

Private-Public Partnerships in Guatemala

Final Report

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Acronyms

AEPQ	Highway Escuintla-Puerto Quetzal
AILA	International Airport La Aurora
ANADIE	National Agency of Alliances for the Development of Economic Infrastructure
BCIE	Central American Bank for Economic Integration
CIs	Contracting institutions
CIV	Ministry of Communications, Infrastructure and Housing
CONADIE	National Council of Alliances for the Development of Economic Infrastructure
CONVIA	Guatemala Highway Consortium
DBFOM	Design, Build, Finance, Operation, and Maintenance
FEGUA	Railways of Guatemala
FUNDESA	Foundation for the Development of Guatemala
GoES	Government of El Salvador
GoG	Government of Guatemala
IDB	Inter-American Development Bank
INVEST	Investment and Exports Promotion Agency of El Salvador
MARN	Ministry of the Environment and Natural Resources
MCC	Millennium Challenge Corporation
MINECO	Ministry of Economy
MINFIN	Ministry of Public Finance
PPP	Public-private partnership
PROESA	Export and Investment Promotion Agency of El Salvador
PRONACOM	National Competitiveness Program
SEGEPLAN	Secretariat of Planning and Programming of the Presidency
ToC	Theory of Change

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Executive Summary

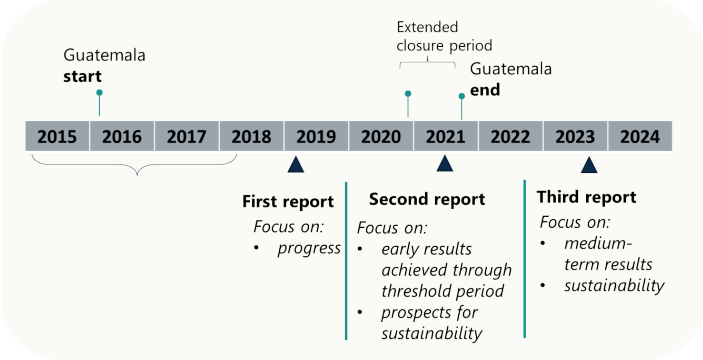
A. Introduction

The Millennium Challenge Corporation (MCC) and the Government of Guatemala (GoG) implemented a \$28 million Threshold Program to improve the quality and relevance of public secondary education, improve tax and customs administration, and stimulate private funding for infrastructure. The Threshold Agreement was signed in April 2015; the agreement entered into force in May 2016 and ran through October 2021.

The Resource Mobilization Project under the threshold program is made up of two activities: (1) Improving Tax and Customs Administration and (2) Strengthening the Capacity to Form Private-Public Partnerships (the PPP Activity). Together, these activities were designed to address resource constraints in Guatemala by increasing funds collected through customs and taxes while using the power of the private sector to invest in infrastructure—particularly transportation infrastructure—that has been traditionally funded by the public sector.¹

MCC contracted with Mathematica to conduct a mixed-methods evaluation of the PPP Activity. Our evaluation uses mixed methods to answer questions on implementation, capacity-building results, and sustainability. This third and final report examines to what extent the PPP Activity theory of change (ToC) was fulfilled roughly 2 years after the end of the PPP Activity (2021) and the release of Mathematica’s Second Interim Evaluation Report (Padilla et al. 2022). (See Figure ES.1.)

Figure ES.1. Timeline for the evaluation of the PPP Activity






B. Findings on the PPP Activity

MCC offered support to three PPP projects from the portfolio of the National Agency of Alliances for the Development of Economic Infrastructure (ANADIE). Specifically, MCC (1) funded a transaction advisor to support obtaining congressional approval for modernizing the Escuintla-Puerto Quetzal Highway (AEPQ); (2) paid for feasibility studies for modernizing and expanding the country’s main international airport, La Aurora (AILA); and (3) planned to fund the feasibility studies for MetroRiel. However, given the delay in approving the AEPQ project, MCC canceled all remaining work on the PPP Activity, including MetroRiel feasibility studies, in 2019.

¹ PPP projects refer to infrastructure projects developed under the PPP Activity, which is one of the two components of the Resource Mobilization Project. The Resource Mobilization Project was designed and implemented under the Guatemala Threshold program.

Since 2021, PPPs have made limited progress. AEPQ’s operation is almost two years late because there was a substantial delay in the approval of the engineering study. In November 2023, AILA was ready to enter international bidding but PPP authorities decided to wait until the new government was in place to release the tender. In addition, the Ministry of Communications (CIV) has still not established an agreement with the Ministry of Defense on where to relocate assets belonging country’s largest civil aviation association (Aeroclub). In June 2024, the incoming administration announced plans to release the tender. MetroRiel is in the same stage as it was in 2021 but has plans to commission new feasibility studies. Table ES.1 summarizes the status of each PPP project.

Table ES.1. Status of PPP projects as of July 2024

PPP project	Description	MCC support	Phase as of July 2024	Progress since June 2021
 Highway Escuintla-Puerto Quetzal	DBFOM—Brownfield Rehabilitation and conversion of an existing road to a highway	Transaction advisor	Construction (Pre-construction)	CONVIA developed the final engineering study for the project. CIV approved the engineering study. CIV and ANADIE began the supervision and auditing processes.
 La Aurora International Airport	DBFOM—Brownfield Modernization and expansion of the country’s main international airport	Pre-feasibility/feasibility studies	Tender and approval	CONADIE approved the terms of the invitation to tender the PPP project. The new administration announced plans to release the tender.
 MetroRiel	DBFOM—Brownfield Establishment of a light-rail system to serve the country’s capital city	Feasibility studies canceled in 2019	Preparing and structuring	ANADIE expects to sign an agreement with BCIE to fund MetroRiel feasibility studies.

Note: *Brownfield* projects involve renovating or expanding existing infrastructure. This is in contrast to *greenfield* projects, which involve building new infrastructure.

BCIE = Central American Bank for Economic Integration; CIV = Ministry of Communications, Infrastructure and Housing; CONADIE = National Council of Alliances for the Development of Economic Infrastructure; CONVIA = Guatemala Highway Consortium; DBFOM = Design, Build, Finance, Operation, and Maintenance.

Guatemala’s existing legal and institutional framework has hampered the short-term development of PPPs and raises questions about the future of PPPs. Stakeholders noted that congressional approval affected AEPQ’s transition from tendering to approval to construction. Delays associated with the approval generated unforeseen challenges for AEPQ’s concessionaire. For example, CONVIA noted that several of the project’s feasibility studies were outdated by the time the project reached the construction phase. In addition, Congress’s outsized role in the approval process might discourage support for future PPP projects given AEPQ experience in which Congress rejected the PPP lacking an objective ground and stalled its progress for more than a year. The executive branch has little incentives to support PPP projects that might not start operations during their four-year tenure. Similarly, the costs and risks of congressional approval might dissuade private partners from bidding on future PPP projects. Another

shortfall of the institutional and legal framework is the lack of practical guidance on how to implement PPPs. As evidenced by AEPQ progress since its approval, the lack of guidance on issues such as which standards should be used to assess the project's final engineering study is one of several factors delaying its transition to the construction phase. Other factors contributing to this impasse include lack of institutional capacity and avenues for managing perceived individual risks of issuing approvals.

Weak high-level political support has affected PPPs' implementation and presents a risk to the sustainability of the PPP Activity. The two administrations that engaged the MCC-supported PPPs have not provided strong political support, including champions in key positions within the executive to navigate resistance to change. The Morales administration (2016–2020) had enthusiasm for PPPs but it lacked a strong political champion capable of overcoming the challenges that emerged during the approval process. During Giammattei's tenure (2020–2024) members of the executive branch seemed to understand the benefits of PPPs but did not publicly support PPP projects or incorporate PPP projects into their infrastructure plans. In the absence of champions, agencies charged with facilitating public-private relationships—ANADIE and the National Competitiveness Program (PRONACOM)—are not positioned to serve as strong leaders. ANADIE is a technical agency with limited political pull or decision-making power. PRONACOM does not have political power and PPPs are no longer prioritized within PRONACOM's workplan.

MCC's training and advisory services established a foundation of skills and enthusiasm that sparked conversations on PPPs but did not generate the local expertise required to sustain this momentum. Stakeholders in key government ministries, such as ANADIE and the Ministry of Economy (MINECO), noted that PPP training materials were too general or short-lived to produce local capacity that could supplant the advisors funded by MCC. Local capacity also eroded as several officials who received the training or worked with the PPP project's advisors no longer work at implementing institutions or are working in roles that do not focus on assessing and developing PPPs. Similarly, organizational changes, such as transferring PPP responsibilities to new areas or staff within government institutions, also affected local capacity. The loss of local expertise, along with the lack of practical guidelines, has affected the progress of PPPs because stakeholders exercise caution when approving major decisions, which has led to administrative gridlocks and a public sector apprehensive about advancing PPP projects.

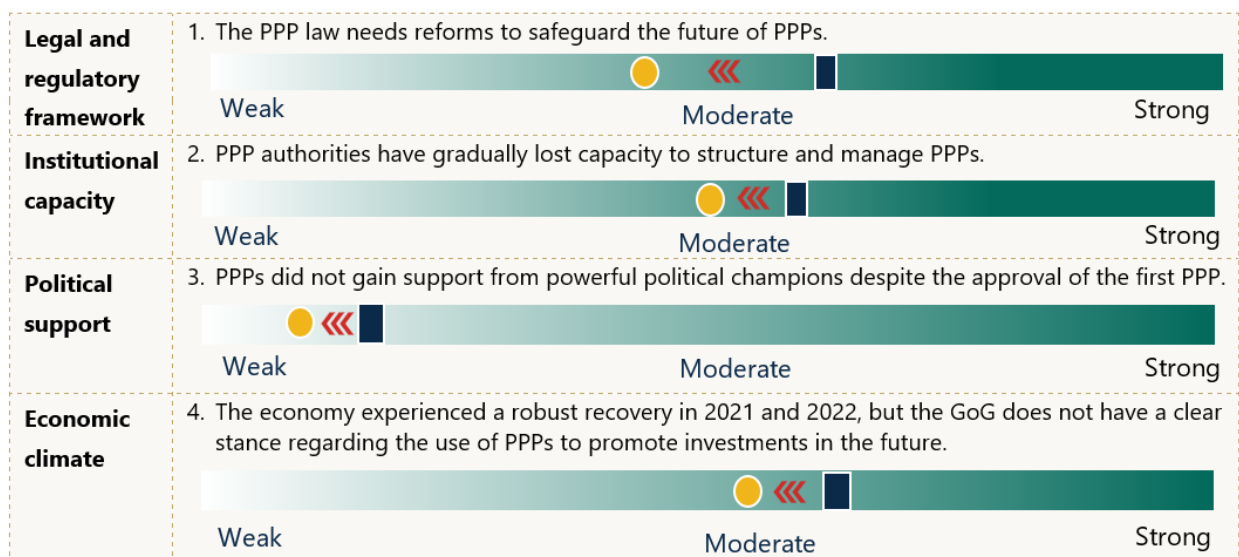
C. Conclusions

The enabling environment for PPPs faltered throughout the PPP Activity implementation and new limitations have emerged since mid-2021. Guatemala lacks key features of a PPP-enabling environment including prominent political champions and a clear understanding of PPPs by decision makers. AEPQ's contentious transition to the construction phase showed that these issues continue to affect PPPs' development and revealed new challenges. Specifically, this process showed that current institutional framework does not provide sufficient guidance on how to resolve conflicting perspectives on key aspects of implementation such as which technical standards should guide PPP projects' design. This issue, along with the complex political environment that Guatemala faces during an election year and a developing electoral crisis, have further eroded the enabling environment. AEPQ's success or failure will likely have an important effect on how the environment develops and public and private actors' willingness to engage with it going forward.

The decline in Guatemala’s enabling environment shows that managing political risks to PPPs will likely require sensitization and novel political support. The PPP Activity would have greatly benefited from a “fourth pillar” focused on lobbying and communication with political actors. Leadership from the executive and legislative branches could support developing a strategic communication focused on: (1) providing general information about PPPs to Congress members and other decision makers to explain their potential benefits and differentiate them from privatization, and (2) providing relevant information about PPPs from the ANADIE pipeline to key groups, the general public, and civil society to influence their ultimate approval in the Congress.

Further strengthening institutions and governance is required to increase the likelihood of PPP success in Guatemala. ANADIE’s capacity to develop and promote PPPs needs strengthening for these projects to flourish. Importantly, ANADIE requires a larger budget, stable leadership, and efforts to change negative perspectives of its capabilities to be a strong advocate for PPPs. Moreover, PPPs’ survival may require changes such as reforming congressional approval to improve the clarity of processes and roles defined by the legal framework.

Figure ES.2. Changes in the PPP-enabling environment in Guatemala



■ Threshold period
● Post-threshold period

Protecting PPPs from political risks requires identifying options for making them a more long-term policy priority. Including PPPs in national development plans, such as the country’s 30-year National Development Plan (Consejo Nacional de Desarrollo Urbano y Rural 2014), could pave the way. These plans are established by technical agencies and align agendas and resources across government institutions and administrations. Including PPPs in a forthcoming National Development Plan would reduce their reliance on individualized political supports (such as champions).

The sustainability of PPPs in Guatemala is uncertain, and AEPQ’s success or failure will shape the future of PPPs. AEPQ’s congressional approval is the only significant advance in the development of PPPs since 2021. While the PPP project’s contentious approval was a significant development for the PPP

Activity, the delay in beginning its operation has dampened enthusiasm for PPPs. The time it took to resolve the impasse over the engineering study will likely set a highly negative precedent for future PPPs for the public and private sectors. In addition to bolstering negative public opinion, the PPP project's failure would reinforce the idea that the private sector should not be involved in public infrastructure projects and such investments may carry unforeseen risks for private investors. Moreover, even if AEPQ succeeds, it could set unsustainable expectations for PPPs as some conditions that facilitated AEPQ's approval (such as an attractive payout to government) may not hold for future PPP projects. As of November 2023, it is unclear whether AEPQ will succeed or fail but it is certain that its fate will have an important influence on whether and how PPPs move forward.

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I. Introduction to the PPP Activity

A. Overview of the Resource Mobilization Project

Following the adverse impacts of the COVID-19 pandemic, the Guatemalan economy experienced a robust recovery in 2021 and 2022 and is expected to grow 3.4 percent in 2023 (World Bank 2023). However, ineffective governance has contributed to high rates of emigration and a significant reliance on remittances, which contribute to 17.7 percent of the GDP (2023). With a shared vision of stimulating economic growth, the Millennium Challenge Corporation (MCC) partnered with the Government of Guatemala (GoG) to implement a \$28 million threshold program designed to improve the quality and relevance of public secondary education, improve tax and customs administration, and stimulate private funding for infrastructure—particularly transportation infrastructure—that has been traditionally funded by the public sector. The threshold agreement was signed in April 2015; activities began in May 2016 and concluded in October 2021.²

The Resource Mobilization Project under the threshold program was designed to unlock constraints to economic development linked to lack of public funding, particularly for the education sector. The project is made up of two activities: (1) Improving Tax and Customs Administration and (2) Strengthening the Capacity to Form Private-Public Partnerships (the PPP Activity). Both activities were designed to address public resource constraints in Guatemala by increasing customs revenues and tax collection while leveraging the private sector to invest in transportation infrastructure. The \$2 million PPP Activity³ aimed to catalyze private investment in infrastructure.

MCC contracted with Mathematica to conduct an evaluation of the PPP Activity. Mathematica conducted a performance evaluation to answer MCC's questions on implementation, results, and sustainability. In this final report, we present the final results of the evaluation using data collected in 2023. The report is organized into four chapters. In the remainder of this chapter, we describe stakeholders and contextual factors shaping the promotion, development, and implementation of PPPs in Guatemala. In Chapter II, we list the evaluation questions we seek to address and present the evaluation design, data sources, and analysis approach. In Chapter III, we present our findings, including implementation results, insights, and implications, as well as findings across El Salvador. We conclude with Chapter IV, in which we present the PPP Activity achievements and conclusions of our findings.

B. Key stakeholders and background information on PPPs in Guatemala

Guatemala's *Decreto Número 16-2010* (PPP Law) established a legal framework for the process that must be used to develop PPPs, and its secondary regulations state the main actors for developing and executing PPPs (Finance Ministry 2010). Following the passage of the *Decreto*, PPPs must complete five phases of development, progressing from prioritization to operation (see Figure I.1). The assistance

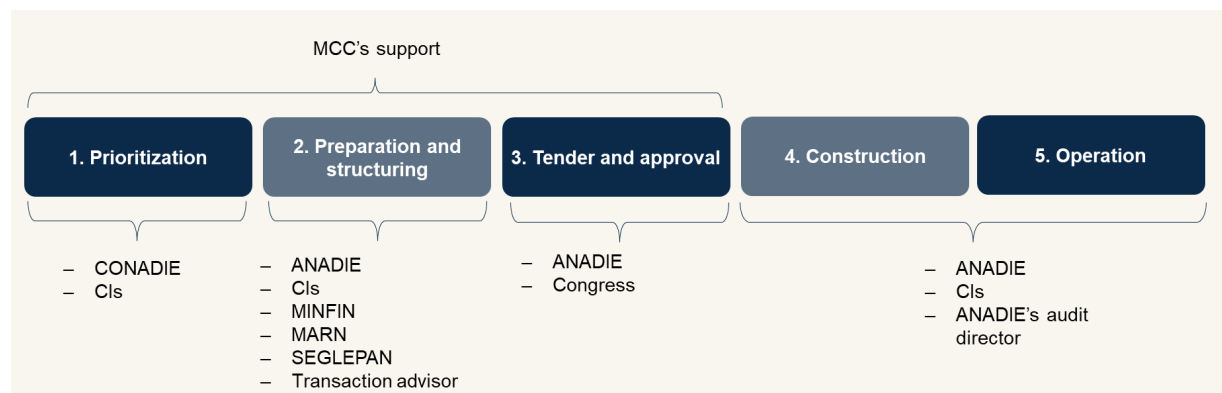
² The threshold agreement entered into force in May 2016 and the first disbursement was approved in September 2016. The original closure date was December 2020.

³ In 2019, MCC canceled all remaining work on the PPP Activity including the feasibility study of MetroRiel given the delay in approving the AEPQ project. This change reduced the Activity budget from \$3.6 million to just under \$2 million

provided by the PPP Activity is largely concentrated in the prioritization and preparation/structuring phases, which require third-party technical services as well as in-house analysis by well-trained public authorities. The National Agency of Alliances for the Development of Economic Infrastructure (**ANADIE**) is a public organization whose mission largely centers on working with other public authorities to identify, develop, and structure PPPs. Although ANADIE is not formally named in the first two phases—prioritization and preparation/structuring—its staff contracts most technical studies for PPPs and coordinates between various actors to steward PPPs through the development and approval process. The National Council of Alliances for the Development of Economic Infrastructure (**CONADIE**) is the final authority in considering a PPP project’s technical and financial feasibility. It has the formal power to prioritize, approve, and award PPPs. CONADIE is composed of members of various relevant authorities (including MINFIN and PRONACOM, described below). Other key stakeholders involved in developing and executing PPPs include:

- The **Ministry of Finance** (MINFIN), which assesses PPP projects to ensure the government does not assume undue fiscal risk as a result of PPPs.
- The **Ministry of the Environment and Natural Resources** (MARN), which conducts environmental impact assessments and the **Secretariat of Planning and Programming of the Presidency** (SEGEPLAN), which conducts socioeconomic assessments before CONADIE grants approval.
- **Contracting institutions (CIs)**, which help to identify PPP projects, manage the concessionaire’s work, and track their performance once they are operational.
- The **President and Congress**, which approve the PPP contract. Once CONADIE approves the PPP contract, they present it to the President for approval, then the contract is sent to the Congress for final approval.
- **ANADIE’s Audit Director** (*Director de Fiscalización de ANADIE*), which regulate PPPs in the construction and operation phases.
- The **transaction advisor**, which helps draft the terms of reference for the PPP project’s call for tenders.

Figure I.1. PPP phases and roles of key stakeholders



Well-designed and executed PPPs are often the product of a strong PPP-enabling environment, which includes the following components:

- **Legal and regulatory framework.** Laws and rules provide certainty about the PPP process and the roles of all stakeholders.
- **Institutional capacity.** Government officials and stakeholders have a clear understanding of the PPP process and respond to their roles.
- **Political support.** Strong political support from the highest levels of government (president, vice president, or key ministers) makes up for the higher risk associated with a PPP compared to traditional procurement.
- **Economic climate.** A healthy economic environment where the private sector has interest in executing PPPs, as well as the availability of financing for PPPs in the country, support PPP success.

C. PPP Activity theory of change and discussion

MCC has promoted the use of PPPs under many of its compacts, but the PPP Activity under the Guatemala Threshold Program and El Salvador Compact are unique in that they were designed to address a lack of institutional capacity through multiple pillars of support. These PPP activities were designed to (1) build institutional capacity to identify and design PPPs, (2) increase understanding of PPPs among public officials and interested parties, and (3) develop quality PPP projects in the short term. The long-term goal of these activities was for PPPs to be used as levers to meet public infrastructure needs with the support of the private sector while public sector funding can be used for targeted investments in education. The theory of change (ToC) developed by MCC in Figure A.1 in the appendix illustrates how the Activities and Sub-Activities contribute to that goal.

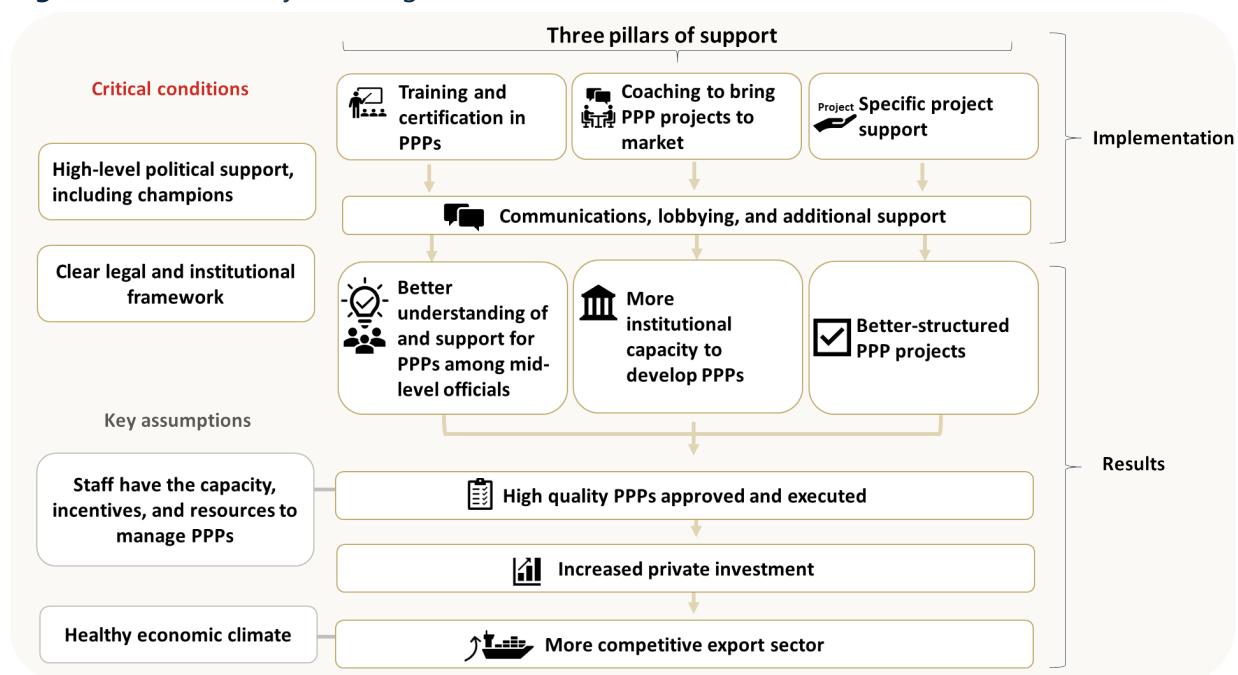
Mathematica constructed a ToC for the PPP Activity in Guatemala based on a review of the Activity's initial ToC and conversations with stakeholders (PRONACOM, MCC, ANADIE, and other key players). Mathematica's ToC largely recreates the ToC that MCC developed during the beginning of the Threshold. The ToC shows MCC's three pillars of support designed to (1) build institutional capacity to identify and design PPPs; (2) increase understanding of PPPs among public officials, interested parties such as unions, and citizens; and (3) develop quality PPP projects in the short term. In the aggregate, the PPP Activity's three pillars were designed to produce high-quality PPPs in the short term by meeting the country's most acute needs: basic technical and management capacity and high-quality specialized assistance in assessing and structuring new PPPs. In the medium and longer terms, this assistance would help to approve and execute high-quality PPPs, contribute to good management and regulation of PPPs, and help meet public infrastructure needs with private funds, thus making scarce public funds available for education investments (not shown in the ToC). Figure I.2 shows the PPP ToC, which contains these expected implementation outputs and results, as well as their sequencing.

Within the PPP Activity's ToC two critical conditions are considered necessary for the activity to fulfill its objectives: (1) political support from the president, vice president, and other visible public officials and (2) a clear legal and institutional framework that provides certainty and transparency about the processes. Political support for PPPs is critical throughout their development and implementation—but particularly for congressional approval. Similarly, a clear institutional and legal framework describing the technical,

social, environmental, fiscal, economic, legal, and regulatory aspects of PPP projects, as well as the full process that PPPs must take from identification to closing, and the roles that designated actors should play in each step of the process, must guide all players' contributions to PPPs and interactions with one another.

The figure also shows key assumptions required to achieve mid- and long-term results. Whereas critical conditions underlie the entire ToC, key assumptions are assigned to critical links between outcomes. In the case of the PPP Activity, one key assumption is that officials in contracting institutions and MINFIN have the institutional and personal incentives and resources to manage PPPs once they are approved. The other key assumption is the presence of a healthy economic climate, in which the private sector has interest in executing PPPs.

Figure I.2. PPP theory of change



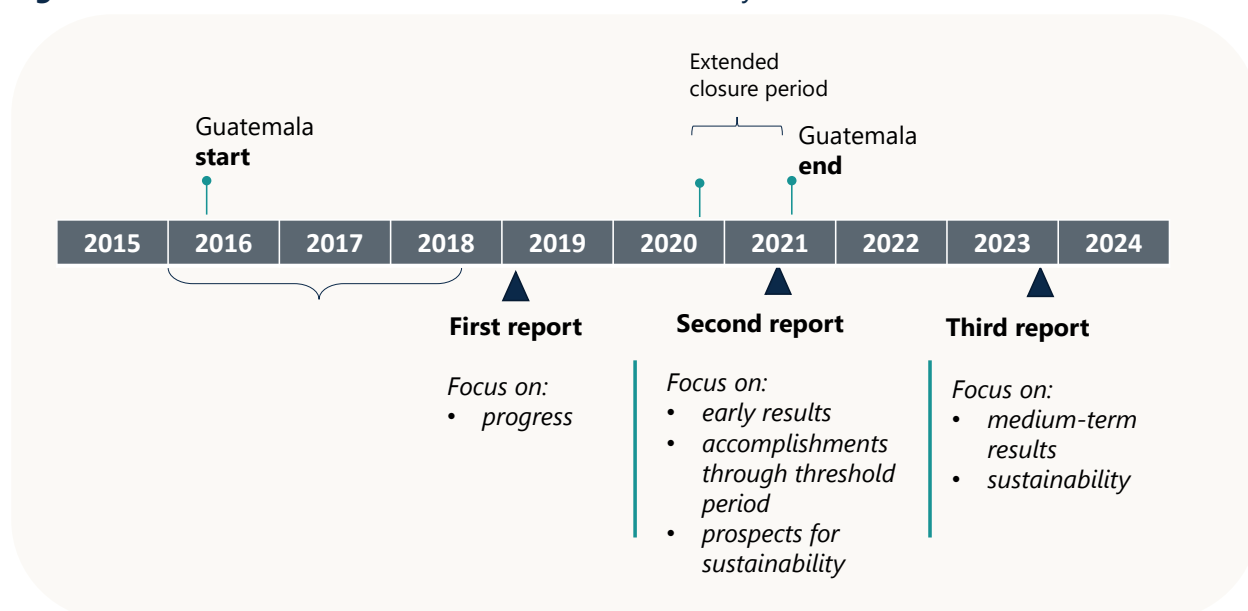
II. Evaluation Design, Research Questions, Data Sources, and Analysis Approach

A. Evaluation design

Mathematica’s evaluation of the PPP Activity is a performance evaluation that uses mixed methods to answer questions on implementation, capacity-building results, and sustainability. In December 2020, Mathematica proposed small revisions to the evaluation’s design (Blair et al. 2018). The revisions were motivated by three factors: (1) impacts of the COVID-19 pandemic on implementation, outcomes, and potential sustainability; (2) changes in implementation timelines and priorities that required modifying some of the research questions to more fully capture MCC-funded initiatives and their outcomes; and (3) infeasibility of conducting a small number of longitudinal trend analyses to measure PPP readiness in Guatemala given emerging methodological year-to-year inconsistencies around the Economist Intelligence Unit Infrascopes’ PPP indicators.

This final report of our evaluation examines to what extent the PPP’s ToC was fulfilled roughly two years after the end of the PPP Activity (2021) and the release of Mathematica’s Second Interim Evaluation Report (Padilla et al. 2022). As Figure II.1 shows, our analysis and discussion prioritize implementation and results. Our analysis of implementation reports on the status of the MCC-supported PPPs and the PPP-enabling environment. Our analysis of results discusses to what extent the outcomes depicted in the ToC have materialized. In both sections, we organize our findings using the subtitles linked to the critical conditions (particularly those related to the enabling environment) and outcomes depicted in the ToC.

Figure II.1. Timeline for the evaluation of the PPP Activity



B. Research questions

In Table II.1, we present the key research questions addressed in this report. A comprehensive list of research questions that were addressed in previous reports can be found in Appendix B.

Table II.1. Key research questions for the PPP evaluation

Key evaluation questions	Answers in the report
Implementation	
RQ1. Did the GoG/GoES follow the PPP law in developing PPP projects? [If feasible] In managing PPP projects?	Page 11-13
RQ2. What role did political and institutional contexts play in implementing PPPs in both countries?	Page 15
RQ3. How did the COVID-19 pandemic affect the implementation, effects, and potential sustainability of MCC-funded PPP investments and activities?	Page 10 and 15
RQ5. How good were the MINFIN’s assessment and management of its direct payment and contingent liability obligations arising from the PPP?	Information not available
[If feasible] How effective were the “concedente” (line ministry that signed the concession) and the regulator in managing and regulating the concession after it was signed?	Page 16-17
Results	
RQ8. To what extent did the PPP Activity facilitate greater capacity for PPPs within GoES and GoG? How have institutional interactions normalized or been codified to support PPPs?	Page 18-19
RQ9. To what extent has the PPP Activity resulted (or is it likely to result) in greater private investment in key infrastructure projects?	Page 20
RQ10. What cost savings accrue to GoES and GoG through the PPPs?	Information not available
RQ11. [If applicable] Were cost savings used for education investments?	Information not available

Notes: Since the only PPP project awarded has not moved to the operation phase, we could not collect information to answer the first part of RQ5., RQ10, and RQ11. RQ3 was also addressed in the second interim report.

C. Data sources and analysis approach

To address these research questions, we conducted semi-structured interviews with key informants from institutions involved in developing and implementing PPPs and other stakeholders of the MCC-supported PPP projects. All interviews, except the interview with PRONACOM that was conducted virtually, took place in Guatemala City in June 2023. Table II.2 provides more details on the respondents and scopes of our interviews.

Table II.2. Summary of data collection for the final report

Institution/firm	Method	Discussion topics
ANADIE	2 interviews	Current context of PPPs; implementation progress or changes since June 2021; capacity to develop, oversee, and audit PPPs; results from PPP Activity
PRONACOM	1 interview	Current context of PPPs; capacity of PPP authorities to develop, oversee, and audit PPPs; results from PPP Activity
MINFIN	1 group interview	Current context of PPPs; capacity of MINFIN to analyze PPPs’ fiscal risk; results from PPP Activity
Ministry of Communications, Infrastructure and Housing (CIV)	1 group interview	Current context of PPPs; status of AEPQ project; capacity of CIV to oversee the execution of AEPQ PPP project; identified facilitators and challenges overseeing the execution of AEPQ; and results from PPP Activity

Institution/firm	Method	Discussion topics
MINECO	1 interview	Current context of PPPs; capacity of PPP authorities to develop, oversee, and audit PPPs; results from PPP Activity
Guatemala Highway Consortium (CONVIA)	1 group interview	Current context of PPPs; implementation of AEPQ project; identified facilitators and challenges in the execution of AEPQ; results from PPP Activity
Congress	1 interview	Current context of PPPs and the reform of the PPP law
Foundation for the Development of Guatemala (FUNDESA)	1 interview	Current context of PPPs in Guatemala and the reform of the PPP law
Railways of Guatemala (FEGUA)	1 interview	Current context of PPPs in Guatemala and status of MetroRiel project
Guatemala municipality	1 interview	Current context of PPPs in Guatemala and status of MetroRiel project

We recorded and transcribed all qualitative interviews, documenting takeaways from key informants related to PPP Activity implementation and results. We used thematic coding to identify themes, and to compile supporting evidence, as well as to identify similarities and differences in perspectives across respondents. Our coding scheme prioritized extracting information corresponding to subtitles linked to the critical conditions and outcomes depicted in the ToC. Our analysis of coded transcripts focused on identifying similarities and differences in perspectives across respondents. This process enabled us to confirm patterns or findings, identify discrepancies, and help contextualize results. Drawing on this analysis, we synthesized implementation findings, as well as outcomes accomplished by the PPP Activity. To the extent possible, we also compared and contrasted implementation and results in Guatemala and El Salvador.

To complement the qualitative assessment of government capacity, we used data from the **Infrascope index** to assess government capacity to develop and manage PPPs. Our original plan was to conduct a longitudinal trend analysis of the overall Infrascope score and sub-categories scores from before the threshold period (2012) to after the threshold period (2022). The methodological changes made in 2016 and again in 2021⁴ limit us to carrying out this analysis. Instead, we present the comparison of the overall score and the conducive regulatory environment indicator for the period of interest (2014-2022). However, the interpretation of results is limited because the changes made to the **Infrascope** scoring methodology are substantive enough that is not possible to analyze trends.

The **Infrascope index** is a benchmarking tool that evaluates the capacity of the countries to implement sustainable and efficient PPPs. The scores are based on the following sources:

- Interviews and/or questionnaires from sector experts, consultants, and government officials
- Surveys from national regulators
- Legal and regulatory texts
- The Economist Intelligence Unit country credit risk and operational risk products
- Scholarly studies
- Websites of government authorities
- Local and international news media reports
- The World Bank’s Private Participation in Infrastructure (PPI) Database

Source: The Economist Intelligence Unit

⁴ In the revised design report (Blair et al. 2018) we noted that conducting a longitudinal trend analysis using Infrascope data was not feasible given methodological differences of PPP scoring for the period of interest.




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III. Findings

A. Current status of MCC-supported PPPs

As documented in the interim report (Padilla et al. 2022), MCC offered support to three PPP projects from ANADIE’s portfolio of PPPs. Specifically, MCC (1) funded a transaction advisor to support obtaining congressional approval for modernizing the Escuintla-Puerto Quetzal Highway (AEPQ); (2) paid for feasibility studies for modernizing and expanding the country’s main international airport, La Aurora (AILA); and (3) planned to fund the feasibility studies for MetroRiel. However, given the delay in approving the AEPQ project, MCC canceled all remaining work on the PPP Activity including the feasibility study of MetroRiel. This change reduced the Activity budget from \$3.6 million to just under \$2 million. As of November 2023, AEPQ is in the pre-construction phase, the modernization of AILA is ready for international bidding, and MetroRiel has plans to commission new feasibility studies. Table III.1 shows a summary of the status of each project.

Table III.1. Status of PPP projects as of July 2024

PPP project	Description	MCC support	Phase as of Nov. 2023	Notes
 Highway Escuintla-Puerto Quetzal	DBFOM--Brownfield Rehabilitation and conversion of an existing road to a highway	Transaction advisor	Construction (Pre-construction)	CONVIA developed the final engineering study for the project (approval is pending). CIV approved the engineering study. CIV and ANADIE began the supervision and auditing processes.
 La Aurora International Airport	DBFOM—Brownfield Modernization and expansion of the country’s main international airport	Pre-feasibility/feasibility studies	Tender and approval	CONADIE approved the terms of the invitation to tender the PPP project. The new administration announced plans to release the tender.
 MetroRiel	DBFOM—Brownfield Establishment of a light-rail system to serve the country’s capital city	Feasibility studies canceled in 2019	Preparing and structuring	ANADIE expects to sign an agreement with BCIE to fund MetroRiel feasibility studies.

Note: *Brownfield* projects involve renovating or expanding existing infrastructure. This is in contrast to *greenfield* projects, which involve building new infrastructure.

BCIE = Central American Bank for Economic Integration; CIV = Ministry of Communications, Infrastructure and Housing; CONADIE = National Council of Alliances for the Development of Economic Infrastructure; CONVIA = Guatemala Highway Consortium; DBFOM = Design, Build, Finance, Operation, and Maintenance.

AEPQ’s operation is almost two years late because the public and private partners disagreed over the engineering study. In March 2022, the consortium selected to manage the highway (CONVIA) and the Ministry of Communications, Infrastructure, and Housing (CIV) signed AEPQ’s approved PPP contract (see Figure III.1). Since then, CONVIA has conducted maintenance on the highway and prepared AEPQ’s

final engineering study (*Estudio Definitivo de Ingeniería*). The engineering study contains the project’s final, technical design and AEPQ needs CIV’s approval of the study to progress to the construction phase.⁵ Between August 2022 and March 2023, CIV rejected the engineering study at least twice and asked for it to be resubmitted. CONVIA resubmitted the final engineering study in October 2023, but in November CIV rejected the revised study. Though CIV has expressed its support for AEPQ, saying there is “no chance” that the project will be canceled, given the lack of approval of the engineering study, the project was at risk to go to arbitration (Gamarro 2023b). For more than a year there was uncertainty on whether and how AEPQ will move forward. In July 2024, CIV approved the engineering study and CONVIA is expected to start the construction. Consequences of the delay to start the construction to other PPP projects are unknown. Nonetheless, as we discuss in more detail below, AEPQ’s fate will likely color public and private stakeholders’ perspectives of PPPs’ future in Guatemala.

Figure III.1 Implementation timeline of AEPQ project

Date	Events that occurred as planned	Events that deviated from the original plan
December 2021	Approval of AEPQ project by Congress ¹	
March 2022	Start of the pre-construction phase of AEPQ	
May 2022	Transfer of the AEPQ’s assets to CONVIA	
August 2022	Expected submission of the engineering study	CIV did not approve the engineering study
October 2022	Expected approval date for the engineering study (prior to delays)	
November 2022	Expected start date of the construction phase (prior to delays)	
August 2022- March 2023		Revision and resubmission of the engineering study
July 2023		ANADIE testified before Congress on delays to the project; CONVIA fined Q600 million (about USD 77,000) for not complying with the timeline established in AEPQ’s contract
October 2023		Final resubmission of the engineering study
November 2023		CIV rejected CONVIA’s revised engineering study
December 2023		CONADIE must determine the project’s next steps
July 2024		CIV approved the engineering study and CONVIA is expected to start the construction

Sources: Interview with CIV and Gamarro (2023d) article in Prensa Libre.

Notes: There are couple of discrepancies between the dates reported by CIV and the press, in particular CIV reports the expected start date for the construction phase was November 2022, the press reports it was June 2022. We list the start date of the construction as November 2022 because this was the original date by which the engineering study should have been approved (had there been no objections, the engineering study should have been submitted three months after assets were transferred to CONVIA and two months later).

¹ Congreso de la República de Guatemala 2021.

⁵ The engineering study also contains 11 studies, explains how the project complies with national norms and laws, and provides financial information (Gamarro 2023a).

In November 2023, AILA was ready for international bidding but it was the new government who announced its release in June 2024. According to ANADIE, the GoG deprioritized AILA during the COVID-19 pandemic, assuming air traffic could not recover until 2022. Since 2021, ANADIE has socialized the project with the private sector and prepared a tender that would open the project to international bidding (expected for October 2023). However, CONADIE decided to wait until the new government is in place to release the tender. In June 2024, the new government announced plans to release the tender. However, its not clear if CIV has reached a formal agreement with the Ministry of Defense on where to move assets belonging to AEROCLUB, the country's largest civil aviation association which currently rents hangars required by the project. As noted in previous reports, CIV's relationship with Aeroclub is delicate and AILA's tender could face further delays if Aeroclub does not agree to its proposal for relocation.

MetroRiel is in the preparation and structuring phase, and ANADIE expects to start the feasibility studies for the project in 2023. The municipality of Guatemala City constructed 5 of the 19 train overpasses needed to alleviate budgetary concerns voiced by the federal government. In January 2023, the municipality and ANADIE resumed the structuring process. ANADIE expects to sign an agreement with the Central American Bank for Economic Integration (BCIE) to fund the feasibility studies for the project. Updating the cost studies needed to re-estimate the project's fiscal impact is important as the cost of MetroRiel (and the perception that funding the project would require the GoG to take on debt) has been a key barrier to its implementation.

B. Critical conditions

In this section we discuss our findings following key components of the theory of change for the PPP Activity (Figure I.2). We begin by discussing whether, since mid-2021, the MCC-supported PPPs have developed in an environment that meets the critical conditions needed to enable PPPs. Importantly, these conditions include offering a clear legal and regulatory framework and high-level political support, including champions.

Clear legal and institutional framework

AEPQ's development showed reforms are needed to safeguard the future of PPPs. AEPQ's transition from tendering and approval to the construction phase was a seminal test for Guatemala's PPP law. As we described in more detail in the project's interim report, AEPQ's approval process was prolonged and highly politicized. In response to this experience, stakeholders identified changes needed to ensure continued public and private sector interest in PPPs. In Table III.2 we present a summary of the main reforms stakeholders identified. First, a broad group of stakeholders (including representatives from MINFIN, MINECO, CONVIA, and a member of Congress) called for reforming congressional approval. Allowing Congress to maintain an outsized role in the approval process might make PPPs untenable for the GoG because Guatemalan administrations are short (four years without re-election) and governments prioritize projects that will be approved during their tenure. The private sector, on the other hand, may not want to accept the risks and costs that come with congressional approval. For example, CONVIA noted that, once the consortium realized AEPQ's approval was not a simple, administrative procedure, they invested in lobbying and advocacy resources needed to secure approval. Once the project was

approved, CONVIA said the consortium faced new challenges. Namely, the Palin-Escuintla road changed “dramatically” over the project’s approval period and CONVIA had to reconsider the validity of studies conducted during the preparation and structuring phase. Though stakeholders disagree on how to reform congressional approval, all agreed failing to modify this requirement may dampen appetite for PPPs.⁶

Stakeholders also noted a need for practical guidance for managing unforeseen circumstances and disagreements.

As described above, AEPQ is at an impasse because CIV rejected CONVIA’s engineering study. CIV and CONVIA offered conflicting explanations as to why the study has not been approved. For instance, CIV sustains they rejected the engineering study because it did not uphold local technical standards or the project’s contractual obligations.⁷

CONVIA, on the other hand, reported that CIV rejected the engineering study because their review was based on standards established for traditional public procurement. Also, CONVIA said the rejection of the engineering study shows a lack of understanding of how risks are distributed with a PPP framework. Because AEPQ’s contract assigns design risks to the private partner, CONVIA considers it should be allowed to set the project’s design. CIV recognized the project’s risk structure in interviews with Mathematica but noted that the contract holds CIV responsible for approving AEPQ’s design and insisted they rejected the engineering study because of quality concerns.

The lack of precedents or guidance on how to manage unforeseen disagreements, such as determining which standards should be used to assess the engineering study, has left AEPQ without a clear path forward. If this situation is not addressed, it could place other PPP projects at risk after they pass the tendering and approval stage.



“Unfortunately, [CONVIA] didn’t have much knowledge [about technical terms]. Being a Mexican company, they believed that the technical specifications of Mexico could help, but no; and we are coming to an agreement about that.”

— Carlos Rafael Figueroa Caballeros, Vice Minister, CIV, quoted in *Prensa Libre*



“Indeed, the engineering study is a 100% private risk assignment, but there is a step before where it states that engineering study has to be approved by the contracting institution of the State,’ so obviously the institution could not say ‘look, I approve something that is bad because it’s their risk. I have to approve something that is good.’”

— CIV

⁶ While some stakeholders recommended eliminating congressional approval, others advocated for its reform. For instance, a member of Congress said that congressional approval was an important accountability mechanism for PPP projects, such as ports, that could have a significant impact on Guatemala’s economy. The Congress member considered it was important to maintain congressional approval in these cases but considered it could be waived for others.

⁷ CIV said AEPQ’s contract requires the project’s technical proposal to follow the recommendations laid out in technical studies. According to CIV, these studies recommended constructing the highway using a flexible pavement solution. CONVIA’s technical proposal, however, recommended using a rigid pavement solution. Though CONVIA said this solution is a better fit for the highway (given its current status), CIV says changing the road’s material does not comply with AEPQ’s contract.

Stakeholders also reported that the reform to the PPP law should include changing the requirements for the executive director position at ANADIE. In recent years, ANADIE has been led by an acting executive director because it has been challenging to find a candidate who fulfills the requirements for the position. For the executive director position, the PPP law requires a Guatemalan citizen with 10 years of experience in PPPs, which even the acting executive director cannot meet given the short tenure of PPPs in the country.

Table III.2. Triangulation of perceptions on reforms to the PPP Law

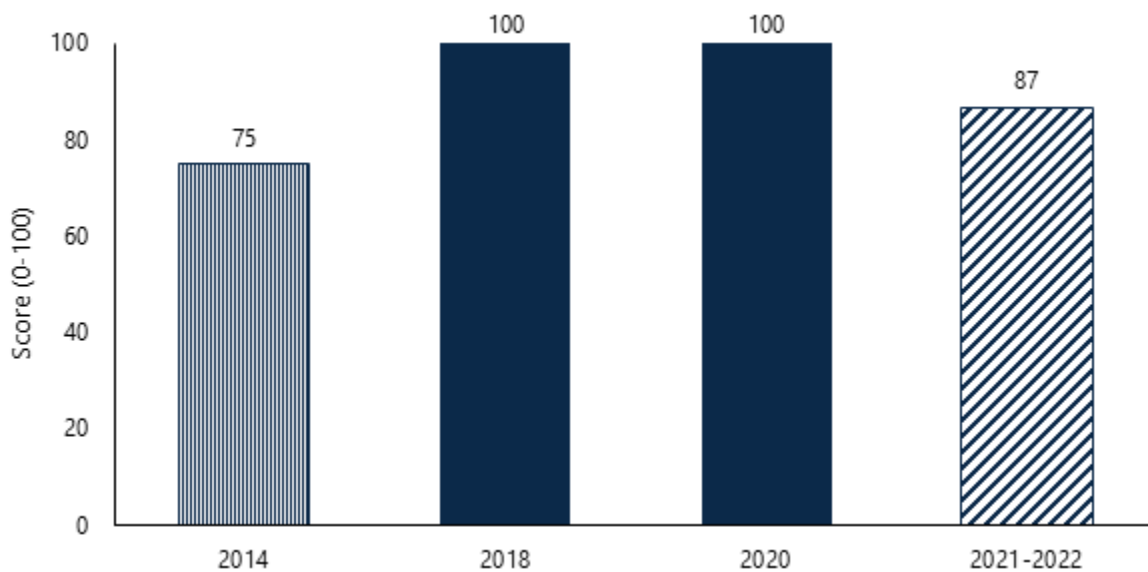
Theme	Triangulation of PPP reforms identified by stakeholders			Extract from qualitative evidence: illustrative quotes
	Gov. official	Private sector rep.	FUNDESA	
Speed up the PPP structuring process		X	X	<p><i>"If the ANADIE law is not reformed, there will be no PPPs in Guatemala because no president wants to go through the entire process of sending a project to Congress only to have it stuck there for three years."</i></p> <p style="text-align: right;">— FUNDESA</p>
Correct Congress's outsized role in the approval process	X	X		<p><i>"Great mega-infrastructure projects that could be implemented through a PPP should go through Congress, not the smaller ones... For instance, the [project] we had for the highway should have been outside of Congress; we shouldn't have to deal with such small things."</i></p> <p style="text-align: right;">— Member of Congress</p> <p><i>"Once the project is awarded, [we thought] that it would be an administrative process that would be quickly authorized. This authorization took almost three years..."</i></p> <p style="text-align: right;">— CONVIA</p>
Broader, practical guidance on how to implement PPPs, to avoid needing to interpret a complex law	X			<p><i>"The [PPP] Law was very specific. That's why it's also being a problem in how to manage AEPQ, because the Law, instead of giving general guidelines, tries to regulate what is specific... and right now AEPQ has had a situation where neither party knew how to proceed. One asked to apply a clause; the other, another clause. A law should not be this specific..."</i></p> <p style="text-align: right;">— MINECO</p>
Change the requirements to appoint an executive director at ANADIE	X	X		<p><i>"Here the law determines everything including how [ANADIE's] director is selected. [The selection process] is fit for the president of an international bank given the [10] years of experience required and other mandatory qualifications. It's difficult to find people that fill the position's requirements in a country with no experience with these types of projects [PPPs]. It's also difficult to find people that want to work on this outside of the public sector. Overall, it's complicated."</i></p> <p style="text-align: right;">— MINECO</p>

Finally, a few stakeholders noted that, in practice, there is some confusion as to which legal framework applies to PPPs. In Guatemala, two laws govern private participation in public infrastructure.

The *Ley de Contrataciones* sets guidelines for concessions (and other types of procurement), while the *Decreto Número 16-2010* governs PPPs. The *Ley de Contrataciones* is a well-established law passed in the early 1990s that has been used to enable several projects including the Palin-Escuintla concession. The Palin-Escuintla concession gave Marhnos, a Mexican infrastructure firm that is also a member of CONVIA, the right to operate and maintain a toll-based road abutting the route covered by AEPQ (Albores 2022). Officials at MINFIN noted that contracting agencies know how to work with concessions but struggle to understand the differences between concessions and PPPs, particularly how their roles differ when executing each type of contract. Additional technical guidance and sensitization efforts are needed to help officials to distinguish between the laws and their application.

Data from the Infrascopes index shows a decline in the conducive regulatory environment indicator in 2021–2022, compared to the performance in 2020. Figure III.2 shows the score in the conducive regulatory environment indicator, which assesses whether the existing legal framework is conducive for PPP implementation, whether the regulatory framework allows for accurate interpretation, and whether legislation or guidelines contain clear procedures for appeals in PPP contract disputes. Guatemala’s performance in the conducive regulatory environment indicator showed an improvement during the threshold implementation period (2018 and 2020), compared to 2014. However, the index report from 2021–2022 showed a decline in the score from 100 to 87. The decrease is consistent with reports from stakeholders. However, because of the timing of the Infrascopes report, this indicator does not fully reflect the challenges that the CIV and CONVIA have faced in the pre-construction phase.

Figure III.2. Conducive regulatory environment



Source: Evaluating the Environment for Public-Private Partnerships in Latin America and the Caribbean: reports from 2014, 2018, 2020, and 2021/22. Economist Intelligence Unit (EIU).

Note: The 2014 score is shown with a vertical strip pattern because its not comparable with the scores from 2018 and 2020 due to methodological changes. Similarly, the score from the 2021–2022 index report is shown with diagonal stripes because its not comparable with the score from 2020.

**High-level political support,
including champions**

The last two GoG administrations have not had a clear stance in favor of PPPs. At least one stakeholder noted that executive approval is critical for pushing PPPs forward. However, the two administrations that engaged the MCC-supported PPPs have not had a consistent stance on PPPs. The Morales administration (2016–2020) was enthusiastic about PPPs, but it lacked a strong political champion capable of overcoming the challenges that emerged in the approval process. During Giammattei’s tenure (2020–2024), members of the executive branch seemed to understand the benefits of PPPs but did not publicly support PPP projects or incorporate PPP projects into their infrastructure plans. The incoming Arévalo administration (2024–2028) does not have a defined stance on PPPs.⁸ Arévalo voted in favor of AEPQ while serving as a congressional representative for the *Movimiento Semilla* party and has made public statements expressing a preference for PPPs over concessions (González 2023). However, the Arévalo administration is still defining its priorities and, at the time of our reporting, is facing an electoral crisis that may affect when and how *Movimiento Semilla* implements its agenda (Menchu 2023).

PPPs continue to lack a stable champion and strong champions are unlikely to emerge within the current political environment. CONVIA said that, throughout AEPQ’s tender and approval stage, the project lacked a strong source of political support. As a result, the consortium had to lobby legislators and the executive. Since AEPQ’s approval, PPPs continue to lack a stable champion and agencies charged with facilitating public-private relationships—ANADIE and PRONACOM—are not positioned to serve as strong leaders. ANADIE is a technical agency with limited political pull or decision-making power. PRONACOM does not have political power and PPPs are no longer prioritized within PRONACOM’s workplan.⁹ Several stakeholders noted that PPP champions are unlikely to emerge in the current political environment or *coyuntura*. Stakeholders noted that public opinion is largely against private provision of public goods (fee-based provision is particularly unpopular). This makes supporting PPPs politically risky in an election year. Table III.3 summarizes the perceived support that high-level government officials and political champions provide to PPPs.

MetroRiel is the only PPP project with broad public support because it is perceived as a solution to decreasing the time people spend in transit. Unlike other PPP projects, MetroRiel is popular among citizens and its acceptance likely increased during the COVID-19 pandemic. During the pandemic, Guatemala City’s “red buses” (public buses that traverse underserved and hard-to-reach communities) greatly reduced their routes. Recent estimates suggest the fleet of red buses fell from 3,150 to 950 buses. Officials at ANADIE noted that this reduction in the availability of public transport has greatly increased

⁸ *Movimiento Semilla’s* 2024–2028 government plan (which provides a high-level summary of the party’s priorities) calls for the creation of a General Investment Law that would “establish a judicial framework to promote and incentivize investments, public and private” (Partido Político Movimiento Semilla, Guatemala 2023). However, the plan does not describe whether this law would relate to PPP law or other frameworks attracting and enabling local and foreign investments in public infrastructure.

⁹ One stakeholder explained that when PRONACOM was established its leadership was given a temporary political designation that was similar to that of the head of a line ministry. This designation has lost relevance over time and PRONACOM has lost political power as a result.


commuting costs and, in turn, raised willingness to pay for fares on MetroRiel. Conducting new studies for MetroRiel will help validate this perception that, if true, could address a major barrier to MetroRiel’s implementation—concern that funding the project would require the GoG to take on debt.

Table III.3. Perceived support that high-level government officials and political champions provide to PPPs

Stakeholder	Perceived support	Extract from qualitative evidence: illustrative quotes
High-level government official/political champions	Low	<p><i>"I think that at that time, maybe the former minister grew fond of PPPs. He did manage to bring up points to support their continuation. But I believe this [support] needs to be more consistent for the greater good."</i></p> <p style="text-align: right;">— ANADIE</p> <p><i>"I would say it has been a bit sad and depressing. Our entire team experienced it because we were the ones rolling up our sleeves, meeting with legislative groups, arguing with [Kasequir], and working with FUNDESA to get into the Proyecto País (Country Project), and with different interlocutors. But in the end, we had to raise our hand and go directly to the president."</i></p> <p style="text-align: right;">— CIV</p>
Citizens	Low	<p><i>"In general, in Guatemala, there is a rejection for any public works project where the population bears the cost. There is still a concept of the need for free services, where the State provides services for free... Right now if someone supports a PPP, almost a privatization, [people] will surely vote against it."</i></p> <p style="text-align: right;">— MINECO</p>

C. Results

In this section, we analyze whether the activity met key outcomes listed in the TOC, focusing on better understanding of and support for PPPs among mid-level officials, more institutional capacity to develop PPPs, and better-structured PPP projects. Within each subsection, we use boxes to denote the critical condition or outcome we are discussing.



Better understanding of and support for PPPs among mid-level officials

Activities supported by MCC did not secure lasting change in officials’ understanding of and support for PPPs. Officials at key government ministries—including ANADIE and MINECO—said the project’s training and advisory services and MCC’s active leadership established a base of skills and enthusiasm that initially advanced the conversation on PPPs.

However, the project failed to produce the local expertise required to sustain this momentum. Because the training was too general, it did not produce local capacity that could supplant the advisors funded by MCC. Similarly, ANADIE said the training did not provide exposure to diverse PPP scenarios—this was needed to assist the development of AEPQ, AILA, and MetroRiel, which involve distinct types of

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"When the international advisors with a wide range of experience were hired... it made a difference [but] the problem is that they were here for a while, and when they left, this was left hanging in the air."

— MINECO

infrastructure and PPP models. Stakeholders also said that the staff turnover eroded the capacity installed by the project as several officials who received the training or worked with the project’s advisors no longer work at implementing institutions or are working in roles that do not focus on assessing and developing PPPs. Finally, organizational changes have also eroded capacity. For instance, MINFIN transferred responsibility for evaluating PPPs’ fiscal and economic impact to a new unit and the members of this unit did not participate in the training the project offered.

Stakeholders indicated that contracting institutions need greater knowledge of PPPs.

ANADIE and others noted that the training should have covered a larger range of staff at CIV and other contracting institutions. As noted above, some stakeholders consider that CIV is struggling to manage AEPQ’s contract because they do not fully understand how PPPs differ from public works in terms of technical standards, risks, and other characteristics. These gaps in knowledge affected the execution of the PPP in the construction and operation stages, and is likely to affect other projects.

Even with additional training, government officials may lack incentives to execute their responsibilities.

One stakeholder noted that contracting institutions may be acting with excessive caution—preferring inaction when authorizing major decisions such as approving AEPQ’s engineering study—because they do not want to be associated with decisions that may be perceived as risky for the state or that could result in fines or other consequences. For example, in the disagreement between CONVIA and CIV on the approval of the engineering study, CIV officials were concerned that they might be considered at fault if they approved the engineering study because the material for constructing the highway included in the engineering study differed from the material in CONVIA’s technical proposal. Additional guidance on how to manage these processes may help resolve this issue but, the stakeholder noted, it will also be important to understand the reassurances officials need as *individuals* to feel comfortable taking risks.

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“There was the intention to certify individuals, [but] it didn’t happen in the end. Those types of processes should have been handled and maybe we might have a pool of experts [by now], or at least people who have participated in exchange programs abroad to bring the necessary knowledge to apply it here. I think that’s what’s missing.”

— MINECO

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“[CIV] requests a detail or specification on a plan that is valid in traditional projects because the state assumes the risk of design, construction, financing, and project concession. However, in a [PPP], the private participant assumes aspects of the design, construction, and financing. So, they shouldn’t request the same requirements.”

— ANADIE

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“Because what is likely to happen is that public officials at Caminos simply don’t understand many concepts, so they prefer to reject [instead of] signing. That signature would put them in a very complicated situation of twenty years of responsibility. So, it’s better to do nothing.”

— FUNDESA



More institutional capacity to develop PPPs

As of June 2023, ANADIE continues to function as Guatemala's premier PPP agency and is responsible for identifying, developing, and promoting PPPs. Since 2021, ANADIE has been preparing to act as the AEPQ's technical auditor. To accommodate this change, ANADIE has established an auditing unit. The structure of this unit mirrors the structure of ANADIE's executive unit—it has its own executive director and technical directories. In addition, ANADIE is managing a portfolio of at least six PPP projects and six initiatives (potential projects). Five of ANADIE's PPP projects are in the preparation and structuring phase and one (AEPQ) is in the construction phase. In addition, ANADIE's portfolio includes initiatives, some of which, officials said, are not suited for PPPs (ANADIE 2022a, 2022b). To improve initiatives' suitability for PPPs and gain more control over its work, ANADIE is considering establishing pre-investment processes that require the use of studies to determine which initiatives are added to ANADIE's portfolio. (Currently, CONADIE largely determines which projects are added to ANADIE's portfolio.)

ANADIE's weak institutional structure is straining its operations. As noted above, ANADIE is now divided into two units: (1) an executive unit in charge of all activities related to projects' prioritization, preparation and structuring, and tender and approval phases and (2) an auditing unit that monitors the progress of projects' service indicators through the operation phase (Guzman 2023). The auditing unit is relatively new as it began operations following the award of AEPQ's tender. Though each of ANADIE's units should be led by a different executive director, the units are currently headed by the director of the auditing unit because ANADIE is struggling to find a director for its executive unit. ANADIE said its fluctuating and incomplete leadership has compromised its ability to meet its responsibilities and that its leadership positions are difficult to fill because few candidates meet the positions' requirements or are willing to head an organization that has had three directors since 2020.

ANADIE's budget is also limiting its capacity. Staff noted that ANADIE's current budget is insufficient for covering its responsibilities. The organization needs additional staff to stabilize its structure and to ensure coverage of its functions. However, ANADIE is struggling to find the funds to hire staff as most of its budget is earmarked for studies (many of which are contracted out of the organization). A share of ANADIE's budget (particularly funds for its auditing activities) is supposed to come from funds derived from a project's operational stage but, because of delays in AEPQ's construction, these funds have not yet materialized. One instance where lack of funds hampered ANADIE's auditing plans was that the agency had to select an app-based monitoring system rather than a comprehensive highway monitoring system due to lack of funding. ANADIE said it could approach CONADIE and request an increase in its annual budget but officials say that this increase would have to be approved by lawmakers and will not be well-received because the agency currently has low levels of political support and prioritization.

Still, ANADIE's most significant barrier to meeting its functions is its lack of credibility and political and decision-making power. Stakeholders at various organizations said that ANADIE is viewed as a costly organization that has failed to generate tangible results. One stakeholder noted that AEPQ's approval is not yet a win for ANADIE because construction has not begun. Stakeholders questioned ANADIE's capacity to provide strong leadership for PPPs due to its lack of decision-making power. For

instance, stakeholders noted that ANADIE has no “voice or vote” in critical decisions because it cannot vote within CONADIE. Rather, its role within CONADIE is limited to providing information that could inform decision-making and to expressing dissent or agreement with the committee’s choices. ANADIE, on the other hand, considered that the agency is an underutilized resource because other government agencies misunderstand its role and capabilities. Regardless, most stakeholders agreed that negative perceptions of ANADIE are blocking its ability to be an effective promoter of PPPs.



High-quality PPPs approved and executed

As of November 2023, the project has failed to execute high-quality PPP projects. MCC-backed PPPs have reported limited progress since 2021 and face important obstacles moving forward. AEPQ achieved a critical milestone in late 2021—obtaining congressional approval. However, its progress stalled shortly after as CONVIA and CIV are at an impasse over the approval of the project’s final engineering study. AILA is ready to enter international bidding but has not determined where and how it will relocate Aeroclub’s assets and its progress may rely on the priorities of the incoming administration. MetroRiel is in the same stage as it was in 2021, but has plans to commission new studies.



Increased private investment and more competitive export sector

As of November 2023, the PPP Activity had not resulted in greater private investment. The expected investment from bringing the AEPQ and AILA projects to market was above \$200 million. However, delays to starting AEPQ operations and awarding AILA affected the planned investments. In addition, the project’s failure to transition towards producing high-quality PPPs prevents our evaluation from assessing its effect on developing a more competitive export sector, generating cost savings, and increasing educational investments.



“[ANADIE is an] institution that is costly to maintain. I think it has been around for many years, and to date, we only have this one project approved, but construction has not started.”

— MINECO



“ANADIE is widely viewed as an outsider within the GoG, officials consider it has moved too slowly, failing to produce tangible accomplishments in its 10 years of operation.”

— CONVIA

“CIs have no idea that we exist. Perhaps we don’t have the capacity to reach each one of the institutions and work on a PPP project... I believe that one day, there will be an opportunity for all municipalities, all directions offices, all ministries, and all secretariats to fully understand that we are a valuable tool. On that day, we will be inundated with work, and that’s important.”

— ANADIE

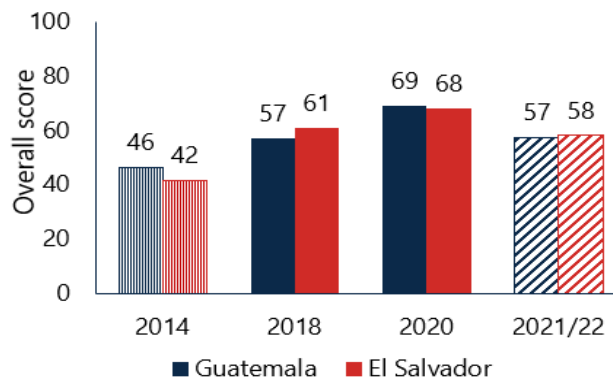
Findings across Guatemala and El Salvador

Under its current contract, Mathematica is also conducted a performance evaluation of the PPP Sub-Activity of the Investment Climate Project in El Salvador. Below we summarize common findings and implications for PPP support activities across El Salvador and Guatemala, as well as some divergent findings across the two countries.

The lack of political support in Guatemala and El Salvador seems to have different motivations. In both countries, the support from the executive branch is critical for pushing PPPs' approval. In

Guatemala the lack of support from the executive is due to the political wear and tear of proposing PPP projects when there is still a sector that does not understand or opposes PPPs. Moreover, there is a strong disincentive in knowing that PPP projects may be in Congress for prolonged periods. In El Salvador, the executive branch has the political capital to champion PPP projects, and members of the president's political party (New Ideas) have a supermajority in the Assembly. However, the Government of El Salvador (GoES) has chosen to finance infrastructure projects through traditional procurement using public funds because the timeline to structure and fund PPP projects is almost double the time needed using traditional procurement.

Figure III.3. Overall Infrascopes score



Source: Evaluating the Environment for Public-Private Partnerships in Latin America and the Caribbean: reports from 2014, 2018, 2020, and 2021/22. Economist Intelligence Unit (EIU).

Note: The 2014 and 2021/22 scores are shown with different strip patterns because its not comparable with the scores from 2018 and 2020.

In both countries, the legal framework needs improvements. Stakeholders from both countries noted that the future of PPPs relied in part on reforms to the legal framework. In Guatemala, there are no plans to reform the PPP law in the short term. In El Salvador, a new law was approved to create the Investment and Exports Promotion Agency of El Salvador (INVEST), which replaced PROESA as the agency responsible of promoting investments. However, the new law has brought more uncertainty to implementing PPPs because promoting and structuring PPPs are no longer part of INVEST's responsibilities.

Government officials from both countries have lost technical capacity to structure, develop, and implement PPP projects. Government officials from both countries experienced a gradual loss in their technical capacity due to a lack of ongoing training, staff turnover, and limited exposure to PPP activities. However, El Salvador abolished PROESA (the PPP authority) and created the INVEST agency, which may lead to a greater risk of losing the in-house capacity to identify and assess potential PPPs on economic grounds.

PPPs are in a critical stage in both countries. Despite the approval of the first PPP project in 2020, both Guatemala and El Salvador seemed immersed in a vicious cycle, in which the investment climate is eroded, public capacity is gradually lost, and the legal framework needs to be strengthened. Guatemala has a pipeline of robust PPP projects, but the delay of AEPQ represent the greatest risk in the short term. In El Salvador, the funding of key projects via traditional procurement, along with the new legal framework, pose the largest threats to PPPs.

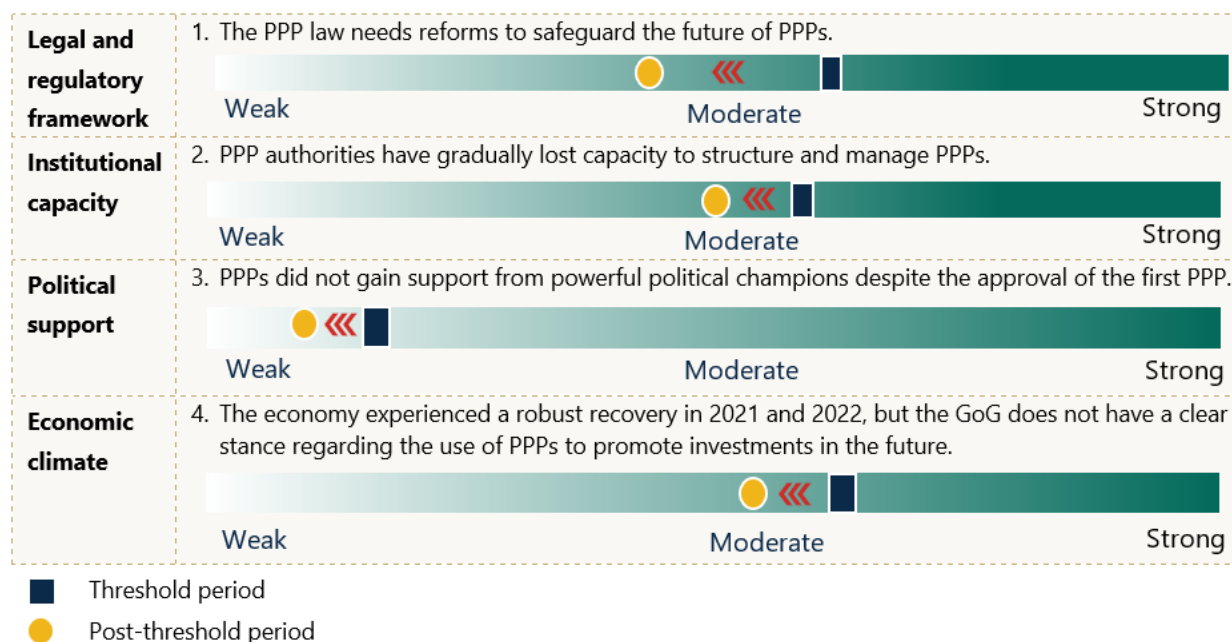
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IV. Conclusion

The PPP enabling environment in Guatemala has eroded since the closure of the threshold program.

Throughout the program’s implementation, key features of the enabling environment such as the legal and regulatory framework remained untested. AEPQ’s transition to the construction phase changed this and, according to stakeholders, revealed the need to reform the PPP Law, establish guidelines for how the law should be applied, and modify the requirements for ANADIE leadership. We also found that, since mid-2021, PPP authorities have gradually lost capacity due to a lack of ongoing training and staff turnover. Moreover, despite the approval of the first PPP, PPPs continue to lack stable political champions. More recently, the complex *coyuntura* or political environment that Guatemala faces during an election year (2023) and an electoral crisis have made it particularly difficult for PPPs to accrue political support.¹⁰ As for the economic climate, as mentioned above Guatemala experienced a robust recovery from the pandemic and offers stable macroeconomic conditions such as low fiscal deficits and local debt coverage. However, it is not clear if the GoG will use PPPs to promote investment. Also, weak governance is an ongoing threat to the country’s economic climate. The current *coyuntura* could raise the country’s political risk profile and reduce confidence in its economy (FitchRatings 2023).

Figure IV.1. Changes in the PPP-enabling environment in Guatemala during and after the threshold period



Source: Interviews with MCC, ANADIE, and PRONACOM representatives.

In addition to limiting PPP’s development, Guatemala’s unfavorable enabling environment could

¹⁰ In early 2024, Bernardo Arévalo, the presidential candidate for the center-left party *Semilla*, is scheduled to assume the presidency. However, since September 2023, opponents of Arévalo’s candidacy have attempted to derail the transfer of power to the Arévalo administration. For example, the Public Ministry has used what some observers consider are irregular processes to charge members of *Semilla* elected to Congress with violations, attack Arévalo, and seize electoral ballots. In response, civil society groups have conducted country-wide protests (many of which have involved blockades of the country’s primary roadways) while the government of the United States and others have issued denunciations and other sanctions (such as visa restrictions). This situation continues to develop (Zúniga 2023)

affect PPP quality. For instance, CONVIA said that they discovered that aspects of the project (such as the state of the road) had changed “dramatically” over AEPQ’s extended approval process. The change was such that CONVIA had to reconsider key assumptions of AEPQ’s design. Disagreement over this issue is partially responsible for the debate over the final engineering study’s approval. It is uncertain if this issue will be resolved in a way that does not have a negative effect on the project’s quality. However, this situation shows how an unfavorable environment could have negative consequences for this critical feature of PPP projects.

The decline in Guatemala’s enabling environment shows that managing political risks to PPPs will likely require sensitization and novel political support. As we indicated in previous reporting, the project would have greatly benefited from a “fourth pillar” focused on lobbying and communication with political actors. Leadership from the executive and legislative branches could support developing a strategic communication focused on (1) providing general information about PPPs to Congress members and other decision-makers to explain their potential benefits and differentiate them from privatization, and (2) providing relevant information about PPPs from the ANADIE pipeline to key groups, the general public, and civil society, aiming to influence their ultimate approval in the Congress.

Institutions and governance need to be further strengthened to increase the likelihood of PPP success in Guatemala. Stakeholders noted that PPPs’ survival may require changes such as reforming congressional approval to improve the clarity of processes and roles defined by the legal framework. In addition, ANADIE needs greater capacity to develop and promote PPPs for these projects to flourish. To be a strong advocate for PPPs, ANADIE requires a larger budget, stable leadership, and efforts to change negative perspectives of its capabilities.

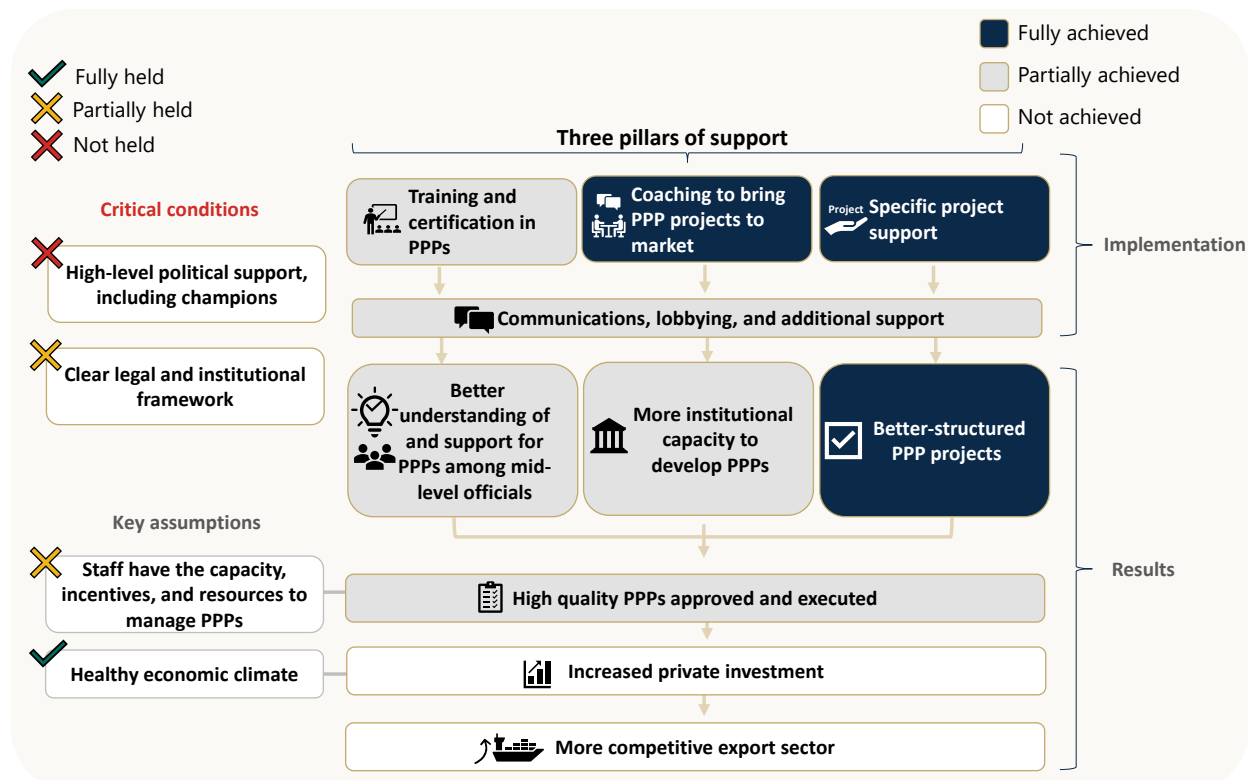
Protecting PPPs from political risks requires identifying options for making them a more long-term policy priority. Stakeholders noted that one avenue for doing this could be to include PPPs in national development plans, such as the country’s 30-year National Development Plan.¹¹ Such plans are established by technical agencies (such as SEGEPLAN) and align agendas and resources across government institutions and administrations. Including PPPs in a forthcoming National Development Plan (or document of similar stature) would reduce their reliance on individualized political supports (such as champions) and convince political actors of their value (particularly those who have strong disincentives, such as established relationships with traditional providers of infrastructure).

Looking at the TOC, the two critical conditions failed to hold, resulting in the PPP Activity not achieving the expected results. As shown in the ToC in Figure III.4, the PPP Activity made progress in terms of building capacity in PPP-institutions and developing well-structured PPP projects during the threshold period. However, it was not enough to overcome the bindings constraints imposed by a lack of a clear legal and institutional framework and high-level political support. Moreover, signing only one PPP project and a substantial delay to start its operation was a barrier to producing and executing high-

¹¹ While discussing this report, ANADIE noted that having a national plan that sets priorities and strategies for developing national infrastructure would be a great support to its operations. ANADIE indicated that having such a plan would help the agency set priorities for its portfolio of projects and cement PPPs’ standing as a critical mechanism for delivering on these priorities.

quality, approved PPPs. As result, private investment has not yet increased and the export sector is not more competitive.

Figure IV.2. Critical conditions and assumptions that failed to hold on the ToC



Note: "High quality PPPs approved and executed" is shown in a lighter shade of gray because approval was obtained for only one of the three MCC-supported PPPs and, although AEPQ was approved, its future is highly uncertain.

The future and sustainability of PPPs in Guatemala are uncertain and may partly depend on AEPQ's success or failure. AEPQ's congressional approval is the only significant advance in the development of PPPs since 2021. Though the project's contentious approval was a significant development, the challenges AEPQ has faced since approval have dampened enthusiasm for PPPs within critical institutions, particularly contracting institutions. The delay to start the construction will likely set a highly negative precedent for future projects in the public and private sectors. In addition to bolstering negative public opinion, the PPP project's failure would reinforce the idea that the private sector should not be involved in public infrastructure projects and such investments may carry unforeseen risks for private investors. Moreover, even if the project succeeds, it could set unsustainable expectations for PPPs as some conditions that facilitated AEPQ's approval may not hold for future projects. For instance, the project's attractive payout to government (4 percent of revenue for the first nine years and 5 percent thereafter) was viewed as unusually high and unlikely to be available for future projects. As of November 2023, it is unclear whether AEPQ will succeed or fail but it is certain that its fate will have an important influence on whether and how PPPs move forward.

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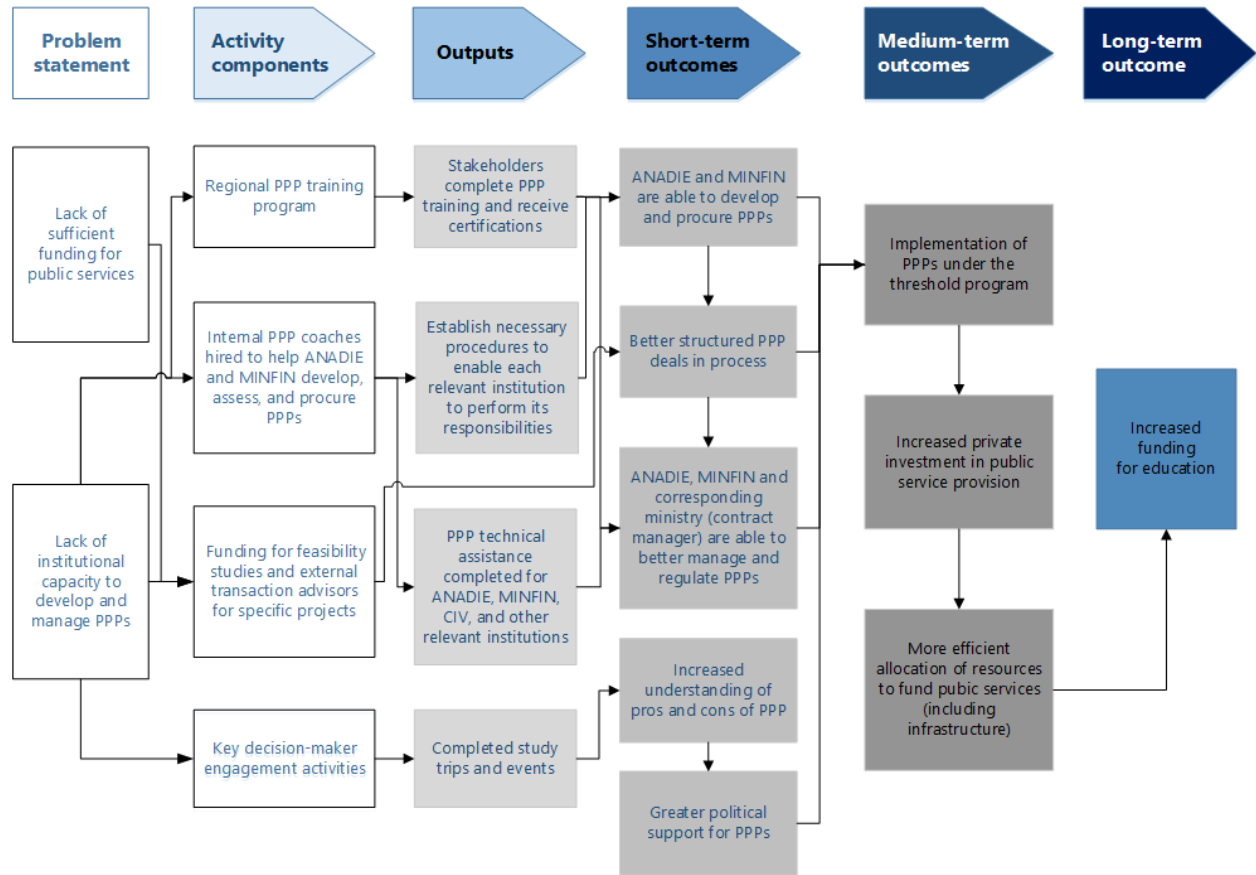
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Appendix A:

Guatemala PPP Activity Theory of Change

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Figure A.1. Outlines the problem statement, activity components and short-, medium-, and long-term outcomes of both activities, as depicted by MCC during threshold development.



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Appendix B:

PPP Activities Research Questions

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Table B.1. PPP Activities: Research questions

Key evaluation questions		Answers
Questions on PPP Activity implementation		
Adherence to laws and best practices	RQ1. Did the GoG/GoES follow the PPP law in developing PPP projects? [If feasible] In managing PPP projects?	Final Evaluation Report (p.11-13)
Implementation context	RQ2. What role did political and institutional contexts play in implementing PPPs in both countries?	Final Evaluation Report (p.15)
Effects of COVID-19	RQ3. How did the COVID-19 pandemic affect the implementation, effects, and potential sustainability of MCC-funded PPP investments and activities?	Second report (p.20) Final Evaluation Report (p.10 and p.15)
Quality of studies and assessments	RQ4. How well was the ex-ante CBA done for each PPP? How good was the PPP's financial model and business case, including the demand study and the ability of the government and users to pay? What was the quality of the government's assessment of PPP costs and benefits from a technical, financial, economic, environmental, social, legal, and political perspective?	Second Interim Evaluation Report (p.16-17)
MoF, line ministry, and regulator performance	RQ5. How good were the MoF's assessment and management of its direct payment and contingent liability obligations arising from the PPP?	Information not available
MoF, line ministry, and regulator performance	[If feasible] How effective were the "concedente" (line ministry that signed the concession) and the regulator in managing and regulating the concession after it was signed?	Final Evaluation Report (p.16-17)
Configuration of assistance	RQ6. Does MCC's three-pillar approach to PPP assistance meet stakeholder needs? Were any pillars more useful than others? How could the three-pillar approach be improved?	Second Interim Evaluation Report (p. 12-14)
Questions on the PPP Activity results		
Effects on public capacity and institutions	RQ7. How did training and coaching outcomes differ between the two countries?	Second Interim Evaluation Report (p. 22-23)
Effects on public capacity and institutions	RQ8. To what extent did the project facilitate greater capacity for PPPs within GoES and GoG? How have institutional interactions normalized or been codified to support PPPs?	Final Evaluation Report (p.18-19)
Effects on investment	RQ9. To what extent has the PPP Activity resulted (or is it likely to result) in greater private investment in key infrastructure projects?	Final Evaluation Report (p. 20)
Effects on public finance and education	RQ10. What cost savings accrue to GoES and GoG through the PPPs?	Information not available
Effects on public finance and education	RQ11. [If applicable] Were cost savings used for education investments?	Information not available

MoF = Ministry of Finance; CBA = cost-benefit analysis; PPP = Public Private Partnerships.

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Appendix C:

Responses to Stakeholder Comments

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Table C.1. Responses to stakeholder comments

Reviewer Institution	Page No.	Comment	Evaluator Responses (our official answers to MCC/MiDA)
MCC	All	One overarching issue that seems to be missing, is that MCC decided to suspend funding for PPPs in 2019, reducing the budget from the originally planned \$4 million to just under \$2 million. Based on the lack of progress on PPPs over the last several years, that seems to have been the right decision.	Added, see edits in chapter. I. Introduction to the PPP Activity, under section A and chapter III. Findings, under section A.
MCC	ES-vii	<i>"The Threshold agreement was signed in April 2015; implementation began in May 2016 and ran through October 2021."</i> Comment: Note that EIF was May 2016 but the first disbursement request was approved Sept 20, 2016.	Added to main text, see chapter I. Introduction to the PPP Activity, under section A.
MCC	ES-iii	<i>"Another shortfall of the law that governs the PPP Activity in Guatemala is that it is too narrow in scope and does not effectively capture general challenges associated with PPPs. This lack of broader, practical guidance on how to implement PPPs has led to confusion among private and public sector representatives, who lack the knowledge necessary to move projects forward."</i> Comment: I agree that congressional approval of projects can dampen interest, but I don't see a lack of guidance in the law as an issue. I do see later in the report that one person commented that the law is too prescriptive.	We included edits to clarify that stakeholders report challenges that resulting from lack of practical guidance to implement PPP projects.
MCC	All	I also don't agree that the current dispute on the engineering studies is a reflection of a gap in the law. If anything, it would be an issue with the clarity of the concession contract's provision on the standard for acceptance for the design. The path forward is arbitration.	The report presents diverse perspectives on the cause of this dispute. According to respondents key drivers of the impasse include: 1) lack of understanding of how risks are distributed with an PPP framework, 2) confusion over what technical standards apply to PPP (because there are no standards specific to PPPs and no practical guidance on issues such as these), and 3) reluctance by public officials to accept risks (including individual risks) related to issuing approvals. We adjusted the language in the report to clarify that this is a multifaceted issue and that the need for precedents and practical guidelines is part of the challenges related to the institutional framework.
MCC	All	Correction of slight grammatical errors.	Accepted throughout the report.

Appendix C Responses to Stakeholder Questions

Reviewer Institution	Page No.	Comment	Evaluator Responses (our official answers to MCC/MiDA)
MCC	ES-vii	Add footnote on project vs threshold program	We made edits throughout the report to clarify the concepts Project, programs, and PPP projects. We also included the footnote.
MCC	3	"Mathematica constructed a theory of change (ToC) for the PPP Activity in Guatemala" Comment: Are you using this differently than program logic or logic model? We use it interchangeably. If you do use those differently I would suggest explaining what the difference is?	Revised. We used ToC throughout the file.
MCC	18	" <i>These gaps in knowledge are bound to affect other projects once they reach the construction and operation stages.</i> " Comment: I would rephrase this to be more direct. This sounds like speculation.	Edited to be more direct.
MCC	21	" <i>the Government of El Salvador (GoES) has chosen to finance infrastructure projects through traditional procurement</i> " Comment: It's not the procurement, right? It's how they fund it through debt.	We made a minor edit to clarify. However, traditional public procurement is defined as the acquisition of goods, construction works, or services for the development of public infrastructure using public funds.
MCC	22	" <i>disappeared with the creation of the INVEST agency</i> " I think we should describe this in different terms for the report. Comment: Maybe write "El Salvador abolished the INVEST agency". It sounds less like a comment on politics.	We included the suggested language.
MCC	All	MCC (especially our lawyers) get particular about referring to investments as activities, projects, or programs. Typically the program is the Threshold or Compact. So, the Resource Mobilization Project should be referred to as such. This also raises a confusion I have always had when we discuss the PPPs – the PPP Activity is an activity, but the individual PPPs are called projects. I think a footnote would be useful to explain how you use the word in two different ways.	Implemented this change throughout and accepted related edits. We did not change references to the PPP activity (in the text we establish that this refers to the Strengthening the Capacity to Form Private-Public Partnerships of the Resource mobilization program.)

Reviewer Institution	Page No.	Comment	Evaluator Responses (our official answers to MCC/MiDA)
Comments on Spanish Executive Summary			
MINFIN	RE-2	<p>"Actores clave en la implementación señalaron que la aprobación del Congreso afectó la transición de AEPQ de la fase de licitación a la de aprobación, y luego a la fase de construcción"</p> <p>Comentario: El congreso no tiene injerencia en la fase de construcción. Como se indica en la oración.</p>	Se hicieron ediciones para aclarar que los retrasos derivados de la aprobación del Congreso generaron desafíos imprevistos para el concesionario en la fase de construcción.
MINFIN	RE-2	<p>"El poder ejecutivo no tiene incentivos para apoyar proyectos que podrían no estar operando durante su mandato de cuatro años"</p> <p>Considero que esta afirmación no tiene fundamentación.</p> <p>Comentario: El ejecutivo por medio de las instituciones que conforman el CONADIE actúan conforme a la línea de la planificación de gobierno.</p>	Se hicieron ediciones para aclarar que los retrasos que experimentó el proyecto AEPQ pueden limitar la voluntad del ejecutivo de priorizar proyectos que pueden no llegar a la fase de operación durante su mandato.
MINFIN	RE- 2	<p>Edición propuesta: Otra deficiencia de la ley que rige la actividad APP en Guatemala es que ha sido muy específica y no permite navegar efectivamente los desafíos generales asociados con las APP.</p> <p>Comentario: Considero que no es deficiencia esta afirmación.</p>	Se editó el texto para aclarar que la falta de una guía practica en la implementación de proyectos APP es un reto del marco institucional y legal
MINFIN	RE- 2	<p>"El estancamiento de AEPQ, donde surgieron desacuerdos sobre los estándares utilizados para evaluar el estudio de factibilidad y determinar qué parte debería supervisar el diseño del proyecto, ha puesto en evidencia que el marco legal e institucional actual de las APP de Guatemala plantea interrogantes sobre la eficacia del modelo existente como base para futuros proyectos APP."</p> <p>Comentario: Esto corresponde al CIV y ellos tienen la capacidad para defenderlo, pareciera un tema más político.</p>	Se hicieron ediciones para aclarar el reto que mencionaron los actores involucrados.
MINFIN	RE- 2	<p>"Actores clave en instituciones de gobierno claves, como ANADIE, el Ministerio de Economía (MINECO) y el Ministerio de Finanzas Públicas (MINFIN), señalaron que la formación en proyectos APP fue demasiado general y, por lo tanto, no produjeron la capacidad local que pudiera desempeñar las tareas de los asesores financiados por MCC."</p> <p>Comentario: Este comentario no corresponde al MINFIN, ya que nuestro consultor fue de gran apoyo además de las capacitaciones para la certificación.</p>	Se hizo la corrección ya esto fue una opinión de otra institución de gobierno

Reviewer Institution	Page No.	Comment	Evaluator Responses (our official answers to MCC/MiDA)
MINFIN	RE- 4	"1) brindar información general sobre las APP a los miembros del Congreso y otros tomadores de decisiones para explicar sus potenciales beneficios y diferenciarlas de la privatización" Comentario: En alguna oportunidad se dio capacitación a los diputados y sus asesores, pero es tarea a de la ANADIE continuar con la promoción del modelo (APP) y de los proyectos.	Decidimos mantener el texto porque uno de los resultados de nuestro análisis es que la implementación se hubiera beneficiado de implementar actividades de comunicación y cabildeo como un pilar estratégico durante todo el periodo de implementación y dirigido a un amplio conjunto de actores.
MINFIN	RE- 4	"ANADIE requiere un mayor presupuesto, un liderazgo estable y esfuerzos para cambiar las perspectivas negativas sobre sus capacidades para impulsar las APP." Comentario: Se supone que el personal que conforma la ANADIE está lo suficientemente especializado para desempeñar sus funciones.	Decidimos mantener el texto porque la oración no hace referencia a las capacidades técnicas de ANADIE. El texto hace referencia a que ANADIE necesita mayor presupuesto, necesita contar con un director ejecutivo que le permita navegar los retos que implica la ejecución de proyectos APP.
MinFin	RE- 4	"la sostenibilidad de las APP requiere cambios como reformar la aprobación del Congreso" Comentario: La aprobación del Congreso tiene una razón de ser, ya que en caso de que se materialicen los riesgos, el Estado deberá cumplir con sus obligaciones y se convierte en Deuda, solo el Congreso puede aprobar las Deudas públicas.	Decidimos mantener el texto porque no hay un posicionamiento sobre quitar la aprobación del Congreso. El objetivo de la oración es documentar los reportes de algunos actores que sugieren que debe discutirse una reforma al proceso de aprobación (más información está disponible en la página 12.
MinFin	RE- 4	"Incluir las APP en los planes nacionales de desarrollo, como el Plan Nacional de Desarrollo K'atun: Nuestra Guatemala, podría ser un primer paso. Estos planes son establecidos por agencias técnicas y alinean agendas y recursos entre instituciones y administraciones gubernamentales" Comentario: La ANADIE, debe impulsar la Política de las APP que debe estar en la planificación Estratégica del País" La ANADIE, debe impulsar la Política de las APP que debe estar en la planificación Estratégica del País	Decidimos mantener el texto porque consideramos que no es responsabilidad exclusiva del ANADIE el promover la inclusión de las APP en los planes nacionales de desarrollo.
MinFin	RE- 4	"Además de reforzar una opinión pública negativa, el fracaso de AEPQ reforzaría la idea de que el sector privado no debería participar en proyectos de infraestructura pública y que Guatemala es demasiado riesgosa para inversionistas privados" Comentario: ¿Cuál es el sustento de esta afirmación?	Se modificó la oración para clarificar que el fracaso de AEPQ podría llevar a pensar que proyectos APP conllevan riesgos imprevistos para los inversionistas

Reviewer Institution	Page No.	Comment	Evaluator Responses (our official answers to MCC/MiDA)
ANADIE	RE- 2	Edición propuesta: Desde 2021, la implementación de las APP ha logrado avances limitados. La operación de AEPQ tiene más de un año de retraso porque el estudio de ingeniería no ha sido aprobado. AILA está lista para participar en licitación internacional, pero no se ha determinado dónde y cómo concretado con el Ministerio de la Defensa (MINDEF) lase reubicarán los hangares que actualmente se encuentran alquilados para el uso los activos de la asociación de aviación civil más grande del país (Aeroclub) y su avance puede depender de las prioridades de la nueva administración dado que tiene que autorizar la publicación de bases de precalificación y alcanzar acuerdos con el MINDEF. MetroRiel se encuentra en la misma etapa que en 2021, pero tiene planes de llevar a cabo la actualización de nuevos estudios de factibilidad dado que algunas cifras cambiaron post pandemia.	Se aceptó la sugerencia con algunas modificaciones.
ANADIE	RE- 2	Edición propuesta: CONVIA desarrolló los estudios definitivos de ingeniería -EDI- para el proyecto, a espera de su aprobación. Mientras que CIV y ANADIE iniciaron los procesos de supervisión y auditoría e inspección en campo, ello a partir del inicio de la sub-fase de pre-construcción.	Se aceptó la sugerencia con algunas modificaciones.
ANADIE	RE- 2	Edición propuesta: CONADIE aprobó los términos de la invitación las bases de precalificación, pendiente definir fecha de lanzamiento para iniciar la fase de licitación de licitar el proyecto APP. Comentario: Para el proceso de precalificación, no la licitación.	Se aceptó la sugerencia con algunas modificaciones (solo en la versión en español ya que no era necesaria la aclaración en la versión en inglés).
ANADIE	RE- 2	Actores clave en la implementación señalaron que la aprobación del Contrato como lo establece la Ley de Alianzas para el Desarrollo de Infraestructura por parte del Congreso afectó la transición de AEPQ de la fase de licitación a la de aprobación, y luego a la fase de construcción.	Se aceptó la sugerencia con algunas modificaciones.
ANADIE	RE- 3	"Otra deficiencia de la ley que rige la actividad APP en Guatemala es que ha sido muy específica y no permite navegar efectivamente los desafíos generales asociados con las APP" Comentario: ¿A qué desafíos se refieren?	Se editó el texto para aclarar los retos que enfrenta la implementación de proyectos APP.

Reviewer Institution	Page No.	Comment	Evaluator Responses (our official answers to MCC/MiDA)
ANADIE	RE-3	Edición propuesta: El estancamiento de AEPQ, donde surgieron desacuerdos sobre los estándares utilizados para evaluar y aprobar el estudio de factibilidad definitivo de ingeniería -EDI-, particularmente en una metodología elaborada y desarrollada por la entidad especializada y en este caso la Institución Contratante del Estado -ICE-, siendo el Ministerio de Comunicaciones, Infraestructura y Vivienda y determinar qué parte debería supervisar el diseño del proyecto, ha puesto en evidencia que el marco legal e institucional actual de las APP de Guatemala plantea interrogantes sobre la eficacia del modelo existente como base para futuros proyectos APP o más bien, la necesidad de reforzar el modelo con metodologías técnicas que permitan una mayor claridad al momento de evaluar los diferentes estudios..	Se aceptó la sugerencia con algunas modificaciones (solo en la versión en español ya que no era necesaria la aclaración en la versión en inglés).
ANADIE	RE-4	Edición propuesta: La no consolidación de las capacidades fortalecidas, junto con un marco legal que plantea retos en la aprobación de los proyectos poco claro, ha afectado el avance de las APP porque actores clave actúan con cautela al aprobar decisiones importantes, lo que ha llevado a retrasos administrativos y servidores públicos que navegan la implementación de las APP con temor a tomar de decisiones.	Se aceptó la sugerencia con algunas modificaciones.
ANADIE	RE-4	Edición propuesta: Por ejemplo, existe confusión sobre qué estándares técnicos deben guiar el diseño de los proyectos APP, ya que no se comprende que el riesgo de diseño está a cargo del Participante Privado.	Decidimos mantener el texto porque la oración refleja reportes de otros actores.
ANADIE	RE-5	Edición propuesta: Es necesario fortalecer la capacidad de ANADIE para desarrollar y promover las APP para que los proyectos prosperen. ANADIE requiere un mayor presupuesto, un liderazgo estable y esfuerzos para cambiar las perspectivas negativas sobre sus capacidades para impulsar las APP. Se requiere que se le brinde apoyo financiero a la ANADIE para la pre-inversión de los proyectos e iniciativas, dado que puede ser un brazo estructurador de proyectos de infraestructura económica.	Decidimos mantener el texto porque el tema esta incluido en el reporte.

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ANADIE	RE-5	Edición propuesta: Figura RE.2 "En temas de marco institucional, no se ha modificado por lo tanto estaría igual, es más en octubre 2021 se aprueba el manual de iniciativas para facilitar la promoción de proyectos APP"	Decidimos mantener el texto porque si bien no hubo cambios en el marco institucional, no se había utilizado en la fase de operación. La operación de AEPQ ha puesto de manifiesto que hay aspectos en el marco institucional que son susceptibles de mejora.

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