

PPP units across Europe

An overview and guidance

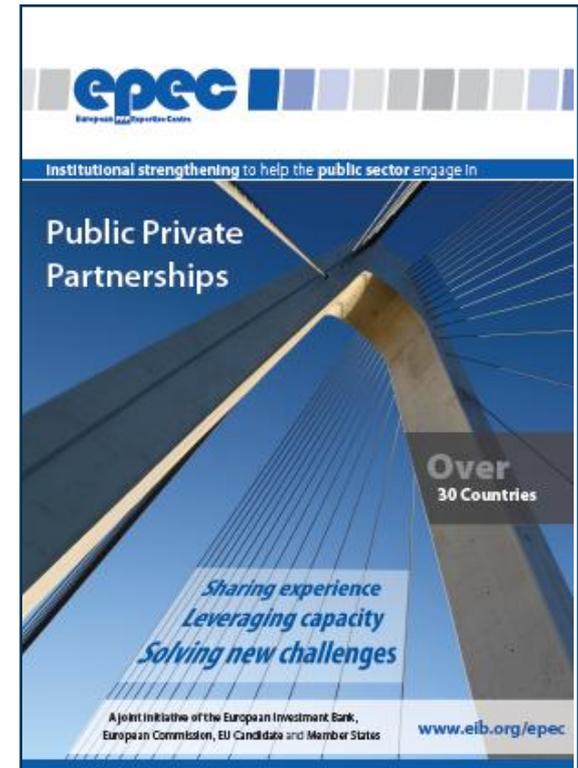
ForoPPP Conference

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Who we are

- Established in September 2008
- A unique cooperative initiative of the EIB, the European Commission and EU Candidate and Member States
- International team of 18 professionals
- Membership: Initially 20, EPEC now has 37 Members from over 30 EU and Candidate Countries
- Strong engagement from Members with more than 120 participations annually in EPEC working groups



EPEC's Mission: Help the public sector deliver more, and better, PPPs

EPEC's activities:

- Collaborative Working – Information sharing through Member working groups
- Institutional Strengthening – Policy and programme support through bilateral working with Members
- Helpdesk – Service offered to Members providing rapid responses to enquiries

EPEC works by:

- Sharing information, experience and expertise
- Strengthening the organisational capacity of public authorities to develop PPP programmes
- Promoting good practice across the public sector

PPP Units and related institutional frameworks (1)

Review of models for PPP delivery across EPEC membership – including institutional structures, functions and experience of PPP units

EPEC has visited **25 countries** to review their PPP institutional framework!

Country specific reviews of the institutional framework for PPP delivery include:

- PPP market
- Institutional responsibilities, particularly of PPP units
- Legal and policy framework
- Process mapping

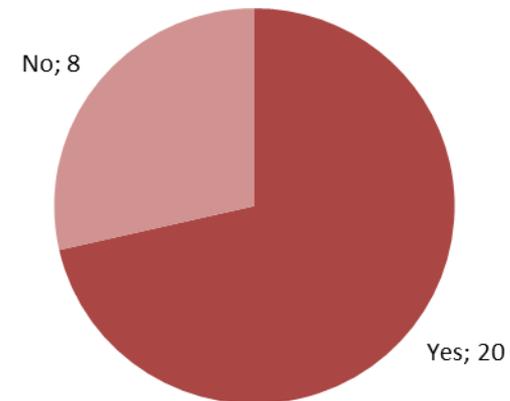


PPP Units and related institutional frameworks (2)

From an EPEC survey of 28 countries, only 8 do not have a central PPP unit

- *Austria*
- *Cyprus*
- *Denmark*
- *Finland*
- *Poland*
- ***Spain***
- *Slovakia*
- *Turkey*

Is there a central PPP Unit?



Of these, **Spain** is the **only** mature PPP market in Western Europe **without** a **Central PPP unit!**

The advantages of a strong PPP unit

Well-designed, managed and supported, a central PPP unit can:

1. Centralise expertise
2. Disseminate knowledge and good practice at a national/subnational level
3. Ensure a clear framework for PPP, including:
 - communicating a clear PPP vision/strategy to the market
 - supporting or leading public policy in the area
 - overseeing the legal and institutional framework for PPPs
4. Improve the quality of investment planning and develop a project pipeline
5. Control the quality of projects that go to the market and ensure these projects deliver value for money
6. Serve as a watchdog for government to ensure the proper recording of budget and fiscal commitments

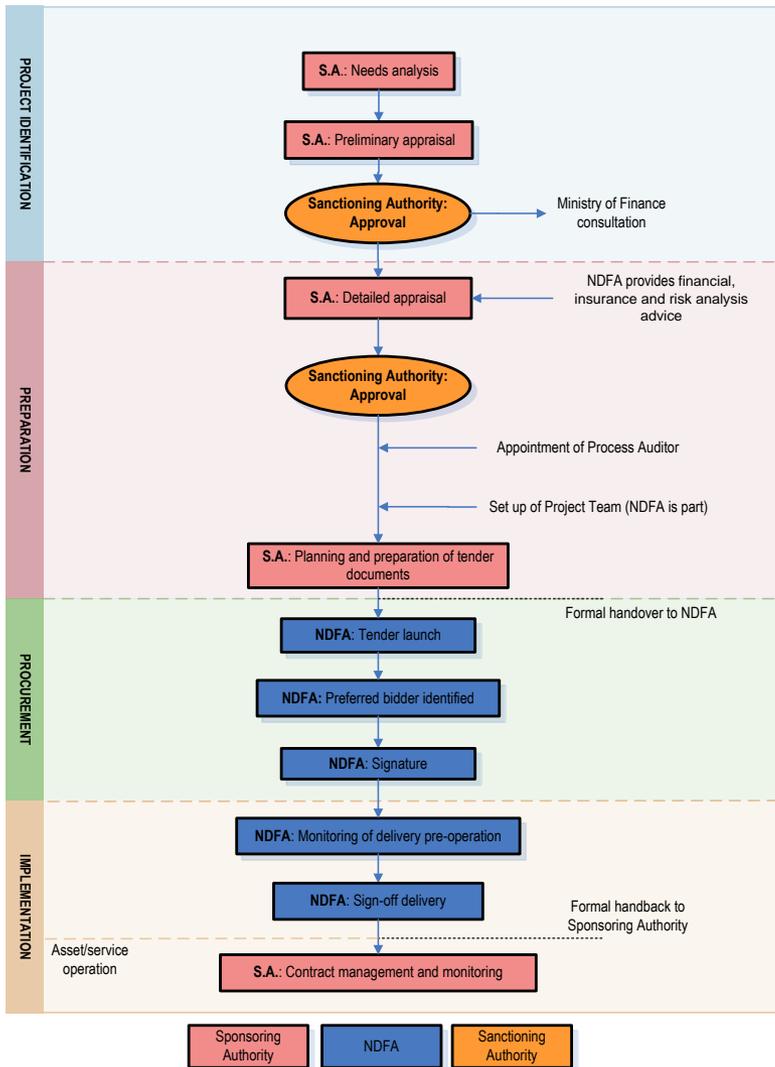
Overview

Enormous differences exist between PPP units in terms of:

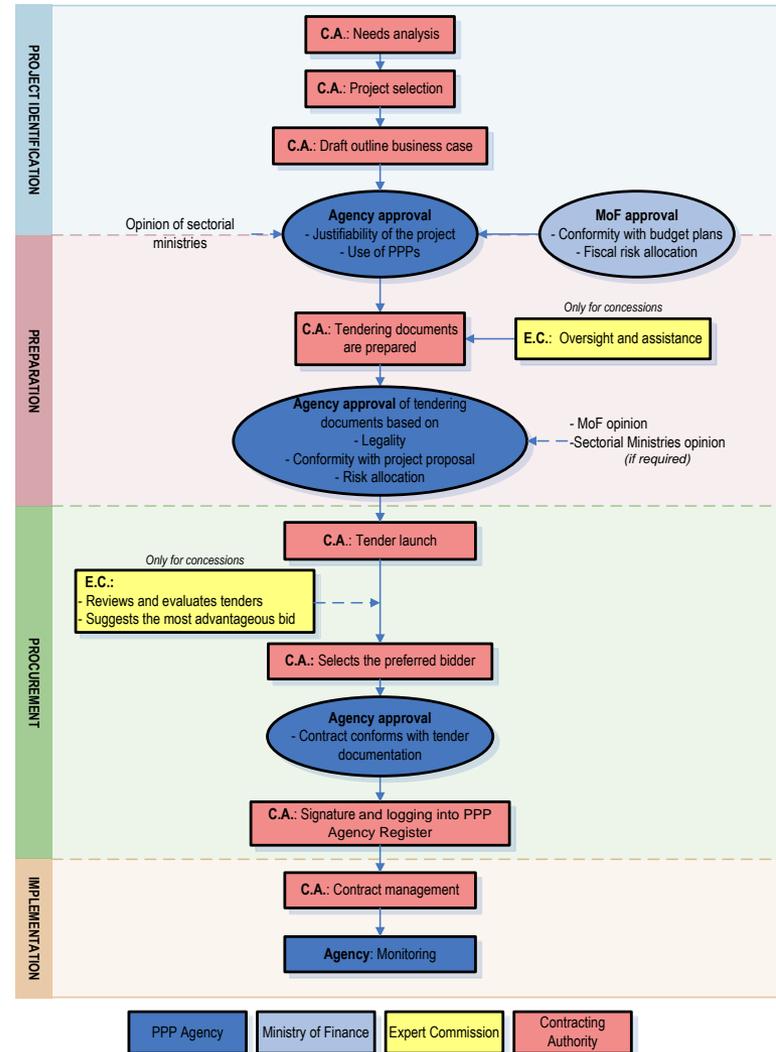
- *Location*
- *Type*
- *Staffing*
- *Funding*
- *Influence and*
- *Success!*

Compare two PPP process maps!

Ireland

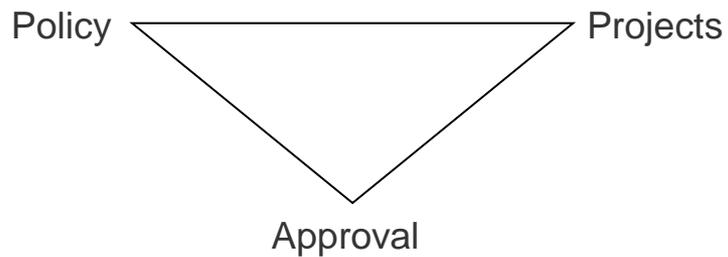


Croatia

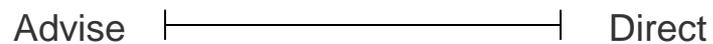


Classification

1. Focus



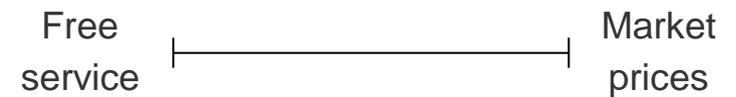
2. Power



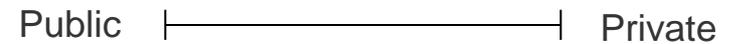
3. Mandate



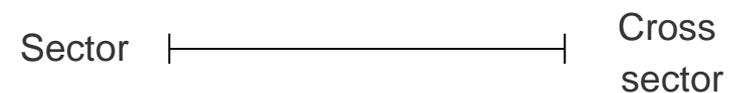
4. Operating style



5. Structure



6. Scope



Some Lessons Learned (1)

1. Diagnose the problem: Conduct a comprehensive review of the framework for delivering PPP

- What are the problems the government faces in implementing/expanding a sound PPP programme?
- Would creating a new PPP Unit be likely to solve those problems?

2. Identify possible PPP units as a template from other (neighbour) countries with similar capacity, legal, regulatory and administrative traditions.

3. Decide on type and focus of unit(s)

A PPP unit **cannot fill every gap** in the institutional framework.

Some Lessons Learned (2)

4. There is a need for a holistic approach.

- A PPP unit cannot plug every gap in the institutional framework.
- There is a need for expertise across Policy, Projects and Approvals. A central PPP unit cannot assume all these functions so there is a need to co-ordinate efforts across government.
- Setting up an inter-departmental body to address these issues can help.

5. PPP Units which have executive responsibilities tend to be more successful

6. Staffing is key

- Difficulties of public sector administrative structures and salary systems
- It is a challenge to provide attractive packages and incentives to both permanent staff and short-term consultants.

But

- Financial crisis has helped PPP units attract staff
- Large projects, work-life balance, and job security may compensate.

Some Lessons Learned (3)

7. Revise and update

- Change management is important
- There is a need to cope with market and policy demands

Q&A

Discussion

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