



Systematic Review on Private Participation in Infrastructure: Call for Proposals

August 2010

Background

A wide range of Development Finance Institutions¹ (DFIs) have long been established to bridge the gap between commercial investments and development aid. DFIs typically invest in public/private-sector projects in higher-risk, less developed countries with the aim of mobilising greater involvement of private capital and private operators.

The impact of DFIs, in terms of investment mobilized relating to their activities, is well documented. However, the impact of DFIs on poverty reduction and stimulating broader economic growth is less well understood.

To examine this aspect in more detail the Private Infrastructure Development Group (PIDG), wishes to commission a systematic review of the links between DFI activities, poverty reduction and economic growth in the infrastructure sector.

The PIDG is a group of like minded donors that create and fund professionally-run facilities to facilitate private investment in infrastructure in the poorer developing countries. To date US\$390 million from the PIDG donors has helped secure US\$10.5 billion of private investment commitments.

The PIDG donors are the development agencies of Austria, Sweden, Switzerland, the Netherlands, Ireland, the UK, Germany (through KfW) and the World Bank Group (currently represented by the International Finance Corporation). These have together committed US\$500 million to the PIDG facilities, of which, as noted above, US\$390 million has been disbursed so far.

The rationale for all the PIDG facilities is that current infrastructure in developing countries is inadequate for the present and growing needs of their economies. Lack of infrastructure is undermining the efforts being made to achieve the Millennium Development Goals (MDGs) and frustrates economic growth. Public provision of infrastructure has been proven to be inefficient and inadequate. The PIDG believes that private participation in infrastructure (PPI) can have a dual impact on poverty reduction and the achievement of the MDGs - directly, through improving the living conditions of the poor, and indirectly, by stimulating pro-poor economic growth.

¹ For the purposes of this Systematic Review, the term DFI has been used in a generic sense to mean development finance institutions that provide funds, either as equity participation, loans or guarantees, to foreign or domestic investors in order to initiate or develop projects in sectors or countries in which the traditional commercial banks are reticent to invest in without some form of official involvement. Thus, the scope of the study would include infrastructure sector projects supported by DFIs such as FMO, Proparco, IFC, EIB, DEG, Finnfund, NorFund, Swedfund etc as well as the PIDG.

At the broad level, there is clearly a link between infrastructure investment, economic growth and poverty reduction. Less clear are the links between DFI investment and the role of private sector participation in stimulating growth and poverty reduction and, specifically, the additionality impacts of DFI support to the sector.

The PIDG and its partners wish to look systematically at the evidence available to assess the following:

Direct impacts of DFI activities such as third party finance leveraged, fiscal impacts, jobs created and increase in access to new or improved services;

Indirect impacts which go beyond the scope of a specific transaction, and looks at the role of the activities in stimulating broader economic growth and poverty reduction. This will be more difficult to track. These interim indirect impacts may be grouped into three main categories:

- (i) The demonstration effect; that by investing in a country or sector DFIs encourage others to enter these more difficult markets.
- (ii) By changing the investment climate; i.e. lowering the cost of doing business and improving the legal and regulatory environment.
- (iii) By facilitating new business activity due to improved infrastructure (e.g. transport infrastructure may make exploitation of natural resources, industrial production and distribution of products profitable).

Additionality impacts which include a review of approaches to additionality, then specific findings linked to the questions below:

Money additionality: does the public private partnership (PPP) element make an investment happen that would have happened anyway?

Demonstration effect additionality: does experience with PIDG facilities lead countries to adopt PPP in other projects?

Design and efficiency additionality: does the private sector involvement bring changes to design and/or improvements in efficiency?

Policy additionality: does PIDG participation contribute to improvements in the regulatory environment, both for specific investments and at the country level?

Call for Proposals to carry out Systematic Review

In an attempt to help practitioners, donors and policymakers increase the use of rigorous evidence in decision-making in the PPI sector, the PIDG, through the PIDG Trust, wishes to commission a Systematic Review to address the following question:

What is the evidence of the impact of DFI support (including PIDG support) for PPI, on economic growth and poverty reduction? What conclusions can be drawn from this evidence to help DFIs better target their investment to maximise their impact on economic growth and poverty reduction?

The PIDG takes a broad perspective on systematic reviews that includes qualitative and quantitative reviews of complex interventions (realist reviews). In practice this means:

1. Setting the outcome review in the broader context of the underlying programme theory, reporting evidence on all assumptions and links in the causal chain, not only outcomes, including qualitative evidence if applicable; and
2. Examining the variation in reported outcomes, not only their mean. A range of approaches to synthesising research have been described by Barnett-Page and Thomas (2009).

The systematic review should be done to recognised standards, which includes a peer review of the proposed protocol for the systematic review. The proposed review is to be restricted to interventions in low and middle-income countries, though it may also draw on evidence from developed countries on the basis of existing reviews for those countries.

For the proposed systematic review, the PIDG will organise an external peer review process using the '*International Initiative for Impact Evaluation*' (3ie) at two key stages: protocol and draft Report stage.

Study Outputs

1. A protocol for the systematic review (see below for details), which is subject to external review and approval by 3ie and the Programme Management Unit (PMU) of the PIDG²
2. A draft final Report (see below for details of what the report should include), subject to external review and approval by 3ie and the PMU
3. A final Report, subject to external review and approval by 3ie and the PMU
4. Two short summaries of the findings of the systematic review, one in 'policy brief' style (no more than 1,000 words) and one of 150-200 words suitable for a web-page feature
5. A list of all the studies included in the systematic review in a format suitable to be included in an evidence database
6. A summary progress report for circulation to PIDG donors two weeks in advance of their meeting on 18 November 2010.

² The PMU is currently CA Legal, St Nicholas House, St Nicholas Road, Sutton, Surrey SM1 1EL, UK

The Protocol

The Protocol should include the following sections:

1. Background
2. Objectives of Systematic Review
3. Review team
4. Methodology (inclusion criteria, search strategy, methods of data analysis)
5. Timeline
6. Plans for updating the systematic review
7. Sources of funding for the systematic review
8. Statement of conflict of interest
9. References
10. Names and contact details of primary researchers

Protocols should be delivered on or before 5 November, 2010.

The Report

The Report should include the following sections:

1. Abstract
2. Executive summary
3. Background
4. Objectives
5. Methods
6. Search results
7. Details of included studies
8. Synthesis results
9. Causal chain analysis
10. Limitations
11. Conclusions and recommendations (including a section on undertaking an impact evaluation of PIDG supported projects in the future)
12. A sub-section setting out potential areas of future research on the specific development impact of PIDG facilities.
13. A commentary on monitoring and evaluation(M&E)/impact reporting designed for PIDG
14. References (included and excluded studies).

The final Report should be delivered within 8 months after the start of the contract. All delivery dates will be agreed in the contract with the PIDG Trust.

All outputs will be circulated to the PIDG donors, the PIDG facilities and the PIDG's partners. They will also be posted on the PIDG's website and the PIDG donors' and partners' websites. Additionally, we will strongly encourage the use of the outputs for publication in peer review journals.

References:

Barnett-Page E, Thomas J (2009) 'Methods for the synthesis of qualitative research: a critical review', BMC Medical Research Methodology 9:59, doi:10.1186/1471-2288-9-59. (Freely available at <http://www.biomedcentral.com/1471-2288/9/59>)

Proposals

Proposals should include the following:

1. Name and CV(s) of lead researcher(s) and outline of proposed review team
2. A list of possible studies to be included in the review (this list need not be comprehensive, but is required to show an indication of the studies to be reviewed for the proposed topic)
3. Outline of proposed review, including your inclusion criteria for studies, your proposed search strategy and steps to assure quality, and methods of synthesis
4. Proposed timetable for deliverables (based on assumption that the work will start during September 2010)
5. Cost/budget.

The minimum team size for a systematic review is 3 members, including one lead researcher/investigator (attached to an academic institution) and two research assistants. In order to conduct a comprehensive search, teams will need full-text access to journals, an academic library and the internet. Access to statistical software packages for meta-analysis is an advantage.

As an approximate guide, we expect the study to cost around £40,000, though this may be higher if justified. Value for money will be a significant part of the decision making process for awards.

Assessment of Proposals

Proposals will be assessed against the following criteria (the weight accorded each criterion is shown in parentheses):

1. Experience of lead researcher(s):
 - (i) Do the lead researchers have relevant experience in the relevant research and sector conducting systematic reviews (25%)?
 - (ii) Does the team include the right mix of relevant technical skills (10%)?
2. Awareness of, and adherence to, systematic review procedures:
 - (i) Does the proposal make clear an awareness of the procedures required to meet systematic review quality standards? (10%)
 - (ii) Is the application of these procedures (e.g. systematic review of all available literature) evident in the proposal? (10%)

3. Incorporation of appropriate methodological approach for the specific subject :
 - (i) does the proposal recognise the importance of developing a review using appropriate techniques and, if relevant, of focusing the review within a single discipline? (10%)
 - (ii) Does the proposal recognise the importance of analysing the program theory across the causal chain? Is the collection of material and proposed method of analysis set up in a way so as to achieve this? (15%)
4. Budget and timeline (20%): Value for money and timeliness of reviews will be a major consideration in the assessment

Each of the above criteria is scored on a scale of 0 -10. An aggregate score is then calculated using the weights shown, to give a total score of 0 -10.

The review team will report to the PMU.

Proposals should be submitted electronically by 3 September 2010 to:

michelle.tompson@calegal.co.uk

Please note that we reserve the right to approach individuals to complete systematic reviews if we do not receive applications of sufficient quality.

We reserve the right to abandon the process at any time and for any reason. Applicants shall bear all costs associated with the preparation and submission of proposals.

Any enquiries should be sent to: **michelle.tompson@calegal.co.uk**