





Municipal Public-Private Partnership Framework



TABLE OF CONTENTS

Purpose	a af tha	Madula
PHIDOSE		N/(0)
		The date

02

2.0 PPP Communication Strategy Framework

2.1 PPP Stakeholder Engagement	04
2.2 Stakeholder Identification	05
2.3 Framing the Message to Various	08
Stakeholder Groups	
2.4 Communication Instruments	10
2.5 Time Frame	10

3.0 Communication Plan

12

4.0 List of References

03

Module 14 : Communication Strategy

1.0 Purpose of the Module

This module provides guidance on the preparation of a communication strategy for the implementation of municipal-level PPPs.

2.0 PPP Communication Strategy Framework

A communication strategy conveys to stakeholders the objectives, roles, safeguards, and key performance targets of the project. Devising and implementing a sound communication plan can help prevent critical misunderstandings as well as ensure mechanisms to better address the specific needs and concerns of each stakeholder within the PPP project structure.

At the same time, since PPPs are long-term contracts, communicating with stakeholders helps

identify conflicts early, manage risks, and increase the chance of success of the project. Stakeholder communication and involvement is useful to gauge public support for the project, and to identify project issues as early as possible.

The key elements of a communication strategy for the implementation of municipal PPPs involves a number of key considerations:

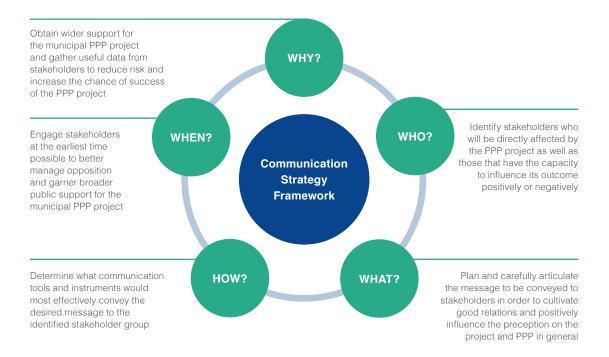


Figure 1: Communication Strategy

The sections below elaborate on these elements.

2.1 PPP Stakeholder Engagement

PPP stakeholder engagement helps ensure that PPP projects are prepared and implemented in an open and transparent manner by including the participation of key stakeholders such as the end users, labor, private sector, public sector, nongovernmental organizations (NGOs), civil society, and other relevant sectors.¹

The purpose of designing and implementing a stakeholders' engagement plan is to determine if there are significant policy concerns, issues, or even opposition to a potential PPP project that need to be addressed and resolved before the project can be considered viable as a PPP. International experience has shown that PPP projects have the best chance of being sustainable when they can address the important views of end users and other affected stakeholder groups within the project's structure (see project summary No. 91 - North Toronto Collegiate Institute, Canada). PPP projects that generate vocal public opposition and whose impacts on stakeholders do not get satisfactorily addressed, often risk being stopped, delayed, and especially cancelled at significant cost (see project summary No. 24 - Udaipur Waste Water Treatment Plant, India

Infrastructure projects by design have multiple stakeholders and managing all of them successfully is critical to the viability of the project. The failure to engage with the local community during PPP projects has undermined many projects, an example might be the Cochabamba water project, where water tariffs were increased several-fold on poor consumers without proper community engagement.²

- Community Engagement. ² Special Unit for South-South Cooperation. 2012. Cochabamba, Bolivia, Urban Water Expansion - Case Study. https://www.esc-pau. fr/ppp/documents/ featured_projects/ bolivia.pdf.
- ³ This module seeks to provide a framework for engaging with the local community when designing, developing, and implementing a PPP project ('community engagement'). This is specifically different from the stakeholder consultation and other processes designed to engage with affected persons for resettlement where land is acquired by the government. ⁴ See Module 18:

thegpsc.org

Community Engagement.

Community engagement must be strategic. Poorly managed engagement can create delay, increase cost, and complicate projects. Many legal systems allow interested parties to challenge a project, and potentially request an injunction until the courts can review the claim.³ This can create significant risk for investors and delay for projects. Finding the right balance of engagement is a difficult but essential task.

Who: Establishing dialogue and building trust with a community can be a difficult task. One must first identify the community who will be affected by or have an influence over the project.⁴ A community defined too narrowly misses out important inputs and buy-in and that defined too broadly loses voice and relevance. For an infrastructure project, the community is anyone who will be affected by or have an influence over the project. This could be people receiving services from the project, those near the project but not receiving services,

community leaders, regulators, those who will be inconvenienced during construction of the project or who will be displaced by the project. Broadly, the community can be classified into two groups:

- User community: The end users or customers of the infrastructure and/or services provided, for example, the people who use the highway; and consumers of the electricity being produced. While most projects prioritize the interests of the direct purchaser of the services, the ultimate user is often insufficiently engaged in project development or implementation.
- Affected community: For example, communities to be resettled as their land would be used for the construction of the highway; those living near the site for a new coal-fired power station; potential employees of the companies being expanded, reformed, or replaced; and local residents who will not benefit from the new services or local government officials.

When: Stakeholder engagement should occur at each stage of a project, starting from the feasibility and concept stages right through to the operational phase. Engaging with key stakeholders from the early stages of a project assists in establishing strong relationships, ensuring project designs fit with local community needs and identifying key risks that those stakeholders may know best.

Why: The decision to engage with the local community is not just altruistic. Effective community engagement can help projects avoid cost and time overruns, enhance operational efficiencies, and mitigate other risks. A project fully engaged with stakeholders and the local community is more likely to survive changes in government and policy. An example would be a water project in Rwanda being developed by the private operator Aquavirunga with help from Smart Development Works—an NGO engaged with consumers in several districts. The campaign increased the community's understanding and acceptance of water payments and improved the relationship between consumers and community leaders. From 2009 to 2011, water loss reduced from 69 percent to 49 percent and the operational cost coverage ratio increased to 91 percent. About 75 percent of water access points were managed by water user committees and 600 water user committee members were trained in basic maintenance, conflict resolution, and financial management.

¹ See Module 18:

2.2 Stakeholder Identification

Figure 2 provides a quick overview of stakeholder identification.

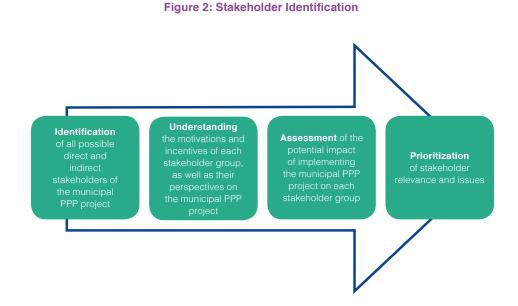


Table 1 presents an overview of the potential stakeholders in a municipal PPP project, their likely concerns and interests. The municipality will want to

create a stakeholder map to ensure it has identified all key stakeholders and has assessed their respective interests and concerns.

Stakeholder Group	I	Probable Interests and Concerns in the PPP Project	
Residential, commercial, and industrial users (large, medium and small), consumer associations (private and	Interests	 Improved, more accessible, and reliable levels of service Lower prices 	
commercial)	Concerns	Prices increasing	
		 Service quality reductions over time Changing demands for services over time and ability of PSP to adjust service delivery 	
		Lack of influence of consumers over service delivery	
Local landowners (in and around the project site) and affected persons	Interests	 Increasing land values New economic opportunities Compensation for land or lost land value 	
	Concerns	 Concerns about being forced to sell land Concerns about limitations of use of land Concern about value of land decrease 	
Current providers of services within the sector (for example, local water vendors in the case of a water treatment PPP, or waste pickers in the case of a solid waste management PPP)		 New business opportunities with the new PPP, such as providing services or supplies to the new PPP company Jobs with the PPP Safer working conditions (for example, where waste pickers will be working in a well-organized solid waste management framework) Compensation for lost livelihood 	
	Concerns	 Reduced demand for their services Increased cost of supplies (for example, where water vendors buy bulk water from the system and prices are likely to go up 	

under the PPP)

Table 1: Stakeholders

Stakeholder Group	Probable Interests and Concerns in the PPP Project		
Labor groups	Interests	 New employment opportunities with the new PPP company, it suppliers and vendors Better employment conditions under PPP Compensation for change in employment benefits 	
	Concerns	 Retrenchments due to new competing PPP project More restrictive terms of employment under PPP Less attractive compensation regime under PPP employment 	
Community-Based Organizations (CBOs) and NGOs	Interests	 New opportunities to improve community and social services due to new PPP Better service delivery to the poorest and to remote communities New economic opportunities for the community, including job and service contracts 	
	Concerns	• Environmental impact, loss of land, loss of economic opportunities, affordability of services, and other impacts of the PPP, including influx of foreign workers taking jobs and changing the social dynamic of the community	
Environmental groups	Interests	Improving environmental impact of servicesRemediating existing environmental issues	
	Concerns	 Environmental impact of PPP, including indirect such as influx of foreign workers, increased industrial activity in the area 	
Industry or trade associations and local chambers of commerce	Interests	 Expanding opportunities for local businesses to participate in supplying and contracting with the new PPP or through associated economic opportunities Local businesses provided with improved, more reliable level of service 	
	Concerns	 Prices increasing Service quality reduction over time Lack of influence in PPP operation 	
Municipality/Staff	Interests	 Delivery of more, higher-quality services at a better price Mobilization of private capital for municipal investment Capacity building for municipal staff 	
	Concerns	 Labor impacts Public response to PPP Ability to monitor the performance of the PPP and enforce the contract 	
Government policy makers and senior officials	Interests	 Providing new mechanism (PPP) to address investment needs in the municipality Attracting support from national government where PPP is an identified priority Better services/solutions for municipal needs Improved transparency and access to information Access to new and better technology and methodologies 	
	Concerns	 Political opposition to the PPP Prices increasing or becoming unaffordable Legality of the PPP contract 	
Regulatory bodies	Interests	 Better services to more users and better prices Improved transparency and access to information Access to new and better technology and methodologies Improved transparency and access to information Access to new and better technology and methodologies 	
	Concerns	 Any impediment on the regulator's ability to set prices or otherwise regulate sector activities 	

Stakeholder Group	Probable Interests and Concerns in the PPP Project
The press	The press seeks to capture the imagination of all stakeholders, and therefore its interests and concerns should be a composite of all stakeholders. But the press needs to maintain maximum visibility and will therefore likely focus on those interest and concerns that attract the most attention from those most likely to appeal to the advertisers that provide the media with their revenues.

2.2.1 Municipal Government

Public sector stakeholders include mid-level municipal government staff and project managers, policy makers (for example, members of the municipal legislative council), and regulatory agencies, among others. The municipality's long-term, strategic commitment to the PPP project is indispensable. As project managers and implementers, municipal government staff need to be apprised of their responsibility to be well informed about the details of the project and be up to date about issues and recent developments regarding its progress.

The support of other municipal institutions for example, the municipal legislative council, the finance committee, the planning agency, and municipal/national regulatory agencies—is essential before a project can proceed to implementation or even tender. The role and interest of these institutions as independent assessors should also be considered in the communication strategy. The project benefits, disadvantages, and issues must be reported comprehensively to allow these institutions to conduct an accurate assessment of the project.

2.2.2 National Government

National government institutions may also be key stakeholders in the PPP project, in particular where national government approvals are required, for example, through the Ministry of Finance or the Ministry of Home Affairs. National government interests and concerns will often differ from municipal interests and concerns, and therefore the communication strategy should treat national government as a distinct stakeholder to ensure its issues are addressed.

2.2.3 Community

At the outset, this group of stakeholders may include the constituents of the municipality that will be directly affected, whether positively or negatively, by the municipal PPP project. The interests of these stakeholders may vary considerably depending on whether the project is perceived to be beneficial or detrimental from an economic, social, or environmental point of view.

In the case of PPP projects, concerns may relate to the quality of the service to be delivered, the cost implications of the PPP, and transparency of the procurement and implementation process.

2.2.4 Residential, Commercial, and Industrial Users

Users are key stakeholders in any PPP but represent a large spectrum of different interests and perspectives. Users may be residential, commercial, or industrial. They may be government institutions, even police or military. They may be large, medium, or small. Users may also be represented by associations or NGOs with a different perspective on user concerns. A robust communications strategy must consider each type of user, their respective concerns and interests, and may need to include different communication strategies for each of these groups.

2.2.5 Affected Persons

Municipal PPP projects will generally have significant impacts on land and activities surrounding the project. Either the municipality will need to acquire the land or certain rights over the land (for example, where the land can no longer be used for certain activities because of the presence of the project); or the land may increase in value, where the project provides new services or facilities to the occupants of the land or where new economic opportunities arise (for example, the construction of a nearby bus terminal will provide transport links to surrounding land and make that land more valuable). Where the project has an impact on activities in and around the site, for example commercial activities on land near the project, those parties affected by the project are important stakeholders and must be part of the communication strategy.

2.2.6 Service Providers

The municipality will need to engage with the current providers of services within the sector (for example, local water vendors in the case of a water treatment PPP or waste pickers in the case of a solid waste management PPP). In some cases, these service providers can be engaged as part of the project, as employees of the PPP or service providers to the PPP. In others, the alternative service providers may need to adapt their services to the context of the PPP project, or find other economic activities to replace those lost to the PPP project. These alternative service providers can be enthusiastic supporters of the PPP or may resist the project, if the communication strategy is not successful.

2.2.7 Labor Groups

A municipal PPP project is likely to have an impact on employment in the community. It may create new job opportunities, in which case a communication strategy can help the local community prepare for the kind of employment the project will need. In others, in particular where the PPP involves management of an existing facility, current employees may be concerned that some jobs may be retrenched or requirements may change such that the current employees will not have the skills or experience needed by the PPP.

A proactive communication strategy can help the community and employees prepare for the changes resulting from a PPP, identify those people whose livelihoods will be affected, and help develop a strategy to support those individuals and ideally find them alternate employment.

2.2.8 CBOs, NGOs, and Environmental Groups

Interest groups help generate dialogue and public discourse, especially on key issues (social, gender, environmental, economic, or regulatory) that are most important to its constituents (the community) and its funders (governments, other interest groups, and individual donors). Constructive dialogue with these groups should be pursued not only to address and clarify project-related issues but also as an opportunity to gather needed information and garner public support.

2.2.9 Local Businesses, Industry, or Trade Associations and Local Chambers of Commerce

Local business and commercial perception of the municipal PPP project can serve as a useful gauge in determining the marketability and financial viability of the project, as well as the sector's level of confidence on the municipality to implement long-term PPP contracts. Local businesses and trade associations have long experience working with the municipality and understand the sector better than most stakeholders.

The thrust of the communication strategy in this case would be to (1) reassure private sector of the municipality's capacity to implement the PPP program by providing information on relevant regulations pertaining to infrastructure procurement and implementation, taxation, and contract management, among others and (2) pursue frequent project-specific consultations with various stakeholders (that is, banks and other financial institutions, investors, and technical firms) to gather market feedback on project viability and bankability.

2.2.10 The Media

The media, which includes print and nonprint, provides an important opportunity to convey information, updates, and other messages. For example, the media can serve as a powerful tool for the municipality to generate domestic and international interest in the municipal PPP project, as well as to combat any disinformation and/or misinformation.

2.3 Framing the Message to Various Stakeholder Groups

At the same time, the communication strategy should clearly convey the specific objectives of the municipal PPP project, its benefits and disadvantages, and how the interests and concerns of stakeholders will be monitored, protected, or preserved. The particular interests and concerns of the stakeholder group to be consulted must also be considered when presenting the objectives of the project. Table 2 provides indicative areas on which communication related to the implementation of a municipal PPP project may focus. These focus areas can be verified and further expanded pursuant to dialogues and consultations with the various stakeholder groups:

Table 2: Stakeholder Groups

Stakeholder Group	Focus Areas for Communication
1. Municipal executive	Objectives and long-term benefits of the overall municipal PPP program
government stakeholders	 Cost-benefit analysis Transparency and objectivity in developing municipal PPP projects and selection of
	private sector partners
	Global best practices
	 Protection of public interest
	Contract management framework
2. Policy makers/Municipal	Objectives and long-term benefits of the overall municipal PPP program
legislative government	 Transparency and objectivity in selecting private sector partners
	Cost-benefit analysis
	 Economic benefits and value to be generated Protection of public interest
	Implementation audit
3. Regulators	Transparency and objectivity in selecting PSP
	Impact on service levels, costs of providing service
	Compliance with regulatory rules
	 Provision of performance management and regulation of the PSP
	Systemic risks and market impact, including proposed risk mitigation strategies
4. Community	Objectives and long-term benefits of the municipal PPP project
	 Transparency and objectivity in selecting the PSP
	Cost-benefit analysis of the PPP decision
	 Impact on service levels, costs of providing service Risk mitigation (socioeconomic, environmental, and so on)
	• Hisk milligation (socioeconomic, environmental, and so on)
5. National governments	 Institutional capacity and stability in implementing PPPs
	 Objectives and long-term benefits
	Opportunity pipeline
	Transparency and objectivity in selecting the PSP
	 Technical and financial viability of the municipal PPP project Expected value for community of the municipal PPP project
	Support required from the government to achieve project viability (if any)
Alternative service	 Objectives and long-term benefits of the overall municipal PPP program
providers	Economic benefits and value to be generated
	Opportunity pipeline
	Protection of public interest
7. Interest groups (NGOs,	Objectives and long-term benefits of the overall municipal PPP program
civil society organizations	Transparency and objectivity in selecting the PSP.
(CSOs), and so on)	Cost-benefit analysis
	 Impact on service levels, costs of providing service Piak mitigation (conjector providing and secon)
	 Risk mitigation (socioeconomic, environmental, and so on) Economic benefits and value to be generated
	Protection of public interest
3. Local businesses and trade	Objectives and long-term benefits of the overall municipal PPP program
associations	Transparency and objectivity in selecting the PSP
	Global best practices
	Protection of public interest
	 Contract management framework

2.4 Communication Instruments

Table 3 provides the different instruments that can be used to convey the desired messages:

Table 3: Communication Instruments

No	Instrument	Purpose		
1.	White paper/Policy document	Communication of the overall PPP program, objectives, and its long-term benefits. can form the basis for inviting suggestions and feedback. Such documents are targeted to all stakeholders for the widest dissemination.		
2.	Project information memorandum/Project brief	Communication of the project objectives, background, and key details on the PPP structure. Targeted to all stakeholders for the widest dissemination.		
3.	Brief on the municipal PPP process	Communication of the process to be followed for implementing municipal PPP projects with focus on project appraisal and tender. Targeted to all stakeholders for the widest dissemination.		
4.	Conferences and symposiums	Communication of the overall municipal PPP strategy and project pipeline targeted toward dissemination to the investor community, experts, and civil society. It can also be an avenue to obtain feedback and advice on the municipal PPP program and its project pipeline.		
5.	Individual meetings	Communication with strategic interest groups to obtain information and help mo perceptions of the municipal PPP program or the specific municipal PPP project		
6.	Social media, visual media	Communication with general public—explaining the socioeconomic benefits of P creating a positive perception about the municipal PPP program, and addressing any specific issues that have arisen.		
7.	Print media - newspapers and magazines Directing focused articles and analysis toward all stakeholders, creating a positive perception of the PPP program, and addressing any specific issues that have arisen. Also used for transactional communication—EOI notices, advertisements, and so on.			
8.	TV discussions, interviews	Communication with general public—explaining the socioeconomic benefits of PPF creating a positive perception about the municipal PPP program and municipal PPF projects, and addressing any specific issues that have arisen.		
9.	Press conferences	To be held at key stages of the PPP project cycle—launch, major transaction, and progress update.		

2.5 Time Frame

The timing to engage and communicate with various stakeholders is just as crucial as the message to be communicated itself. It is ideal for the municipality to involve stakeholders in the project at the earliest time possible. Table 4 gives an indication on the ideal timing to engage and involve various stakeholder groups in the municipal PPP process:

Table 4: Engaging Stakeholder Groups

Stakeholder Group	Communication Time Frame
1. Municipal government	 Development (earliest stage) and implementation of the municipality's PPP program and project pipeline All key stages of the municipal PPP project cycle (that is, inception, development and approval, procurement and award, and contract management and monitoring)

	11	

Stakeholder Group	Communication Time Frame		
2. Policy makers/municipal government leadership	 Development and approval of the municipality's PPP program and project pipeline Project approval for tender Before signing of final PPP agreement Contract implementation 		
3. Regulators	 During project development Project approval for tender PPP agreement drafting Before signing of final PPP agreement Contract implementation 		
4. Community	 Development and approval of the municipality's PPP program and project pipeline During project development Contract implementation 		
5. National government	 Development of municipality's PPP project pipeline (inception phase) During project development During tender process Before signing of final PPP agreement Contract implementation 		
 6. Alternative service providers During project development (for updates and venue to respond/clarify proje Upon approval of project for tender (announcement to prospective bidders) During project tender (updates) Upon contract award During project implementation 			
7. Interest groups (for example, NGOs, CSOs)	During project developmentDuring project implementation		
8. Local businesses and trade associations	 Development and approval of the municipality's PPP program and project pipeline During project development During project implementation 		

3.0 Communication Plan

Table 5 presents a template of a communication plan, which summarizes all the key elements of the communication strategy framework.

Table 5: Communication Plan

Stakeholder	Focus Areas for Communication	Communication Instruments	Time Frame
1. Municipal government staff	 Objectives and long-term benefits of the overall municipal PPP program Cost-benefit analysis of the PPP decision Transparency and objectivity in developing municipal PPP projects and selection of PSP Global best practices Protection of public interest Contract management framework 	 White paper/Policy document Project information memorandum/ Project brief Brief on the municipal PPP process 	 Development (earliest stage) and implementation of the municipality's PPP program and project pipeline All key stages of the municipal PPP project cycle (that is, inception, development and approval, procurement and award, and contract management and monitoring)
2. Policy makers/ municipal legislative government	 Objectives and long-term benefits of the overall municipal PPP program Transparency and objectivity in selecting PSP Cost-benefit analysis Economic benefits and value to be generated Protection of public interest Implementation audit 	 White paper/Policy document Project information memorandum/ Project brief Brief on the municipal PPP process Individual meetings 	 Development and approval of the municipality's PPP program and project pipeline Project approval for tender Before signing of final PPP agreement Contract implementation
3. Regulators	 Transparency and objectivity in selecting PSP Impact on service levels, costs of providing service Compliance with regulatory rules Provision of performance management and regulation of the PSP Systemic risks and market impact of the municipal PPP project, proposed risk mitigation strategies 	 Project information memorandum/ Project brief Individual meetings 	 During project development Project approval for tender PPP agreement drafting Before signing of final PPP agreement
4. Community	 Objectives and long-term benefits of the municipal PPP project Transparency and objectivity in selection of the PSP Cost-benefit analysis Impact on service levels, costs of providing service Risk mitigation (socioeconomic, environmental, and so on) 	 Social media, visual media Print media - newspapers and magazines TV discussions, interviews Press conferences 	 Development and approval of the municipality's PPP program and project pipeline During project development Contract implementation
5. National governments	 Institutional capacity and stability of the municipal government in implementing PPPs Objectives and long-term benefits of the municipal PPP project Opportunity pipeline Transparency and objectivity in selecting PSP Technical and financial viability of the municipal PPP project Expected value for investors of the municipal PPP project Support from the government to achieve project viability (if any) 	 Project information memorandum/ Project brief Brief on the municipal PPP process Conferences and symposiums Social media, visual media Print media - newspapers and magazines Press conferences 	 Development of municipality's PPP project pipeline (inception phase) During project development During tender process (for bidders) Before signing of final PPP agreement (for preferred bidder) Contract implementation (for PSP)

Communication Plan

Stakeholder	Focus Areas for Communication	Communication Instruments	Time Frame	
6. Alternative service providers	 Objectives and long-term benefits of the overall municipal PPP program Economic benefits and value to be generated Opportunity pipeline Protection of public interest 	 Brief on the municipal PPP process Social media, visual media Print media - newspapers and magazines TV discussions, interviews Press conferences 	 Upon finalization of the municipality's PPP program and project pipeline During project development (for updates and venue to respond/clarify project issues) Upon approval of project for tender (announcement to prospective bidders) During project tender (updates) Upon contract award During project implementation 	
7. Interest groups (NGOs, CSOs, and so on)	 Objectives and long-term benefits of the overall municipal PPP program Transparency and objectivity in selecting private sector partners Cost-benefit analysis Impact on service levels, costs of providing service Risk mitigation (socioeconomic, environmental, and so on) Economic benefits and value to be generated Protection of public interest 	 Project information memorandum/ Project brief Conferences and symposiums Individual meetings 	 During project development During project implementation 	
8. Local businesses and trade associations	 Objectives and long-term benefits of the overall municipal PPP program Transparency and objectivity in selecting PSP Global best practices Protection of public interest Contract management framework 	 White paper/ Policy document. Project information memorandum/ Project brief Brief on the municipal PPP process Conferences and symposiums 	 Development and approval of the municipality's PPP program and project pipeline During project development During project implementation 	

Module 14 : Communication Strategy

4.0 List of References

Special Unit for South-South Cooperation. 2012. *Cochabamba, Bolivia, Urban Water Expansion -Case Study.* https://www.esc-pau.fr/ppp/documents/ featured_projects/bolivia.pdf.