



WORKSHOP ON PUBLIC-PRIVATE PARTNERSHIPS

Opening remarks

Yves COUSQUER

Ingénieur général des ponts et chaussées

Vice-President of CEEP

Centre Européen des entreprises à participation publique et
des Entreprises d'intérêt économique général

Past president of La Poste and Aéroports de Paris ADP

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What is CEEP?

The Members of CEEP

1. Enterprises and employers' organisations with public participation and
2. Enterprises carrying out activities of general economic interest whatever their legal ownership or status

Its historical missions

1. **European representation of Public Sector enterprises**, since 1961
2. **European employers' organisation**
representing Public sector in the "Social Dialogue"
at EU level
3. **Promoter of services of general economic interest**
at European level
Transport, energy, water supply & waste disposal, housing, postal services, telecommunications, banking, local administration etc.



Public Sector in Europe

(Percentage of “public” per sector)

- 58 % in energy sector
- 49 % in post/telecom sector
- 35 % in public transport
- 13 % in financial sector
- 2 % in industry

Altogether the “public controlled sector” represents:

- about 16 Mio employees and 12% of the economic activity within the EU 15, and close to 20 Mio in EU 25
- and 1,3 Mio employees in France

Of which in local publicly owned enterprises:

- 150 000 employees in France (12%)
- But 3,2 Mio (20%) in EU 15, and far more in EU 25

Serving the public



- That is always the matter, whatever the service
- Then the questions:
 - Who is the public? Citizens and/or customers
 - Who decides about the service to deliver?
 - Who pays for it? The Budget (taxes) or the clients (tariffs)...
- A large and evolving span of answers, when it comes to build “infrastructures” or operate “services”
 - Administration itself, national or local
 - Autonomous public body, of diverse juridical statutes
 - Private enterprises, through public procurement contracts or other organizational devices

Organizational framework

	Direct operating	Capitalistic	Contractual
France	<ul style="list-style-type: none"> • Local authority controlled company- <i>Régie</i> • National administration • Public contract procurement- <i>Marché public</i> 	<ul style="list-style-type: none"> • Mixed economy company- <i>Société d'économie mixte</i> • Public corporation 	<ul style="list-style-type: none"> • Cooperation agreement- <i>Contrat de partenariat</i> • Public Service Delegation - <i>Délégation de service public</i> • Authorization to occupy the public domain- <i>Autorisation d'occupation du DP</i> • Licences
International	<p>In-house</p> <p>Inter-organic</p>	PPP 'participating'	<ul style="list-style-type: none"> • Concessions • PFI • BOT ... • Licences

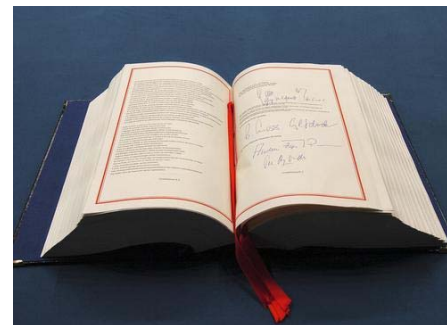


In EU competition rules prevail

- **Public service obligations** are legitimate and their financial **compensations** also, but compensations have to be **proportional**
- **Regulations evolve**, sector by sector, for large networks particularly with the growing liberalization enhanced by competition
 - A large part of these regulations is fixed at EU level, if not world wide by WTO
 - Very often, in the context of globalization, regulations act as incentives to turn Public bodies into Private Enterprises or Semi-Public Corporations
- **PPP should not ignore this** sharp evolution of former public bodies, sometimes into world champions, when they were large networks
 - Telecoms and Posts, Energy, Transports, Urban Services provide many examples of such moves



EU also cares about Public Services





EU also cares about Public Services

Constitutional Treaty signed in Roma on October 29th, 2004

« Constitution doesn't choose the market only »

« It enhances former levers for social Europe :

Chart of fundamental rights extend guarantees.

Social partners can contract **binding agreements**.

The goals of full employment and social or territorial cohesion are well targeted. »

« *Lisbon Strategy* inspires that text :

Union does not substitute itself to Member States in their redistributive role,

**Union incites MS to activate their social policies,
and to fight against massive unemployment of human capacities
which hurts Europe, and France in particular. »**

Former EU Deputy **Philippe Herzog**


Let's return to PPP in France

Many centuries of experience

- from old canal de Craponne or canal du Midi
- To the XIX^e railways, water and other public works
- Or XX^e toll-roads concessions
- Up to the new "*contrat de partenariat*" in 2004



- Private partner association with public owner to
fulfill a mission or implement a service of general interest
- *Long-term contracts* including at least operational services
and/or financing services
- Risk sharing:
 - Public body: *Marché public*
 - Private operator: *Délégation de service public*
 - Public body and private operator: *Contrat de partenariat*



1889-2004

**Did you know that
Gustave Eiffel financed
75% of the tower he built
and then operated under
a concession agreement?**

These days, concession of Viaduc de Millau to Eiffage group and its subsidiary Eiffel illustrates continuity of French policy to involve private sector in developing large infrastructures projects.

Décret N° 2001-923 du 8 octobre 2001 approuvant

1. la **convention de concession** passée entre l'État et la Compagnie EIFFAGE du viaduc de Millau pour le financement, la conception, la construction, l'exploitation et l'entretien du viaduc de Millau et
2. le **cahier des charges** annexé à cette convention

marquant l'étape la plus récente du processus de construction du viaduc.

Le viaduc a été déclaré d'importance vitale par un arrêté du 25 octobre 2004.

Millau's Viaduc built by Eiffage in 3 years time
highest bridge in the world
will open to-morrow
on December 14th 2004



Conditions for a PPP to succeed

1. From the first stage, good balance **Competition** vs **partnership** with a clear legal frame to allow for *competitive dialogue*
2. **Building confidence** between partners, along contract's life
3. **Balanced contract** with sensible and coherent relationship:
 - between financial obligations and required actions
 - In the allocation of risks between the parties to the contract
4. **Efficient use of operator** according to its **skills**
5. **Public authority** has to remain competent, well informed and constant, as a **guarantor of public service and its quality**
 - with efficient reporting and inspection methods
 - and attention to feed-back from users and citizens

I thank you for your attention