

# Introduction to Public-Private Partnerships (PPPs)

## Why Attend

- After the financial crisis of 2008, many governments around the world turned to the private sector to help finance and implement major public projects through Public-Private Partnerships (PPPs). While the main reason for governments to turn to PPPs was to reduce upfront costs, it soon became clear that successful PPPs also resulted in better infrastructure projects and improved government services. This has allowed governments to focus more on policy, planning, and regulation without having to worry about operations and implementation.
- In this course, attendees will learn all about PPPs and the process and steps needed to establish a partnership that can benefit both the public and private sectors.

## Course Methodology

- This course depends on the careful analysis of several cases from both developing and developed countries in different sectors including education, infrastructure, immigration and defense. In addition, group discussions and presentations will be used to demonstrate the necessary conditions for the success of PPPs as well as the reasons for their failure.

## Course Objectives

By the end of the course, participants will be able to:

- Define the benefits and risks of PPPs and their impact on government projects and services
- List the different types of PPPs
- Construct effective sector diagnostic tools and sector road maps
- Apply strategic thinking to determine when PPPs should be used
- Identify PPP best practices and select the best model for different sectors
- Develop PPP preparatory plans that increase the likelihood of project success
- Define the required implementation steps for the development of an effective PPP project plan

## Target Audience

- All managers and senior professionals who are involved in designing or developing public-private partnership plans as well as other executives who would like to develop an in-depth understanding of the benefits and risks of PPPs.

## Target Competencies

- Developing public-private partnerships
- Strategic thinking
- Strategic planning
- Operational planning
- Performance management
- Results orientation

### Public-private partnership overview

- Definition of PPPs
- Reasons for PPPs
- Objectives of partnerships
- Benefits of PPPs
- Risks of PPPs
- Types of partnerships
- Service contracts
- Management contracts
- Lease contracts
- Concessions
- Build–Operate–Transfer (BOT) models
- Hybrid arrangements
- Joint ventures
- The key components of an enabling institutional framework for PPPs
- Key issues underpinning the performance of PPPs

### Structuring a PPP: Sector diagnostic and sector road map

- Requirements and expectations
- Technical issues
- Legal, regulatory, and policy framework
- Institutional structures and capacity
- Commercial, financial, and economic issues
- Stakeholder consultation
- Clear sector strategy and road map
- Clear government commitment and a designated champion

### International examples in PPPs

- PPP in education
- PPPs in infrastructure
- PPP in public sector reform
- PPP in immigration
- PPP in defense
- Lessons learnt

## PPP preparatory work

- Establishing appropriate legal, regulatory, and policy frameworks
- Technical preparation
- Institutional structures and capacity building
- Establishing a PPP unit
- Project implementation unit
- Technical assistance
- Commercial, financial, and economic preparation
- Project financing
- Tariff design
- Tariff adjustments
- Subsidy design
- Labor considerations
- Including local partners
- Stakeholder involvement

## Implementing PPPs

- Collecting feedback from potential bidders
- Notification and prequalification
- Defining the procurement process
- Unsolicited proposals or direct negotiations
- Competitive negotiations
- Competitive bidding
- Defining the bid evaluation process
- Initial decisions
- Technical and financial evaluation
- Bid package
- The contract
- Negotiations and contract start
- Key implementation issues