

Pacific Economic Cooperation Council

Guidelines

for Good Public Private Partnerships



Sydney 2007 May 1st

PECC General Assembly



PPPs as a tool to answer Growing demand for Infrastructures of economic & social developpment

- Facilitating access to infrastructure and services of a public nature is recognized worldwide as an important goal for State or local authorities, multilateral organizations, public and private operators.
- For many years, public authorities played the major role in offering aid in the design, financing and management of public facilities.
- However, budget pressures and growing demand for services mean that public authorities often no longer have the financial and technical capacities to meet expectations of citizens, taxpayers and consumers.
- Delegating the management and financing of selected infrastructure and public services to a private partner, with a clear set of obligations for partners, allows for a better allocation of scare public resources to meet growing demand.



The process to develop PPPs Guidelines

PECC held several regional seminars:

1. the first in [Sydney](#) in December 2004 addressed the development of PPP for essential infrastructure services in the Asian economies;
2. the second in [Santiago](#), in December 2005, was more oriented towards specific Latin America issues related to PPPs.
3. Then a first draft of PPPs Guidelines was discussed in [Hanoi](#) in April 2006, by the time of PECC meeting.
4. a concluding seminar took place in [Sydney](#) in November 2006, when PECC PPPs Guidelines were officially introduced.



FPTPEC
France/Pacific Territories
Committee for PECC



Second Workshop on Public-Private-Partnerships

***Are PPP Models Conducive to Growth
and Development in Latin American Economies?***

Intercontinental Hotel Santiago de Chile
17-18 November, 2005

Jointly organized by
AUSPECC, CHILPECC and FPTPECC

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PECC Standing Committee Meeting
HANOI April 2006



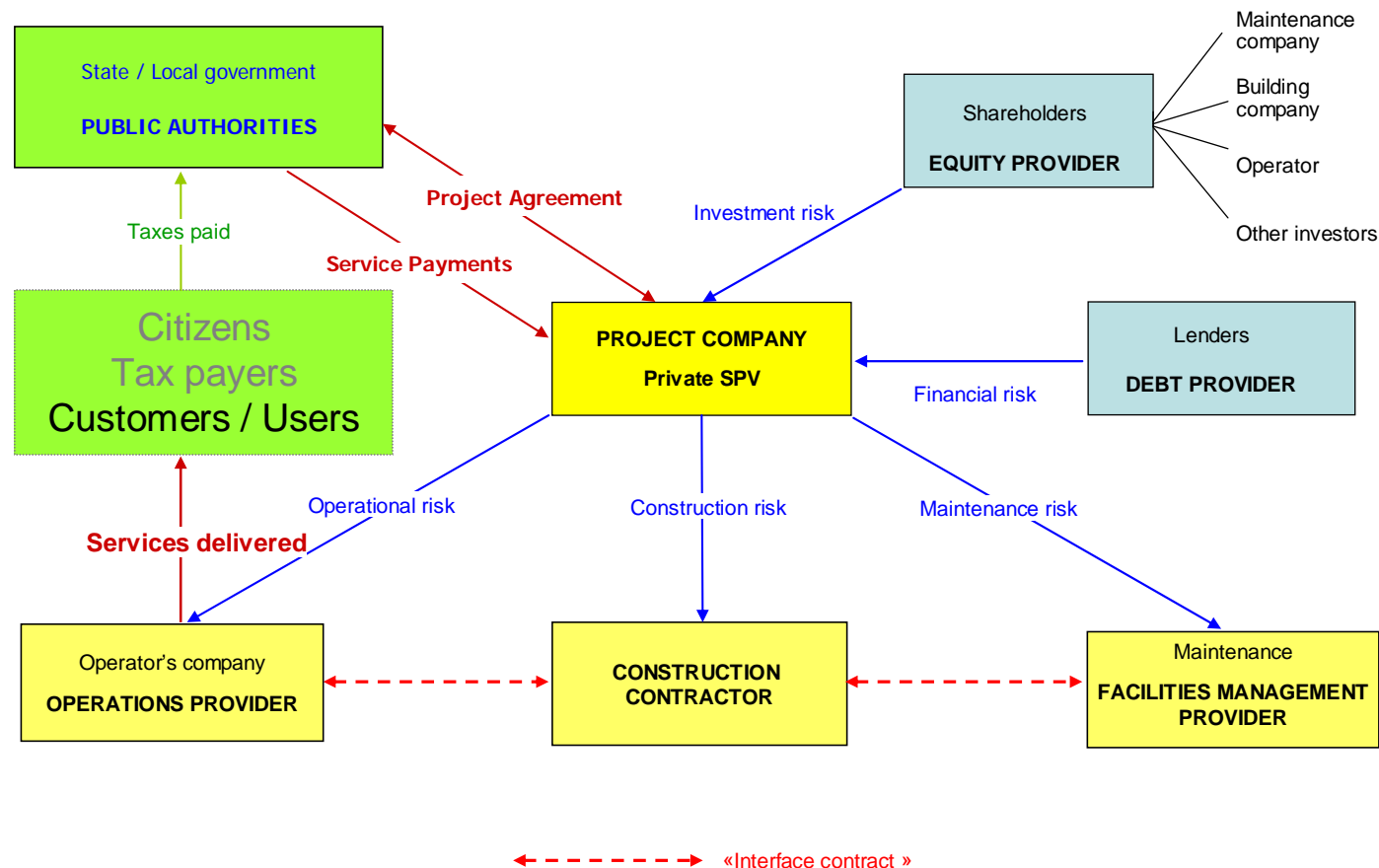
PECC Meeting Sydney November 2006



PPPs can be defined as **cooperation between public authorities and the private sector** in order to ensure the financing, construction, renovation or management of infrastructure, or provision of a service.



Public Private Partnership SCHEME





Five Guidelines for effective PPPs

1. **Inclusive development and affordability**
2. **Building trust and cooperation**
at the heart of successful PPP
3. **Stability and predictability** (of socio-economy & laws)
for which partnerships & which contracts?
4. **Accountability and risk management**
In a context of sustainable development & transparency
5. **Infrastructure financing optimization**



Voluntary Guidelines for effective PPPs

1. *Inclusive development and affordability*

Inclusive development goes along Delivering affordable and better infrastructure services;

asks for *clear roles of the PPP partners*:

- governments
- the private operator

2. *Trust and cooperation*

are at the heart of good P.P.Partnerships, *to build trust with* :

- local authorities
- the staff retained
- consumers
- the population

3. *Stability and predictability*

- Social and economic environment of the country
- Basic legal conditions for PPPs



Voluntary Guidelines for effective PPPs

4. *Accountability and risk management*

- Accounting in the public sector
- Participation of the private sector, a means of improving evaluation of the performance of public services
- IPSAS standards, a means of bringing public and private sector accounting standards together
- Sustainable development, a means of bringing together public and private sector perception of accountability and risk management

5. *Infrastructure financing optimization*

- Avoiding, from the start, the risk of unnecessary new investment
- The role of a private operator in investment financing
- Facilitating the financing of basic infrastructure



Recommendations for PPPs' users

For each guideline, recommendations are issued

To the PPP stakeholders

- **Public authorities**, including State government and regional-local authorities; *with a need for improved forms of governance*
- **Financial community**, including public, multilateral and private financing;
- **Private Partners.**

All along each stage of PPP process

- Pre-assessment
- Set-up
- Award
- Life of the PPP contract
- Termination

Millau's Viaduct built by Eiffage in 3 years time
highest bridge in the world
opened on December 14th 2004

What has happened since?

10 Millions vehicles passed the bridge: good service!

Eiffage won the contract for Spain-France TGV link
Eiffage & Mcquarie bought APPRR concession to the State
But Eiffage is now under attack of Spanish group Sacyr...

This document is the culmination of an extensive process of consultation and consensus building. It has benefited from many contributions with much enthusiasm and encouragement from within PECC and from other international organisations.

Thanks to all of you

and especially to the Editorial Committee
with Professors Jean-Luc Le Bideau &
Christopher Findlay
and the team they assembled

Thanks to our host Bill Shields