



# Public Private Partnerships Strategic Heritage Plan

Jan van Schoonhoven

Executive Program Leader UNECE PPP Center of Excellence

# Agenda

- PPP's, can you do without?
- What are the main challenges?
- Should you consider it?



# PPP's, can you do without?

## Public-Private Partnerships (PPP):

- involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.

.....And 56 other definitions and descriptions are available!

## Public-Private Partnerships (PPP):

PPP will be there to professionalise the government by:

- aim at better service (or the same service) to the public
- for the same (or less) money

System of having a public tasks handled by the private sector. PPP will ensure that the private sector will be responsible for the life time of the provided services, both by partnership as well by the sound risk allocation and financial mechanism.

# PPP, can you do without?



- Public Finance
- Infrastructure provided and financed by the government

- Infrastructure initiative by the government
- Project Finance
  - User payment
  - Availability payment

- Privatisation
- Infrastructure initiative by the private sector
- Financed by the private sector

# PPP, you can not do without!

## Infrastructural Needs versus Recourses

- **Asian-Pacific (ADsB)**
  - Until 2025 demand of US\$ 5 trillion in infra
- **Africa (AfDB)**
  - Each year US\$ 6 billion in Health
- **Worldwide (OECD)**
  - US\$ 45 trillion until 2040 to mitigate climate change effects
- **Asian-Pacific (IMF)**
  - Until 2025: US\$ 1,2 trillion available
- **Africa (IMF)**
  - Foreign Aid: US\$ 0,5 Billion
  - Own resources: US\$ 0,01 B
- **Worldwide (WB Data)**
  - About WW GDP 2011 (68Tr)

***Fact: Private Investment essential for development and poverty reduction***



# PPPs, you cannot do without

Necessary impulse to economic growth and/or essential services for all.

Not by privatisation and not for the rich only.

- Access to clean and sufficient water, but water resources stay in the hands of the government
- Health and Healthcare, but not private clinics; healthcare accessible to all
- Implementation of ILO standards and for the development of the country
- International standards, to fight corruption and ill performance





What are the main challenges?

# Challenges?

## The words Public-Private Partnership:

Managing promises and expectations in good and bad times .. On paper

- Partnership (good and bad times)
  - Mutual trust, divide responsibility, professional disagreement
- Value for Money (promise)
  - What is VfM, how do you measure it, too whom?
- Long term contract -7 - 30 years – (expectations)
  - Do you dare to step in?
- Service contract (promise)
  - Can the private sector deliver, are they aware that they are serving a public interest, not just interest.



# Real Life:

## Today: 4500 successful PPP projects

- Routine procedure
- International standards
- Open and transparent
- Overcome these questions
- Not afraid to work together
- Private sector social responsible



## Today: 1200 failed PPP projects

- Unskilled government
- Corruption in P&P
- No dispute settlement
- Private sector pro profit
- Mistrust from the beginning
- Semi-Partnership



# CHALLENGES

- It is not off balance for the UN
  - neither for most countries
- Financing is not cheap
  - Budget overruns and risks neither
- Its not easy
  - The contract is not too difficult, defining the outcome
- Opposition is heavy
  - You will hear many arguments NOT to do it
  - Most our form the belly, not from facts





# FIRST STEP

- Understand the concept
  - A strong mechanism to stay within time and budget
  - The outcome is a better service for the same price
- Identify which best practice is closest to your core business
  - The mechanism only works when applied correctly
  - Use international standards
- Develop knowledge and invest in Human Resources
  - New approach require new rules
  - New approach requites new skills
  - Learn to thing in output
- Seek alliances with PPP best practices
  - Get experts
  - Find out while governments are doing it
  - Connect with the PPP community like UNECE



# STOP OR START ?

WITHIN A RADIUS OF 625 KM

YOU WILL FIND 185 SUCCES PPP'S IN BUILINGS



# WHO NEEDS THE UNITED NATIONS ?

UN ECONOMIC COMMISSION FOR EUROPE  
INTERNATIONAL CENTER OF EXCELLENCE ON PPP

# UNECE INTERNATIONAL CENTER OF EXCELLENCE



A small hub in Geneva

- Identify international PPP best practice;
- Assist governments to implement these practices successfully;
- Encourage shared learning
  - especially between countries new to PPPs and those with mature PPP programmes

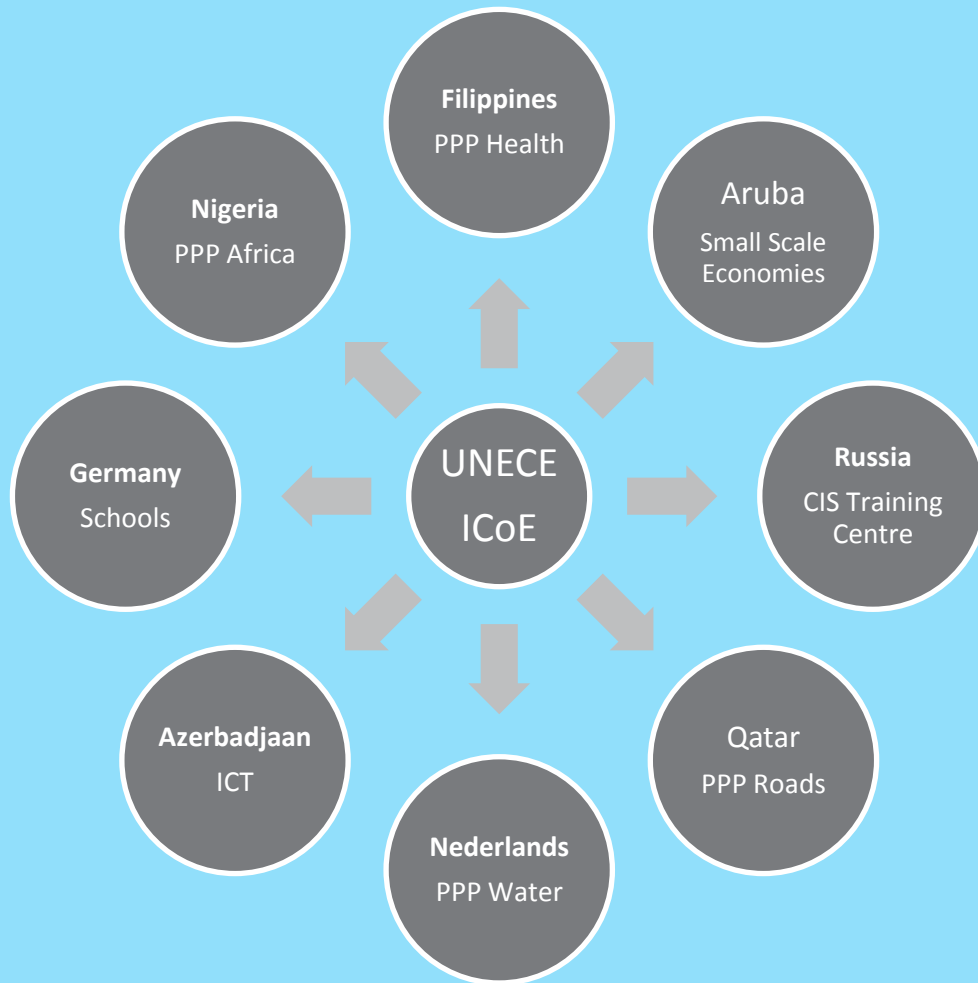
Work around

- ✓ Learn from those who are doing PPP's in National Specialist Centers
- ✓ Exchange success as well as failures
- ✓ Learn by doing, not by reading by NS Centres
- ✓ Learn faster by have the BEST PRACTICES

***Credo: Use the best practises and learn form proven experience by National Specialist Centers around the world***



# UNECE ICOE MEMBERS





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SHOW US YOUR BUSINESS  
WE GIVE YOU THE BEST PRACTICE IN PPP





THANK YOU

<http://www.unece.org/ceci/welcome.html>

Jan.vanSchoonhoven@unece.org

PPP@UNECE.ORG