulatory frameworks for PPPs.

Question: Does the state regulatory framework governing PPPs establish guidelines about project consortiums (eg, multiple municipalities) and technical teams for PPP projects?

Scoring:

0 = No

+1: Yes, guidelines exist about project/municipality consortiums

+1: Yes, guidelines exist about technical teams

+1: Guidelines establish best practices for forming consortiums and/or technical teams

1.2.3.b) Project consortiums and technical teams (institutional support)

This indicator assesses whether institutional support is available to help establish project consortiums and technical project teams.

Question: Does the state have institutional support or budgets in place to help new project consortiums (eg, multiple municipalities) and technical teams organize themselves effectively?

Scoring:

0 = No

+1: Yes, institutional support is in place

+1: Yes, budgets are available

1.3) Competitiveness and openness of bidding**1.3.1) Competitive bidding regulations****1.3.1.a) Competitive bidding regulations**

This indicator measures whether the regulatory framework governing PPPs fosters competitive bidding by outlining key procedural guidance and establishing oversight mechanisms.

Question: Do regulations require and establish comprehensive rules about competitive bidding to ensure transparency and fairness?

Scoring:

0= No

1= Yes, competitive bidding is required

+1: Pre-qualification—regulations outline guidance on pre-qualification for bidder selection.

+1: Bidding processes—regulations establish key processes to ensure competitive bidding (eg, required documentation, timelines for bid submission, evaluation criteria)

+1: Bidding oversight—institutional mechanisms exist at the state level to independently oversee or audit the PPP bidding process to ensure fairness

+1: Publication of audits—findings of bidding process audits are made publicly available

1.3.2) Unsolicited bids/proposals**1.3.2.a) Unsolicited bids/proposals**

This indicator measures whether there are clearly stipulated rules defining which approaches contracting agencies may take in dealing with unsolicited proposals (such as allowing for subsequent direct negotiation, prohibition or requiring a competitive tendering process to take place).

Question: Do PPP regulations or policies require unsolicited proposals (USPs) to follow at least the same rigor for consultation, evaluation and approval as publicly procured projects?

Scoring:

0= No, there is a less rigorous process for USPs; OR the treatment of USPs is not defined

1= The state does not accept USPs

2= There are similar (or more rigorous) consultation, evaluation and approval processes for USPs as compared with publicly procured projects; OR competitive bidding is required for USPs

1.3.3) Publication of project portfolio**1.3.3.a) Publication of project portfolio (PPP registry)**

This indicator assesses whether a state PPP registry is in place, which typically provides general information about project participants, specifications, documentation and/or stage of activity to foster transparency and insight.

Question: Is there a public registry of PPPs? Is this part of an overall bank of infrastructure projects (eg, the public investment management system) in the state?

Scoring:

0= No

1= Yes, a state-level registry exists, but it is not related to an overall bank

2= Yes, a state-level registry exists, and it is related to an overall bank

+1: A national registry contains nationally implemented projects in the state

+1: A national registry contains state-initiated projects that undergo a national planning process

1.3.3.b) Publication of project portfolio (PPP pipeline)

This indicator measures whether there is regularly updated information on upcoming/future PPP activity in the state via an easily accessible platform. "Regularly updated" means at least one update has been published in the past year.

Question: Does the government publish and regularly update information about the PPP project pipeline in the state?

Scoring:

0= No

1= Yes, but only for projects within national PPP programs

2= Yes, for all state-level PPPs, but it has not been updated in the past year

3= Yes, for all state-level PPPs, and information is published online and regularly updated

1.3.4) Publication of bidding materials

1.3.4.a) Publication of bidding materials (bidding/Q&A documents)

This indicator assesses whether publication of bidding materials is required to ensure fairness and transparency in the bidding process.

Question: Does the regulatory framework governing PPPs require:

(a) publishing of bidding documents

(b) publication of bidding documents according to a specified timeframe (allowing potential bidders equal footing to prepare), and

(c) publishing of Q&A documents (summary, transcript or recording) following consultations with bidders on publicly procured projects?

Scoring:

0= No

+1: Requires the publishing of bidding documents

+1: Requires the timely publishing of bidding documents

+1: Requires the publishing of Q&A documents

1.3.4.b) Publication of bidding materials (contracts)

This indicator assesses whether the publication of contract information is required to ensure the fairness and transparency of the award process.

Question: Does the regulatory framework governing PPPs require:

- (a) the publishing/announcement of contract awards;
- (b) the publishing of contracts;
- (c) the publishing of all annexes; and
- (d) the publishing of contracts on a centralized platform?

Scoring:

0= No

+1: Requires publishing/announcement of contract awards

+1: Requires publishing of contracts

+1: Requires publishing of full contract annexes, only redacting sensitive information where legally required

+1: Requires publishing of contracts on a centralized platform

Note: a centralized platform refers to a publicly accessible online repository (in contrast to a newspaper, for example)

1.3.4.c) Publication of bidding materials (evaluations/debriefs)

This indicator assesses whether regulators provide post-award information to unsuccessful bidders to increase the fairness and transparency of the award process.

Question: Do regulators issue post-award evaluations or debriefs to unsuccessful bidders?

Scoring:

0= No

1= Only upon request from unsuccessful bidder/s

2= Bid evaluation reports/debriefs are published for all contract awards

1.4) Fairness and openness of contract changes**1.4.1) Contract disputes and arbitration****1.4.1.a) Contract disputes and arbitration (appeal procedures)**

This indicator measures whether appeal procedures for dispute resolution are stipulated by the regulatory framework to protect investors from unilateral decisions from the government.

Question: Does the regulatory framework governing PPPs contain clear legislative or regulatory procedures for appealing government decisions in PPP contract disputes?

Scoring:

0= No

1= Yes

1.4.1.b) Contract disputes and arbitration (time for ruling)

This indicator assesses whether mechanisms are in place to avoid lengthy arbitration processes.

Question: Are there maximum time requirements for arbitration rulings dictated by law and/or contracts to avoid lengthy appeals?

Scoring:

0= No

1= Yes

1.4.1.c) Contract disputes and arbitration (international arbitration)

This indicator verifies whether project agreements are subject to international arbitration as per the relevant regulatory framework. Further guidance on international arbitration may be provided in PPP contracts.

Question: Does the law permit the contracting authority to enter into a project agreement that is subject to international arbitration?

Scoring:

0= No

1= Yes

1.4.1.d) Contract disputes and arbitration (independent tribunal)

This indicator evaluates whether arbitration independent from both PPP parties is determined in PPP contracts and/or whether regulations provide guidelines on the establishment of independent arbitration bodies.

Question: Does the state rely on an arbitration tribunal for the settlement of PPP disputes?

Scoring:

0= No

1= Partially (ie, use is optional or inconsistent)

2= Yes (ie, use is mandatory and universal)

1.4.2) Renegotiation procedures**1.4.2.a) Renegotiation procedures (transparent system)**

This indicator measures the existence of a strategy to manage contract changes. Such strategies must be determined in relevant PPP regulations or addressed in individual contracts, be known and agreeable to the relevant parties, and should allow unexpected changes to be made in the course of the project without the need for renegotiation (eg, a regular review of tariffs or a financial equilibrium model that provides a framework for changes in the financial terms of the contract).

Question: Is there a process/system for transparently managing contract renegotiations and other unexpected changes to contracts?

Scoring:

0= No

1= Yes, such processes are specified through national regulations

+1: The state supplements national renegotiation guidelines with local context/guidance

1.4.2.b) Renegotiation procedures (grounds for termination)

This indicator measures the flexibility of the legal framework for allowing grounds for termination to be defined in the most appropriate manner for each project.

Question: Does the regulatory framework governing PPPs leave open to the project agreement negotiations the list of possible grounds for termination?

Scoring:

0= No

1= Yes

1.4.2.c) Renegotiation procedures (compensation)

This indicator measures the extent of compensation for changes in the terms and conditions of a contract, which may undermine the advantages of the competitive bidding process. Compensation for (or penalties in the context of) renegotiations may be established in the contract or broadly in the regulatory framework to discourage opportunistic-driven renegotiations.

Question: Does the regulatory framework governing PPPs establish any compensation mechanisms (or penalties) for renegotiations?

Scoring:

0= No

1= Yes, but only through national regulation

2= Yes, through state regulation that supplements or clarifies nationally established compensation mechanisms

1.4.3) Transparency and oversight**1.4.3.a) Transparency and oversight (disclosure of renegotiations)**

This indicator assesses whether the publication of contract information is required to ensure the fairness and transparency of the award process and/or whether the political cost of unnecessary renegotiations is increased through transparency measures.

Question: Does the regulatory framework governing PPPs require renegotiations or changes to contracts to be disclosed publicly and in a timely manner, including the reasons for the changes and their impact?

Scoring:

0= No

1= Yes, a summary of contract amendments must be disclosed publicly

2= Yes, full details of contract amendments must be disclosed publicly

+1: There is a required timeframe for publishing these changes

+1: The reasons for these changes must be disclosed

+1: Their financial or operational impact must be disclosed

1.4.3.b) Transparency and oversight (signoff)

This indicator establishes whether mechanisms are in place to enhance control over renegotiations by ensuring that they are overseen by a separate body from the contracting authority.

Question: Does the regulatory framework governing PPPs in the state require signoff/escalation for the approval of renegotiations or changes to contractual conditions?

Scoring:

0= None/lack of clarity on process

1= Signoff required from a higher agency for all types of contract changes, regardless of their scope

2= Signoff required from a higher agency only for changes beyond clearly specified thresholds (eg, budgetary threshold)

Examples of higher agencies include state executive ministries or departments (eg, department of finance), PPP units/agencies and the state comptroller's office, among others. Similar national-level bodies would also apply.

2) PROJECT PREPARATION AND SUSTAINABILITY**2.1) Project selection****2.1.1) Selection and prioritization****2.1.1.a) Selection and prioritization (state infrastructure plan)**

This indicator considers the long-term validity of a state infrastructure plan.

Question: Does the state have an active, published infrastructure development plan?

Scoring:

0= No

1= Short-term plan that does not span beyond the current administration

2= Long-term plan that spans across administrations

+1: The state plan is aligned with (ie, explicitly builds on or refers to) a corresponding national plan

2.1.1.b) Selection and prioritization (prioritization strategy)

This indicator considers the alignment between priorities established in infrastructure plans and the identification and selection of PPPs.

Question: Do the state's selection criteria include a high-level prioritization strategy for aligning prospective PPPs with state and national infrastructure plans, and are there clear rules for ranking/ordering PPPs?

Scoring:

0= No; OR there is no state or national infrastructure plan (n/a)

1= Yes, selection criteria include a prioritization strategy for aligning prospective PPPs with the state infrastructure plan, but without specific rules for ranking/ordering PPPs

2= Yes, selection criteria include a prioritization strategy for aligning prospective PPPs with the state infrastructure plan, with clear rules for ranking/ordering PPPs

+1: The state's selection criteria include a prioritization strategy that seeks to align PPPs with the national infrastructure plan

2.1.1.c) Selection and prioritization (needs assessments)

This indicator assesses whether needs assessments are required/conducted as part of project selection. Needs assessments lend standardization and transparency to the government's determination of which potential projects identified and proposed by contracting authorities are to be prioritized for implementation.

Question: Are processes for conducting needs assessments for project selection clearly outlined by state regulatory agencies, PPP units or other institutions?

Scoring:

0= No

1= Yes, but only related to national needs and institutional goals

+1: Yes, related to state needs and institutional goals

2.1.2) Economic principles for project selection**2.1.2.a) Economic principles for project selection (cost-benefit analysis)**

This indicator measures whether the regulatory framework requires an analysis to take place, during project evaluation and selection, of the potential costs and revenue that may be generated if the project is completed.

Question: Is cost-benefit analysis required for assessing the socioeconomic feasibility of PPP projects?

Scoring:

0= No

1= Yes, but not using a published methodology

2= Yes, using a published methodology

+1: The regulatory agency has made a standardized cost-benefit evaluation tool available for use

+1: The cost-benefit evaluation process is consistent with other types of public procurement

2.1.2.b) Economic principles for project selection (fiscal affordability)

This indicator measures whether the regulatory framework requires a fiscal affordability analysis of the project's effects on the long-term public fiscal outlook.

Question: Is fiscal affordability analysis required for assessing the fiscal feasibility of PPP projects?

Scoring:

0= No

1= Yes, but not using a published methodology

2= Yes, using a published methodology

+1: The regulatory agency has made a standardized evaluation tool available for use

+1: The fiscal affordability evaluation process is consistent with other types of public procurement

+1: The fiscal affordability evaluation process is required to look at both direct and contingent costs

2.1.2.c) Economic principles for project selection (value for money)

This indicator measures whether the regulatory framework requires a value for money analysis to compare the value of delivering infrastructure projects through PPPs against the value that could be obtained through conventional public procurement. Systematic evaluation is improved by using published methodologies; standardized templates or tools; and when the same evaluation process is applied across all forms of public procurement.

Question: Are value for money assessments required for assessing the suitability of PPPs as a procurement modality?

Scoring:

0= No

1= Yes, but not using a published methodology

2= Yes, using a published methodology

+1: The regulatory agency has made a standardized evaluation tool available for use

+1: The value for money evaluation process is consistent with other types of public procurement

2.2) Project preparation and support

2.2.1) Preparation facilities

2.2.1.a) Preparation facilities (standard processes)

This indicator evaluates whether established processes are in place to support governments, investors and developers of infrastructure projects by helping to standardize and expedite the technical, financial, legal and regulatory processes.

Question: Are there established facilities in place to actively guide the preparation, procurement, and implementation of PPPs in the state?

Scoring:

0= No

1= Yes, national facilities only

2= Yes, the state also has its own dedicated facilities

2.2.1.b) Preparation facilities (municipality support)

This indicator assesses whether state PPP units or project preparation facilities (PPFs) offer support to projects developed at the municipality level.

Question: Does the state offer support or co-ordination (eg, through its PPP agency or PPFs) to projects prepared by municipalities (or across municipalities in a metropolitan area)?

Note: this can take the form of knowledge sharing, technical advisory, financial support, stakeholder management, etc.

Scoring:

0= No

1= There is some evidence of state support on municipality projects in the past, but there is no institutional mechanism in place

2= There is a formal/institutional mechanism in place focused on aiding municipalities to develop PPPs in the region

+1: Support with financial resources

+1: Support with knowledge sharing or capacity training

+1: Support with technical advisory services

2.2.1.c) Preparation facilities (standardized tracking platform)

This indicator establishes whether systems are in place to co-ordinate preparation activities across project stages and stakeholders in a transparent manner.

Question: Are there standardized platforms or online systems utilized by state agencies to co-ordinate preparation activities across project stages and stakeholders in a transparent manner?

Note: such systems help to identify readiness and gaps during project preparation. They may utilize questionnaires, templates or online tools covering various stages of the project preparation cycle. They should allow for specific targets to be defined. Public investment management systems do not apply for this question.

Scoring:

0= No

1= Yes

Examples include SOURCE, Project Readiness Assessment Tool, PPP Project Preparation Status Tool, etc. (Tools should be multi-sector in nature.)

2.2.1.d) Preparation facilities (budgeting)

This indicator assesses the existence of a specific budget for the authority or authorities in charge of project preparation activities.

Question: Is the public authority in charge of project preparation facilities in/for the state given a budget to accomplish its mission?

Scoring:

0= No

1= Yes, budgets for national facilities only

2= Yes, budgets are also in place for state facilities

2.2.2) Project support**2.2.2.a) Project support (project development fund)**

This indicator assesses the existence of a project development fund (PDF).

Question: Does the government sponsor a project development fund (PDF), or a functional equivalent, for PPPs in the state? Is there evidence of budgets being allocated or made available for use through the PDF?

Note: a “functional equivalent” refers to an active, functioning process to provide project development funding, even if it does not take the specific form of a dedicated fund. Merely permitting funding, per the regulatory framework, is not sufficient. There should be some practical evidence of the process in action.

Scoring:

0= No

+1: A national PDF is available for PPPs in the state

+1: The state sponsors its own PDF

+1: Documented evidence of state funds allocated or made available for use as part of PDF

2.2.2.b) Project support (viability gap fund)

This indicator assesses the existence of a viability gap fund (VGF).

Question: Does the government sponsor a viability gap fund (VGF), or functional equivalent, for PPPs in the state? Is there evidence of budgets being allocated or made available for use through the VGF?

Note: this can include national VGFs if they offer support to the state's PPPs.

Scoring:

0= No

+1: The regulatory framework allows for viability gap funding, or a VGF exists for PPPs in the state

+1: The state sponsors its own VGF

+1: Documented evidence of state funds allocated or made available for use as part of VGF

2.3) Efficiency of project preparation**2.3.1) Financial close****2.3.1.a) Financial close**

This indicator assesses the efficiency of the PPP development process, over the past ten years.

Question: Adjusted rate of infrastructure PPP projects that reached financial close, relative to the total number of tendered PPPs in the past ten years

Scoring:

Adjusted score (0-100), which prioritizes balance across sectors and ambition in tendering efforts, based on the following criteria:

- Each infrastructure sector's financial close ratio (%) is equally weighted in the adjusted score
- States with greater PPP investment as a share of GDP are weighted higher
- States with a greater number of tenders per capita are weighted higher

Note: a higher score is better; where n/a appears only 0 or 1 tender was attempted

[Source: IJ Global]

2.3.2) Level of concentration in the industry**2.3.2.a) Level of concentration in the industry**

This indicator assesses the level of concentration and competition among bidders for PPP projects.

The level of concentration considers, for example, whether more than 50% of projects have been awarded to the same firm in one year. This information is also contrasted with sponsor details obtained from PPP transactions in the past five years.

Question: Is there a high level of concentration in the industry where a few firms win a bulk share of PPP contracts in the state?

Scoring:

0= Yes; OR there have been no PPP projects in the past five years (n/a)

1= No

2.3.3) Land administration

2.3.3.a) Land administration (permits, licenses, dispute resolution and protections)

This indicator assesses the quality of land administration. It is composed of four equally weighted parts.

Question:

Overall state score for:

- a) Obtaining construction permits
- b) Obtaining an operating license
- c) Efficiency of judicial system for firms

Overall country score for:

- d) Protection of private property

Scoring:

Average of all four normalized components (0-100, higher is better).

The scoring for parts a and b is based on the number of days; for part c, it is based on the percentage of firms identifying the courts as a major or very severe constraint; and for part d, it is based on an indexed score. For each component (pre-normalization), a lower data point is better.

[Source: World Bank Enterprise Survey (a, b and c) and EIU Business Environment Rankings (d)]

2.3.3.b) Land administration (government support)

This indicator evaluates whether the government supports and manages land acquisition through, for example, assistance with and/or compensation for resettlement, land use fee exemptions and time limits for land acquisition.

Question: Does the government manage or offer direct support for land acquisition?

Note: this can include national land acquisition support if it is also offered to the state's PPPs.

Scoring:

0= No

+1: Government is mandated to manage or offer direct support for land acquisition

+1: Availability of a dedicated budget for land acquisition management/ support

2.4) Environmental and social sustainability

2.4.1) Environmental and community impacts

2.4.1.a) Environmental impact assessment

This indicator assesses the requirement to assess the anticipated environmental impact of infrastructure PPPs, publish the findings and integrate these into project design. Such assessments usually take place during project evaluation and selection.

Question: Is an environmental impact assessment (EIA) and subsequent publishing of an environmental impact statement required for infrastructure projects?

Do states require, assist and incentivize PPPs to integrate EIAs and environmental considerations into project design?

Scoring:

0= No

1= Yes, an impact study is required

+1: Transparency—publication of the environmental impact study or an environmental impact statement is required

+1: Methodology—there is a published methodology and/or standardized evaluation tool available for use

+1: Technical support—the state has programs that support local governments or smaller jurisdictions with technical expertise for EIAs.

+1: Findings-driven implementation—EIA findings must be explicitly incorporated into project implementation plans through enforceable mechanisms (eg, permitting conditions, funding requirements).

2.4.1.b) Climate regulatory criteria

This indicator evaluates the inclusion of specific provisions on climate change adaptation and risk in the guidelines for PPP identification, evaluation, selection or implementation. Examples include the incorporation of such criteria in environmental impact assessments or an alignment requirement with state or national climate change objectives or commitments through a special type of assessment.

Question: Are climate change commitments incorporated in the criteria for PPP project identification, selection and development?

Scoring:

0= No

1= Yes

+1: The state has developed its own PPP prioritization criteria that build on national climate change policies and incorporate local or regional climate change considerations

2.4.1.c) Consultation with communities

This indicator evaluates the existence of a specific requirement to conduct consultations with communities that are likely to be affected by the PPP projects. This process may take place once a project has been selected for PPP procurement and ahead of the bidding process to build support from communities or at different stages of the process.

Question: Is there a legal requirement for consultations with communities affected by PPP projects? Are the findings from the consultation exercise published online? Does the state require these findings to be explicitly and transparently addressed during project design?

Scoring:

0= No

1= Yes, legal requirement for consultation with communities

2= Consultation and the publication of findings are required

+1: Legal requirement for findings to be addressed during project design

2.4.1.d) Resilience

This indicator evaluates whether PPP regulatory frameworks focus on mapping or anticipating future changes and developing resilience/adaptability strategies (eg, selection of durable materials, adoption of adaptable infrastructure approaches, evaluation of trends for reducing risk of obsolescence, etc.).

Question: Does the regulatory framework governing PPPs in the state actively promote the incorporation of future-proofing elements into projects?

Scoring:

0= No

1= Yes

2.4.2) Social equitability**2.4.2.a) Social equitability (social inclusion)**

This indicator evaluates the inclusion of specific provisions on social inclusion (for example, with respect to minorities, vulnerable populations or rural populations) in the guidelines for PPP evaluation, selection or implementation. Such provisions can refer to many types of inclusion goals, but they should be more targeted than provisions that reference "social welfare" in general. Inclusion goals would typically seek to help less advantaged groups by prioritizing/rewarding PPPs that further these goals.

Question: Are social inclusion goals incorporated in the state's criteria for PPP project identification, selection and/or development?

Scoring:

0= No

1= Yes

2.4.2.b) Social equitability (gender)

This indicator evaluates the inclusion of specific provisions on gender goals in the guidelines for PPP identification, evaluation, selection or implementation.

Question: Are gender goals incorporated in the state's criteria for PPP project identification, selection and/or development?

Scoring:

0= No

1= Yes

2.4.2.c) Social equitability (job creation)

This indicator evaluates the inclusion of specific provisions on job creation goals in the guidelines for PPP identification, evaluation, selection or implementation.

Question: Are job creation or similar economic goals incorporated in the state's criteria for PPP project identification, selection and/or development?

Scoring:

0= No

1= Yes

Examples of similar economic goals include: innovation, productivity, youth training and skilling, labor rights, and others mentioned in UN Sustainable Development Goal (SDG) 8: Decent work and economic growth.

2.4.2.d) Social equitability (MSMEs)

This indicator evaluates the inclusion of specific provisions on MSME (micro- small- and medium-sized enterprises) inclusion goals in the guidelines for PPP identification, evaluation, selection or implementation.

Question: Are MSME (micro- small- and medium-sized enterprises) inclusion goals incorporated in the state's criteria for PPP project identification, selection and/or development?

Scoring:

0= No

1= Yes

3) FINANCING**3.1) Structure and sources of financing****3.1.1) Finance structure****3.1.1.a) Finance structure**

This indicator assesses the use of project financing mechanisms in PPP development over the past ten years.

Question: Share of infrastructure PPPs in the past ten years using project financing mechanisms (off-balance-sheet, limited/non-recourse finance)

Scoring:

% (PPP projects with financing-type classified as "project finance" / total PPP projects) in the past ten years; higher is better

[Source: IJ Global]

3.1.2) Performance-based payments

3.1.2.a) Performance-based payments

This indicator considers whether the public accounting mechanism allows for payments to be made to project companies based on the completion/meeting/quality of certain project milestones or outcomes.

Question: Does the public accounting mechanism allow for performance-based payments/penalties corresponding to key performance indicators in PPP contracts?

Scoring:

0= No

1= Yes

+1: The state provides additional guidance on accounting for performance-based payments, complementing federal procurement law

3.1.3) Sources of financing (project bonds)

3.1.3.a) Sources of financing (project bonds)

This indicator assesses the extent of project bond financing in PPP development over the past ten years.

Question: Share of infrastructure PPPs financed partially or in full by project bond issuance/s (in the past ten years)

Scoring:

% (infrastructure PPPs with project bond issuances / total infrastructure PPPs) in the past ten years; higher is better

[Source: IJ Global]

3.1.4) Sources of financing (sustainable financing)

3.1.4.a) Sources of financing (sustainable financing)

This indicator assesses whether green bonds, climate bonds, social impact bonds, development impact bonds, sustainability-linked bonds, etc, have been used to finance infrastructure development.

Question: Have sustainable financing instruments been issued on or raised through capital markets in the state to finance (partially or in full) infrastructure development in the past five years?

Scoring:

0= No

1= Yes

3.1.5) Sources of financing (multilateral banks)

3.1.5.a) Sources of financing (multilateral banks)

This indicator assesses the extent of multilateral bank participation in infrastructure PPP development over the past ten years.

Question: Have multilateral banks participated in infrastructure PPPs (through financing or guarantees) in the past ten years?

Scoring:

0= No; OR there have been no PPP projects in the past ten years (n/a)

1= Yes

[Source: IJ Global]

3.1.6) Sources of financing (institutional investors)**3.1.6.a) Sources of financing (institutional investors)**

This indicator assesses the extent of institutional investor participation in PPP development over the past ten years.

Question: Have institutional investors (pension funds, insurance companies, etc) participated (lending to or holding stocks) in PPP projects in the past ten years?

Scoring:

0= No; OR there have been no PPP projects in the past ten years (n/a)

1= Yes

[Source: IJ Global, national sources]

3.2) Access to capital**3.2.1) Average cost of capital****3.2.1.a) Average cost of capital**

This indicator measures a country's risk premium, the difference in yield between default-free obligations, such as government bonds, and securities issued by private entities or other entities subject to credit risk. The premium reflects country-specific risks of doing business that cannot be avoided through diversification by the marginal investor.

Question: Country risk premium (as of 2023)

Scoring:

%, country risk premium in 2023; lower is better

[Source: Moody's, S&P, estimates from NYU Stern School of Business faculty, EIU calculations]

3.2.2) Government financial support**3.2.2.a) Government financial support**

This indicator assesses whether the government provides PPPs access to financial support after the project preparation phase.

Question: Does the state government offer any financial support (post-project preparation)?

Note: financial support can be in the form of subsidies, guarantees or any other form of innovative financial model that aids the project as a whole.

Scoring:

0= No

1= Yes, state-level government financial support is provided in practice or a dedicated fund exists

Note: this indicator considers the past five years. Examples of government financial support include special purpose vehicle equity provision, loan or direct financing to project companies, subsidies or payments upfront in the form of loan/grant finance, access to long-term finance on concessional terms, etc. This does not include PDFs or VGFs.

3.2.3) Debt performance

3.2.3.a) Debt performance

This indicator assesses the share of total bank loans that are non-performing (by value). Non-performing refers to defaulting loans (payments of interest and principal past due by 90 days or more). The loan amount recorded as non-performing includes the gross value of the loan as recorded on the lender's balance sheet.

Question: Share of non-performing loans relative to total loans (by value)

Scoring:

% (non-performing loans / total loans) in most recent year; lower is better

[Source: Banco Central]

3.3) Macro environment

3.3.1) Fiscal risk

3.3.1.a) Fiscal risk (state fiscal management)

This indicator measures state fiscal management, according to the FIRJAN Fiscal Management Index.

Question: What is the state's fiscal management risk as measured across four areas: autonomy, personnel expenses, liquidity and investments?

Scoring:

FIRJAN Fiscal Management Index (Score 0-100)

100 = low risk, 0 = high risk

[Source: FIRJAN Fiscal Management Index]

3.3.1.b) Fiscal risk (state fiscal situation)

This indicator measures the state's fiscal situation and payment capacity, according to the National Treasury CAPAG (Payment Capacity) indicators.

Question: What is the state's fiscal situation and payment capacity for taking out new loans as measured across three areas: debt, current savings and liquidity index?

Scoring:

National Treasury CAPAG (Payment Capacity) indicators

(Score 0-100)

100 = low risk, 0 = high risk

[Source: Tesouro Nacional Transparente]

3.3.2) Financial maturity**3.3.2.a) Financial maturity (financial development)**

This indicator measures the state's overall financial development level, according to common financial development indicators.

Question: Composite score of:

- (a) financial market depth
- (b) concentration of the banking sector

Scoring:

Average of both normalized components

100 = low risk, 0 = high risk

- (a) approximated via the credit/GDP ratio in each state
- (b) approximated via the number of unique banks in each state

[Source: Banco Central]

4) RISK MANAGEMENT AND CONTRACT MONITORING**4.1) Risk allocation****4.1.1) Risk identification and allocation****4.1.1.a) Risk identification and allocation**

This indicator assesses the sophistication of risk analysis mandated for PPP projects. The identification and preparation of a risk allocation matrix should involve defining the principles of risk allocation and a description of the PPP risk categories to be considered. The process may additionally involve outlining mitigation measures and government support arrangements.

Question: Does the regulatory framework governing PPPs mandate risk identification analysis and the preparation of a detailed risk allocation matrix?

Scoring:

0= No

1= Yes, but only risk identification analysis

2= Yes, risk identification and preparation of a risk allocation matrix

+1: The state requires PPPs to consider risk-sharing mechanisms as part of this analysis

+1: The state explains how to mitigate these risks (eg, in contracting or risk allocation matrix guidelines)

4.1.2) Contingent liabilities

4.1.2.a) Contingent liabilities (regulation)

This indicator evaluates whether infrastructure development methods are required and equipped to account for potential balance sheet liabilities that are dependent on the outcome of future events, such as early contract termination or debt and revenue guarantees.

Question: Do regulations establish planning frameworks and the accounting of contingent liabilities?

Scoring:

0= No

1= Yes, but only for PPPs

2= Yes, for all infrastructure development methods

+1: The state has a dedicated unit, team or committee to oversee contingent liabilities across all infrastructure projects and sectors

4.1.2.b) Contingent liabilities (risk framework)

This indicator measures whether the accounting of and reporting on contingent liabilities is a consistent and standard risk management practice, utilizing established rules or risk frameworks in line with best practices in public investment accounting. As proper accounting for contingent liabilities is a complex task, there is often a gap between guidelines and actual implementation.

Question: Does the budget office measure contingent contractual liabilities in a way that is consistent with best practices in public investment accounting?

Scoring:

0= No

1= Yes

+1: Measurement methodologies also account for potential budgetary impacts of delayed investment payments (eg, related to cost overruns or deferred milestones)

+1: The state publishes regular reports on contingent liabilities from PPPs (eg, as part of fiscal risk reports)

4.1.3) Lenders' step-in rights

4.1.3.a) Lenders' step-in rights

This indicator evaluates whether there are mechanisms in place to allow lenders a chance to remedy a relevant breach of the PPP contract before it is terminated (when a PPP uses project financing). Such breaches of contract can include issues related to insolvency. In this context, 'step-in' refers to the ability of the lenders or a third party nominee of the lenders to step into the role of the project company and rectify the issues before the contracting authority terminates the contract.

Question: Are lenders' step-in rights explicitly included in the regulatory framework governing PPPs?

Scoring:

0= No

1= Yes

+1: Processes for applying lenders' step-in rights must be outlined in PPP contracts

4.1.4) Government guarantees

4.1.4.a) Government guarantees

This indicator assesses the scope of sovereign guarantees previously offered to PPP projects. All sectors are considered. Divestitures and management and lease contracts are excluded.

Question: Has the government offered sovereign guarantees to PPPs in the state in the past ten years?

Note: it does not matter which level or branch of government provides the guarantee, as long as projects within the state have been able to access these.

Scoring:

0= No; OR there have been no PPP projects in the past ten years (n/a)

1= Yes

[Source: World Bank PPI database]

4.2) State-level monitoring and reporting

4.2.1) Contract management

4.2.1.a) Contract management (construction and operation)

This indicator assesses whether PPP contracts are subject to routine contract management, which involves tasks that either occur on an ongoing basis or are expected to occur at least once at discrete moments over the life of a contract. Ongoing tasks include performance monitoring; maintenance activities; the management of relationships with the project company or stakeholders; information management; claims management; and refinancing. Discrete events include the management of transitions between different phases of project development and changes of asset ownership.

Question: Are there key regulations and processes in place to facilitate effective contract management and monitoring?

Scoring:

0 = No

+1: Contract requirements—contracts are required by law to include clearly defined management processes across construction and operation phases (eg, performance monitoring, transition management, information management, claims management, variations to the contract, and refinancing).

+1: Maintenance activities—the state clearly defines maintenance schedules and documents regular inspections (eg, in audit reports or maintenance logs).

+1: Stakeholder management—the state has established processes for stakeholder engagement during the contract lifecycle (eg, periodic public consultations, advisory panels, feedback surveys or formal grievance mechanisms)

4.2.1.b) Contract management (project performance data)

This indicator assesses whether there is a requirement for periodic performance monitoring of PPPs through the gathering and publishing of information regarding major project developments (such as delays or changes). "Periodic" means annually. Standardized templates would foster comparability in monitoring criteria, processes and methodologies.

Question: Is the state PPP agency (or equivalent) mandated to gather information periodically on the progress of PPP contracts across different project phases (before the asset is operational)? Has a standardized or templated monitoring strategy been published?

Scoring:

0= No

+1: A mandate exists

+1: The monitoring process is standardized or templated

4.2.1.c) Contract management (published reports)

This indicator measures whether there is up-to-date information on PPP activity in the state via an easily accessible platform. "Up-to-date" means that at least one update has been published in the past year.

Question: Are there regularly published reports on all ongoing PPP projects in the state?

Scoring:

0= No

1= Yes, but only for some projects

2= Yes, for all projects

+1: Published online and updated within the past year

4.3) Disaster risk**4.3.1) Disaster risk sensitive investment (regulation)****4.3.1.a) Disaster risk sensitive investment (regulation)**

This indicator evaluates whether PPP frameworks have incorporated provisions on environmental risk analysis and disaster risk management.

Question: Does the regulatory framework governing PPPs require environmental risk analysis? Is disaster risk management accounted for either as part of this analysis or in the regulations?

Scoring:

0= No

1= Yes, environmental risk analysis is required

+1: Disaster risk management is accounted for

Note: environmental risk analysis is different from an environmental impact study. An environmental risk analysis seeks to identify and assess environmental risks to a project and determine the best ways to balance or mitigate them. An environmental impact study seeks to predict a project's potential impacts on the environment.

4.3.2) Disaster risk sensitive investment (insurance)**4.3.2.a) Disaster risk sensitive investment (insurance)**

This indicator evaluates whether relevant PPP regulations establish requirements for insurance taken by the private party of the PPP for coverage against disaster or catastrophic risk.

Question: Is disaster risk included and accounted for in PPPs in the short term through a requirement for insurance for projects?

Scoring:

0= No

1= Yes, insurance is required but without a specified level of coverage

2= Yes, insurance with a specified level of coverage is required

+1: Periodic reviews (to account for changing conditions) or verification of insurance levels are conducted by the state over the life of the project

4.3.3) Disaster risk management**4.3.3.a) Disaster risk management (force majeure)**

Force majeure pertains to certain events beyond the control of the contracting authority or project company that may inhibit them from fulfilling their duties and obligations under the project agreements. This indicator evaluates whether regulation defines such events and whether there are mechanisms in place that would allow the PPP parties to excuse contractual obligations in case of such events. Such guidelines can help to avoid uncertainties and delays.

Question: Does the regulatory framework governing PPPs in the state include specific guidance on force majeure clauses?

Scoring:

0= No

+1: Includes a list of events

+1: Defines processes to invoke the clause

+1: Details the compensation mechanism

+1: Prescribes a time limit

4.4) Risk of government action**4.4.1) Government risks****4.4.1.a) Government risks (expropriation)**

This indicator assesses whether the government has summarily taken over a project (compensation is typically paid).

Question: Are there examples of expropriations of PPP projects by the state over the past ten years?

Scoring:

0= Yes, one or more times

1= No

4.4.1.b) Government risks (payment default)

This indicator assesses whether governments have failed to fulfill their payment obligations with private investors under PPP contracts.

Question: Are there examples of state government payment default on PPP contracts in the past ten years?

Scoring:

0= Two or more documented instances

1= One documented instance

2= No; OR there have been no active PPPs in the past 10 years (n/a)

4.4.1.c) Government risks (price revisions)

This indicator assesses instances of government adjustments to prices (including through payments and tariffs) relative to what was originally stipulated in the contract.

Question: Are there documented instances of the state government unilaterally enforcing price revisions or revisions to tariffs and/or payments for a PPP?

Scoring:

0= Yes

1= No; OR there have been no active PPPs in the past ten years (n/a)

4.4.2) Contract termination**4.4.2.a) Contract termination (investor appeal)**

This indicator evaluates whether there are frameworks in place that guarantee the option of appeal when PPPs face contract termination by the government.

Question: Are there safeguards that protect investors' rights or allow them to appeal in case of contract termination by the government?

Scoring:

0= No

+1: Investors have rights against arbitrary termination by the government (eg, mandatory third-party review processes or pre-termination consultations/hearings)

+1: Investors can appeal in case of contract termination by the government

4.4.2.b) Contract termination (contract transfer)

This indicator evaluates whether there are legal mechanisms in place to facilitate the continuation of the project and an expedited project company exit by transferring the PPP contract. Such provisions are usually indicated in project contracts and guidance may be provided in the regulatory framework.

Question: Can investors expedite contract transfer for project exit?

Scoring:

0= No

1= Yes

4.4.2.c) Contract termination (indemnities)

This indicator evaluates whether the regulatory framework governing PPPs includes guidance regarding fair compensation to investors in the case of early termination. Such provisions are usually indicated in project contracts; however, guidance should be provided in the regulatory framework.

Question: Does the regulatory framework governing PPPs contain specific guidance on the treatment of indemnities in case of early termination of PPP contracts?

Scoring:

0= No (ie, the treatment of indemnities is unclear)

1= The treatment of indemnities is not codified in the regulatory framework, but regulations intentionally leave it open to individual PPP contracts (on a case-by-case basis)

2= The treatment of indemnities is codified in the regulatory framework (applicable to all PPP contracts)

4.4.2.d) Contract termination (procedure)

This indicator evaluates whether there are legal mechanisms in place to facilitate the continuation of the project and an expedited project company exit by transferring the PPP contract. Such provisions are usually indicated in project contracts and guidance may be provided in the regulatory framework.

Question: Are PPP contracts required to include specific details on the termination procedure?

Scoring:

0= No

1= Yes

+1: Regulations establish post-termination asset handover requirements (eg, independent certification of asset conditions or transition plans to ensure public service continuity)

4.4.3) Regulatory risk**4.4.3.a) Regulatory risk (enforceability of contracts)**

This indicator assesses the enforceability of contracts, according to regulatory and judicial metrics.

Question: Enforceability of contracts within the state's legal/regulatory system

Scoring:

Composite score (0-100, higher is better):

(a) Enforceability of contracts within the country's regulatory system (national indicator) [Source: EIU]

(b) Average duration taken by state courts to resolve disputes (state indicator) [Source: National Council of Justice annual judicial reports]

(c) Demand response rate (ie, the number of resolved court cases relative to the number of new cases) (state indicator) [Source: National Council of Justice annual judicial reports]

(d) Case congestion rate (ie, percentage of cases remaining unresolved each year) (state indicator) [Source: National Council of Justice annual judicial reports]

4.4.3.b) Regulatory risk (corruption and transparency)

This indicator assesses a state's regulatory risk. It is the average of two indicators, focused on corruption control and transparency in public governance.

Question: How strong is the state's enabling environment against corruption? How strong are transparency mechanisms in the state bureaucracy?

Scoring:

Composite score (0-100, higher is better):

(a) Capacity for corruption control, score 0-100 [Source: Institutional Capacities Index (ICI)]

(b) Transparency and Public Governance Index, overall score 0-100 [Source: ITGP]

5) PERFORMANCE EVALUATION AND IMPACT (EX-POST)**5.1) Ex-post evaluation of PPP projects****5.1.1) Agency and evaluations****5.1.1.a) Agency and requirement**

This indicator seeks to assess if the regulatory framework governing PPPs mandates ex-post evaluations, emphasizes transparency, and instills processes for continuous learning and improvement in PPP projects.

Question: Is there an agency (or other government body) tasked with evaluating or auditing the results of each PPP project? Is there a process in place to inform future projects?

Scoring:

0= No

1= Yes, regulations establish an agency or agencies with this function for some projects

2= Yes, regulations establish an agency or agencies with this function for all projects

+1: Regulations establish this agency as independent of the contracting agency

+1: A process is in place for applying findings to future projects

+1: Agency/team tasked with ex-post evaluations has the necessary technical skill sets (eg, advanced data analytics capabilities, data science-related skill sets, or similar analytical expertise)

Note: +1 options are only applicable in conjunction with a base score of 2

5.1.1.b) Project evaluations (implementation)

This indicator seeks to assess if ex-post evaluations are carried out and the results published online.

Question: Are ex-post project evaluations actively being conducted and subsequently published for operational infrastructure PPPs?

Scoring:

0= No

1= Yes, ex-post project evaluations are conducted for some projects

2= Yes, ex-post evaluations are conducted for all projects

+1: Ex-post evaluation results are published online

Note: ex-post evaluations occur after the project is operational. These can include economic analysis, qualitative analysis of project results, risk performance analysis, etc. Much like during the project selection stage, ex-post evaluations can also include cost-benefit or value-for-money analysis.

5.1.1.c) Project evaluations (content)

This indicator assesses whether ex-post evaluations consider a number of issues relevant to project performance. Ex-post evaluations can include qualitative (objective- or risk-based) analyses; quantitative (cost-benefit or value for money) analyses, or both.

Question: Do ex-post evaluations examine risk performance and seek to identify incorrect risk allocations? Do ex-post evaluations include an ex-post cost benefit analysis and/or ex-post value for money assessment?

Scoring:

0= No

+1: Ex-post evaluations examine risk performance for some projects

+2: Ex-post evaluations examine risk performance for all projects

+1: Ex-post evaluations seek to identify incorrect risk allocation for some projects

+2: Ex-post evaluations seek to identify incorrect risk allocation for all projects

+1: Ex-post evaluations include ex-post cost benefit analysis for some projects

+2: Ex-post evaluations include ex-post cost benefit analysis for all projects

+1: Ex-post evaluations include ex-post value for money analysis for some projects

+2: Ex-post evaluations include ex-post value for money analysis for all projects

Note: if ex-post evaluations are not being conducted (see 5.1.1.b), this indicator is scored as 0.

5.2) Maturity and quality**5.2.1) Project mortality rate****5.2.1.a) Project mortality rate**

This indicator assesses the cancellation rate of projects, post-procurement, over the past ten years.

Question: Cancellation rate of projects post-procurement over the past ten years

Scoring:

% (cancelled projects post procurement / total procured projects) over the past ten years; lower is better

[Source: IJ Global]

5.2.2) Value of PPP investment**5.2.2.a) Value of PPP investment**

This indicator assesses the level of investment in infrastructure PPPs relative to total infrastructure spending, over the past ten years.

Question: Value of infrastructure PPPs as a percentage of total infrastructure spending, averaged over the past 10 years and averaged across sectors

Scoring:

% (value of infrastructure PPPs / total infrastructure spending) averaged over the past ten years; [averaged across sectors TBD]; higher = better

[Source: IJ Global, Infratam and EIU]

5.2.3) Quality of infrastructure

5.2.3.a) Quality of infrastructure

This indicator assesses the overall quality of infrastructure in the state, according to state competitiveness rankings.

Question: Overall quality of infrastructure

Scoring:

Infrastructure score (0-100); higher is better

[Source: Ranking de Competitividade dos Estados; Infrastructure - Pillar Score]

5.3) Impact on infrastructure quality/outcomes

5.3.1) Quality monitoring and reporting

5.3.1.a) Quality monitoring (framework and implementation)

This indicator considers whether PPP regulations clearly specify what is expected from the private party in terms of the quality and quantity of the assets and services to be provided. For example, this could include defining required maintenance standards, the required service quality or expansion targets. It also considers whether monitoring occurs in practice.

Question: Does the regulatory framework governing PPPs in the state mandate regular and standardized monitoring and reporting on the quality of services from operational infrastructure assets?

Scoring:

0= No

1= Yes, monitoring only

2= Yes, monitoring and published reports

+1: If the monitoring/reporting process is templated or standardized

+1: If monitoring and reporting are conducted in practice for all PPPs in the state

5.3.1.b) Quality reporting (key performance indicators)

This indicator assesses whether the private party furnishes required financial and operational information to relevant implementing agencies to facilitate the monitoring process (eg, a private party provides project performance data in regular reports).

Question: Does the regulatory framework governing PPPs in the state require regular/periodic reporting around financial and operational key performance indicators (KPIs) for operational infrastructure projects?

Scoring:

0= No

1= Yes, at least once in every five years

2= Yes, at least annually

+1: If regular reporting is carried out in practice for all PPPs in the state

5.3.1.c) Quality reporting (project data)

Related to indicator 5.3.1.a, this indicator assesses whether the project data provided by the private party are documented and accessible in a downloadable format.

Question: Are the reported operational infrastructure project data in the state documented and available for download in formats easy to use for data analysis?

Scoring:

0= No

1= Yes, for some projects

2= Yes, for all projects

5.4) Impact on environmental and social outcomes**5.4.1) Climate outcomes****5.4.1.a) Climate outcomes**

This indicator evaluates whether PPP regulations require project performance to be benchmarked against documented climate change goals, including the extent to which such targets have been met.

Question: Does the regulatory framework governing PPPs in the state require project performance to be evaluated against the country's climate change goals (eg, as outlined in their Nationally Determined Contributions)? Does this evaluation measure/validate to what extent initial project commitments were fulfilled?

Scoring:

0= No

1= Yes

+1: If the ex-post evaluation measures to what extent initial climate targets/commitments were achieved

5.4.1.b) Long-term environmental impact

This indicator assesses whether state PPP units have the technical capacity to evaluate long-term environmental impacts of projects under their jurisdiction.

Question: Does the state require and conduct long-term environmental impact monitoring and assessments for PPP projects?

Scoring:

0= No

+1: Environmental impact monitoring is required during project implementation

+1: Long-term environmental impact assessments are required after the conclusion of PPP projects

+1: Long-term environmental impact assessments are actively conducted after the conclusion of PPP projects

5.4.2) Progress toward SDGs

5.4.2.a) Progress toward SDGs

This indicator seeks to evaluate whether the performance of a PPP contract is being mapped against the UN Sustainable Development Goals.

Question: Is there evidence to suggest that the performance of infrastructure PPPs is mapped or measured against social impact goals or sustainable development goals (such as the UN SDGs)?

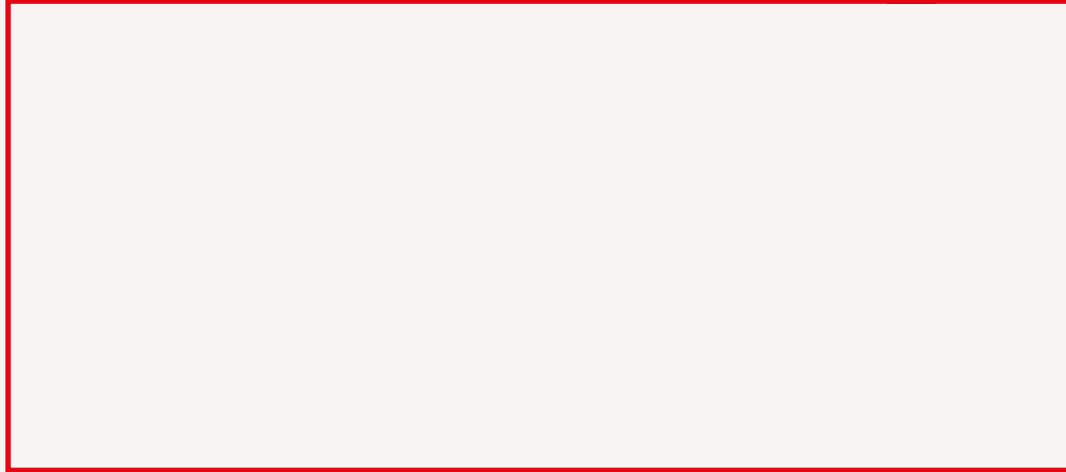
Scoring:

0= No

1= Yes

+1: If the ex-post evaluation measures to what extent SDG targets were achieved

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