



Ministry of Finance and National Planning
Government of Zambia

with



**CAPACITY-BUILDING WORKSHOPS ON
PUBLIC-PRIVATE PARTNERSHIPS (PPPs)
In ZAMBIA**

12 February to 16 February 2024

Radisson Blu Hotel

Lusaka, Zambia

CONTEXT

The United Nations (UN) is currently implementing a UN Development Account (UNDA) project titled "Towards integrated national financing framework (INFF)", which aims to support selected countries to mobilize and align financing with national sustainable development priorities, in particular in the context of addressing the significant impacts of COVID-19 on both SDG-related financing needs and on availability of public and private financial resources for such expenditure and investment. The project is coordinated by the United Nations Department of Economic and Social Affairs (DESA) and is being implemented by the United Nations Conference on Trade and Development (UNCTAD) along with the five regional economic commissions, including the United Nations Economic Commission for Africa (UNECA). The beneficiary countries of the project are: Belarus, Burkina Faso, Colombia, Egypt, Indonesia, Jamaica, Jordan, Kyrgyzstan, Pakistan, and Zambia.

Under this project, the Ministry of Finance and National Planning of Zambia (MFNP), with support from UNCTAD and UNECA, will conduct capacity-building workshops on Public-Private Partnerships (PPPs) in Zambia, with a focus on specific sectors such as the transport sector. These workshops follow two previous capacity-building workshops organized by the UNECA, through its Subregional office for Southern Africa (SRO-SA) and UNCTAD in the areas of domestic resource mobilization and illicit financial flows (in March 2022) and impact investing and corporate sustainability reporting (in March 2023). Together, these series of capacity-building workshops intend to strengthen Zambia's capacities at planning, financing, and monitoring its sustainable development.

The capacity-building workshops on PPPs in Zambia will build on the "Action Plan for PPP Implementation" developed by UNECA, which identified the following five key actions to support the Government of Zambia in improving its capacity to implement and manage sustainable public-private partnerships (PPPs) to close the infrastructure gap and deliver better public services to the population:

- **Key Action 1:** Strengthen the PPPs policy and legal and regulatory framework.
- **Key Action 2:** Train more staff in project design, selection, evaluation, structuring, and contract administration.
- **Key Action 3:** Reform the PPP department into an autonomous one-stop PPP facility under the Ministry of Finance and National Planning.
- **Key Action 4:** Increase the awareness of PPPs as infrastructure and service/products delivery options.
- **Key Action 5:** Improve the participation of local investors, financiers, and project developers in the PPP cycle.

Following the above action plan, UNECA published the "**Infrastructure Public-Private Partnership Diagnostic Study Report on Zambia**" in February 2023¹, which provides a detailed assessment of the country's needs in this area. As per the report, Zambia has a good legal framework for PPPs in place, but the track record of PPPs to date shows a large number of unsuccessful projects, and the fiscal commitments and guarantees already given for these existing projects have reached a ceiling. In addition, the country is facing a deep economic crisis and budgetary constraints that do not provide a positive short-term outlook for the development of government-funded PPPs.

According to the same assessment, one of the main issues undermining the business environment in Zambia, which is currently not conducive to the development of new PPPs, is the lack of expertise in government agencies, which leads to delays in decision-making, problems in project preparation, and difficulties in conducting feasibility studies and dealing with unsolicited proposals. There is also a general

¹ This was a deliverable under UNECA' UNDA 13th tranche project "Public-private partnerships to catalyse infrastructure development and innovative financing for industrialisation in Africa".

lack of financial resources for feasibility studies and financing, exacerbated by the lack of well-prepared and bankable projects.

Specifically, to address **Actions 2 and 4** of the Action Plan, and building on UNCTAD's PPPs capacity building and training programme for transport and logistics, UNCTAD, together with UNECA, will organize two back-to-back in-person workshops on PPPs and one high-level session with the PPP Council of Zambia from 12-16 February 2024.

The *First Workshop (1 day)* will focus on raising awareness of PPPs in Zambia and will target a wider audience of key stakeholders from various public sector institutions. The *Second Workshop (3 days)* will deepen the knowledge gained in the first workshop by addressing critical issues related to project structuring, financing, and management of the PPP process cycle. It will target a smaller audience of officials from government agencies and institutions involved in infrastructure development in the country.

OBJECTIVES OF THE WORKSHOPS

- The **first workshop** aims to raise awareness and build fundamental knowledge among key stakeholders and agencies regarding PPPs and their sustainable development in Zambia. The workshop will particularly focus on infrastructure supporting trade and development, with particular emphasis on transport, logistics, and energy infrastructure.
- The **second workshop** aims to further develop the institutional capacity of Zambian government agencies on PPPs by building technical knowledge and understanding of PPPs, with a particular focus on:
 - i) How to properly structure a PPP project;
 - ii) How to finance PPPs;
 - iii) The PPP cycle (preparation, delivery, and management of PPP contracts); and
 - iv) The design of PPPs models for infrastructure projects that support trade and development, in particular transport, logistics, and energy infrastructures.
- In addition, a **High-level Session** with the PPP Council of Ministers of Zambia will be organized to provide the Council with an overview of the key issues to be considered when examining PPPs project proposals.

The overall objective of this capacity-building activity is to provide the Government of Zambia and its agencies with the necessary knowledge to further develop and master the skills required to deliver PPP projects that are well-prepared and bankable, but also environmentally and socially sustainable.

TARGET AUDIENCE

1ST WORKSHOP (targeting a larger audience: ministries, public agencies, and institutions)

The target participants for the workshop are **key stakeholders from various ministries and public agencies and institutions** involved in either supporting or developing infrastructure projects, or in providing public services through infrastructure that could be delivered through PPPs. These include officials from ministries focused on economic affairs (such as economy, finance, planning, trade and industry, and development banks), line ministries responsible for economic infrastructure (such as transport and logistics, public works, and energy), as well as line ministries leveraging social infrastructure for public services, and members of the PPP Unit. The 1st workshop is structured to accommodate a target audience of **80 (maximum 90) participants**.

2ND WORKSHOP (smaller, targeted audience involved in PPPs/Infrastructure Projects)

The 2nd workshop is specifically designed for **key officials involved in developing, implementing, and monitoring infrastructure projects** through traditional procurement or PPPs. Participants must have attended all sessions of the 1st workshop as a prerequisite.

At the end of this workshop, they will anonymously complete a questionnaire to evaluate their knowledge retention. The Government of Zambia, in collaboration with UNCTAD and UNECA, will identify potential participants, considering diverse backgrounds, including economics, law, finance, engineering, environmental, and social sciences from different government departments and agencies. The workshop, focusing on hands-on group work, is structured to accommodate a target audience of **45 (maximum 50) participants**, due to its interactive format and duration.

HIGH-LEVEL PPP Council of Ministers Session

(targeting the PPP Council of Zambia)

The target participants for the high-level session are the members of the PPP Council that examines proposals of PPP projects in Zambia.

APPROACH, FORMAT AND CONTENT

UNCTAD APPROACH FOR CAPACITY-BUILDING ON PPPs

As part of its activities within the Transport Section of the Trade Logistics Branch of the Division on Technology and Logistics, UNCTAD focuses on public-private partnerships (PPPs) in the field of transport infrastructure and services, including railways, roads, ports, airports, dry ports, and logistics platforms. Transport and logistics infrastructures play a crucial role in facilitating trade, boosting both global and regional connectivity, and fostering sustainable development. Moreover, they significantly contribute to sustainable development and are fundamental in achieving numerous Sustainable Development Goals (SDGs). These infrastructures drive economic growth, foster social inclusion, and promote environmental sustainability. This approach underscores the critical link between efficient transport systems and broader socio-economic goals, underscoring transport's integral role in the global agenda for sustainable development.

In a context where governments are increasingly concentrating on regulating rather than directly developing economic activities, and where the demand for more and better public service is growing amidst constrained budgets, the role of private sector investment in infrastructure has been increasing. PPPs offer an alternative to traditional procurement methods not only in bridging the infrastructure gap but also in providing specialized expertise and know-how. However, they are more complex than standard Engineering, Procurement, and Construction (EPC) contracts, usually longer in duration, and often encompass significant contractual and financing aspects with public sector guarantees.

For this reason, PPPs projects must be well assessed, structured, and monitored to be sustainable in the long-term and should be prepared using a progressive methodology with intermediate checkpoints (gates) to ensure that all the key elements for success are in place throughout the whole project cycle, including not only the economic but also the environmental and social dimensions (the "triple bottom line"). Otherwise, PPPs can become a fiscal burden for a country.

Recognizing this, UNCTAD has developed a practical approach to help countries strengthen their institutional capacity to develop well-prepared and sustainable PPPs, especially for infrastructure projects that promote trade and development (e.g., transport and logistics projects). This approach builds on best practices, case studies, and state-of-the-art tools to support project screening, evaluation, and preparation. It consists of a tailored and practical training programme that provides decision-makers, policymakers, and technical staff involved in infrastructure projects with a practical view of how to structure, contract, and manage PPPs contracts at both the project and process levels.

FORMAT AND CONTENT OF 1st WORKSHOP

FORMAT:

The workshop is designed as an in-person, full-day event lasting 8 hours and split into two parts. The first part will focus on presenting fundamental knowledge about PPPs, providing a comprehensive overview of their principles and practices. The second part will focus on a contextual analysis of Zambia's current state

in PPPs development and discuss the necessary steps to strengthen further the country's institutional capacity for effective PPPs implementation. This two-fold approach ensures a blend of theoretical understanding and practical application, tailored to Zambia's development context.

CONTENT:

As mentioned above, this workshop will cover the basics of PPPs as shown below:

Part 1: Principles of PPPs

- Definition of a PPP
- What is and what is not a PPP?
- Types of PPPs (DBFOM, BOT, etc.)
- Where and when to use PPPs
- Sustainability and social issues on PPPs
- Examples of PPPs (funded by the budget, by user tariffs and by a combination of both)
- PPP models for transport, logistics, and energy projects.

Part 2: PPPs in Zambia

- Presentation of UNECA report on PPPs in Zambia
- PPP legal framework in Zambia
- Financing PPP projects in Zambia
- Previous experience and current situation
- PPP case study from Zambia.

FORMAT AND CONTENT OF 2nd WORKSHOP

FORMAT:

This activity consists of a 3-day face-to-face workshop (18 hours) and an online follow-up session (2-3 hours).

During the workshop, participants will be divided into approximately 5 groups of up to 8 participants, with a mix of people from different institutions and backgrounds.

On days 1 and 2, the mornings will be reserved for content presentations and case studies, and the afternoons for hands-on group work and discussion. On day 3, all groups will present their work to the audience, followed by a structured debate.

After the workshop, in consultation with the Government of Zambia, an additional online follow-up session with smaller groups may be scheduled to address specific issues that arose during the workshop.

The total duration of this activity will be approximately 20 hours.

CONTENT:

Day 1: PPP Structuring & Financing

- Identification and allocation of risks
- Project finance
- How to finance PPPs (traditional instruments, blended finance, and green/climate finance)
- Payment mechanisms and performance requisites
- Contract provisions (obligations, penalties, etc.)
- Selected case studies
- Hands-on group exercise.

Day 2: PPP Process Cycle

- Preparation, delivery, and management of PPP contracts
- Dimensions to consider (governance, technical/engineering, economic, financial, legal, environmental & social)
- Phase 1: Identification and PPPs project screening
- Phase 2: Appraisal
- Phase 3: Structuring
- Phase 4: Tender
- Phase 5: Management – construction & operation until hand-back
- Tools to support project screening, project preparation and contract management.
- Selected case studies
- Hands-on group exercise.

Day 3: Hands-on consolidation exercise & Wrap-up

- Hands-on group consolidation exercise
- Group presentations & discussions
- Evaluation & distribution of certificates
- Closing remarks.

Printed copies of selected course slides are available to participants, as is a USB stick containing course material, case studies and additional references.

FORMAT AND CONTENT OF THE HIGH-LEVEL SESSION WITH THE PPP COUNCIL

FORMAT:

This activity will consist of a closed meeting with the PPP Council to present the outcomes of the two capacity-building workshops for the Government of Zambia and to discuss key issues on PPPs that decision-makers should consider when examining PPPs project proposals.

CONTENT:

- Overview of PPPs key concepts and the PPP cycle.
- Key issues to ensure the development of well-prepared sustainable PPP projects.
- Recommendations for decision makers.

PREPARATORY & FOLLOW-UP WORK

PREPARATORY WORK

Prior to conducting the PPP workshops, online consultations/meetings will be organized with the Government of Zambia to gather specific information related to the country's public investment and PPP legal frameworks, as well as to understand the existing PPP governance.

FOLLOW-UP WORK

Following the workshops, a summary of the activities and a follow-up (online) session will be organized to address specific issues raised during the workshop.

PROGRAMME

Week # 2024	MON 12 February	TUE 13 February	WED 14 February	THU 15 February	FRI 16 February
M O R N I N G	OPENING and 1st WORKSHOP "Principles of PPPs" Q&A	2nd WORKSHOP "Project Structuring & Financing"	2nd WORKSHOP "PPP Process Cycle & Project Preparation"	2nd WORKSHOP "PPP contract models for selected sectors" Hands-on group exercise (Consolidation)	HIGH-LEVEL SESSION WITH THE PPP COUNCIL ... End of PPPs capacity- building workshops
	BREAK				
A F T E R N O O N	1st WORKSHOP "PPPs in Zambia" Invited Speakers and Discussions	2nd WORKSHOP Hands-on group exercise (Risk Allocation)	2nd WORKSHOP Hands-on group exercise (Project Screening)	2nd WORKSHOP Group presentations & discussions Wrap-up & Evaluation and CLOSING	

DETAILED PROGRAMME OF 1ST CAPACITY-BUILDING WORKSHOP
"Principles Of PPPs For Infrastructure Development In Zambia"
 (Large Audience: up to 80-90 participants)

DAY 1 (Monday – 12 February 2024)	
08:00-09:00	Registration
09:00-09:30	Moderator: Ms. Mwila Daka , Acting Director of the Development Planning Department, Ministry of Finance and National Planning, Zambia Ms. Eunice G. Kamwendo , Director, Subregional office for Southern Africa, UNECA Ms. Frida Youssef , Chief, Transport Section, Trade Logistics Branch (TLB) / Division on Technology and Logistics (DTL), UNCTAD Keynote address: Ms. Lois Mulube , Acting Permanent Secretary, Ministry of Finance and National Planning, Zambia
09:40-10:00	Moderator: Ms. Frida Youssef , Chief Transport Section/TLB, UNCTAD Brief introduction of "UNCTAD PPP Programme", Ms. Frida Youssef , Chief Transport Section/TLB, UNCTAD "INFF and the INFF project in Zambia", Ms. Bineswaree Bolaky , Economic Affairs Officer, Subregional office for Southern Africa, UNECA (5 min) "UNECA initiative on PPPs for infrastructure development", Mr. Anthony Monga Mehlwana , Economic Affairs Officer, Private Sector Development and Finance Division, UNECA (10 min) "Introduction to the workshop: objectives and agenda", Mr. Hugo Gosmann , UNCTAD PPP consultant (15 min) An online pre-assessment survey is to be answered during the coffee break.
30 min	Coffee Break
10:30-11:30	Principles of PPPs (Part 1/2)
11:30-12:00	Interactive discussion (Examples, Quiz, and Q&A)
12:00-13:00	Principles of PPPs (Part 2/2) & Key elements for the success of PPP projects
LUNCH BREAK	
14:15-15:45	Moderator: Ms. Frida Youssef , Chief Transport Section/TLB, UNCTAD Invited Speaker (20 min): "The balanced scorecard for PPP development in Africa," Dr. James Chima , Infrastructure expert Invited Speaker (20 min): "PPPs in Zambia: state of the art and lessons learned from previous experiences," Mrs. Andiseya P. Lengalenga , Acting Director of the PPP Department, Zambia Invited Speaker (20 min): "PPPs Legal Framework in Zambia", Ms. Nukwase Mwanza , Assistant Director Legal of the PPP Department, Zambia Invited Speaker (20 min): "Financing PPP projects in Zambia", Mr. Ekow Osam Coleman , PPP Unit Coordinator, AfDB Discussion
15 min	Coffee Break
16:00-17:00	Moderator: Ms. Frida Youssef , Chief, Transport Section/TLB, UNCTAD Invited Speaker (20 min): "PPP Case Studies from Zambia", Mr. Collins Mudenda , Assistant Director - Financial Analyst of the PPP Department, Zambia Discussions Summary of the day - Mr. Hugo Gosmann , UNCTAD PPP consultant Wrap-up (online survey) and Closing remarks

END OF DAY 1

DETAILED PROGRAMME OF 2ND CAPACITY-BUILDING WORKSHOP
"Structuring & Financing PPPs For Infrastructure Development"
 (Target Audience²: directly involved with PPP projects – up to 45-50 participants)

DAY 2 (Tuesday, 13 February 2024)

08:30-09:00	Opening Remarks and Online Survey
09:00-10:00	PPPs Structuring & Financing <i>Typical Basic Structure of a PPP Project</i>
10:00-10:45	Exercise: <i>Identifying different types of PPPs payment mechanisms</i>
15 min	BREAK
11:00-12:00	PPPs Structuring & Financing <i>How a PPP Project is financed</i>
12:00-12:30	Presentation: <i>Traditional finance instruments for PPPs vs innovative finance instruments (blended finance and green/climate finance)"</i>
12:30-14:00	LUNCH BREAK
14:00-14:30	PPPs Structuring & Financing <i>Risk Allocation and Structuring</i>
14:30-17:00	Hands-on group exercise <i>Typical risk allocation on infrastructure projects from selected sectors</i> <i>5 groups / 1 project type per group (project sectors tbd later)</i>
END OF DAY 2	

DAY 3 (Wednesday, 14 February)

09:00-10:00	PPP Process Cycle
10:00-10:45	Exercise: <i>Mapping the PPP process cycle in Zambia vis-à-vis International Best Practices</i>
15 min	BREAK
11:00-11:30	PPP Process Cycle: <i>Tools to support project screening</i>
11:30-12:00	PPP Process Cycle: <i>Tools to support project preparation</i>
12:00-12:30	PPP sustainability and resilience assessment tools
12:30-14:00	LUNCH BREAK
14:00-17:00	Hands-on group exercise <i>Multicriteria Analysis: designing a simple PPP project screening tool.</i> <i>5 groups / 1 project type per group (project sectors tbd)</i>

² Attendance of 1st Workshop is a prerequisite for the participation in the 2nd Workshop.

END OF DAY 3	
DAY 4 (Thursday, 15 February)	
09:00-09:45	PPP contract models for selected sectors
09:45-10:45	Hands-on group consolidation exercise <i>Project preparation: Defining the scope, structure, and risk allocation of a PPP contract for different types of infrastructure.</i> <i>5 groups / 1 project type per group (project sectors tbd later)</i>
15 min	BREAK
11:00-12:30	Hands-on group consolidation exercise <i>(continuation)</i>
12h30-14h00	LUNCH BREAK
14:00-16:30	Presentation by each group and discussion of results Assessment of retained knowledge (anonymous questionnaire) Workshop evaluation (anonymous survey) Wrap-up of training by the instructor
16:30-17:00	Workshop Closing Distribution of Certificates
END OF DAY 4 and WORKSHOPS	

DETAILED PROGRAMME OF THE HIGH-LEVEL SESSION
"Key Issues On PPPs For Decision Makers"
(Target Audience: PPP Council)

DAY 5 (FRIDAY – 16 February /AM)	
09:30-09:45	Opening and welcoming Remarks by UNECA, UNCTAD, and the Government of Zambia
09:45-11:30	<i>Introduction: Ms. Frida Youssef, Chief Transport Section/TLB, UNCTAD</i> <i>"Key issues on "PPPs for Decision Makers" Mr. Hugo Gosmann, UNCTAD PPP consultant</i> <i>"Capacity building on PPPs for ZAMBIA", Mr. Anthony Mehlwana, UNECA Economic Affairs Officer.</i>
11:30-12:00	Open Discussion Closing Remarks
END OF SESSION	

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