

Engaging the Private Sector in Public Infrastructure: How?

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For NEFPP

- The International Comparative Legal Guide to: PFI / PPP Projects, Canada. 2007.**
- Capital Asset Management Framework. BC.**
- Project Finance: An Introductory Manual for Canadian PPP Project Managers and Advisors, 2006**
- Responsible PPP Procurement for British Columbia, 2006**
- Schools: The Case for a Canadian PPP Application, 2007**
- Public-Private Partnerships – Potential Structures: Accounting Implications, 2002**
- The Canadian Case for Hospital PPP Projects**
- Overview of Successful Public-Private Partnerships in the Water Sector**
- Successful Transportation Projects in Canada and the USA**
- Guide on the Establishment of Public Private Infrastructure Partnerships - Government of Ontario, 2001**
- Partnerships Victoria, Guidance Material, 2001**
- Best Practices Review of Public-Private Partnerships - Crown Investments Corporation of Saskatchewan, with Deloitte Touche, 2000.**
- Public Private Partnership - A Guide for Local Government. Government of British Columbia, 1999.**
- P3 - Best Practices Guide - Government of British Columbia, 1998**
- Strategic Public-Private Partnering - A Guide for Nova Scotia Municipalities, 1996**
- Public-private Partnerships (Guidelines and Protocols) - Province of New Brunswick**
- Public-Private Partnerships for Environmental Facilities: A Self-Help Guide for Local Governments, 1991**

“How” depends on what you are after

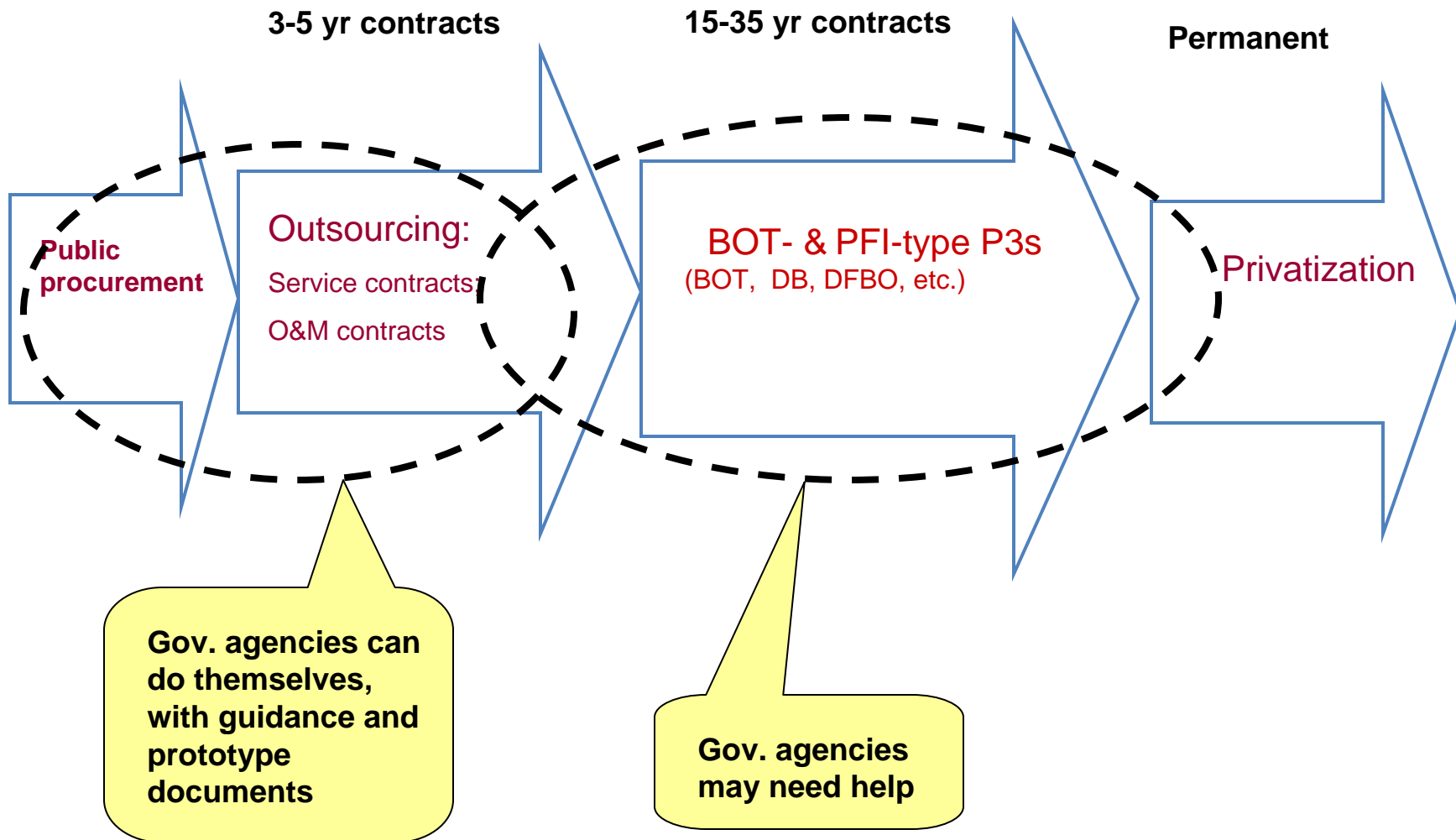
Main drivers:

- A need for capital investment that exceeds capital budgets and borrowing & implementation capacity of governmental agencies
- Political (paradigm shift in public management)

Other (or associated) drivers / benefits include:

- Expected operating cost savings (via life-cycle costing or private sector efficiencies)
- Improved quality / expended scope of services

Conceptualizing, preparing, and procuring a P3 – need help?



Who is helping?

- **In-government units** (Knowledge Centre PPP / Ministry of Finance, the Netherlands; PPP Unit / Ministry of Finance, South Africa; the Central PPP Policy Unit in the DoF, Ireland)
- **Temporary entities financed by government** (Treasury Task Force, UK)
- **Private sector consultants** (internationally)
- **Governmental commercial companies** (Partnership BC, Canada)

Difference in perspective:

Ireland: <http://www.ppp.gov.ie/about/index.html>

BC: <http://www.partnershipsbc.ca/>

Decision making on capital-investment P3s

Formally speaking:

- 1) Strategic decision to invest
- 2) VfM selection of a model (P3 or public procurement)
- 3) Preparation / procurement

Realistically speaking:

And if the choice is “A P3 or nothing?”

VfM calculations can be manipulated

What can be expected about “what” and “how”

- **More public investment**
- **“Hybridization” of financial and procurement schemes:** upper-level governmental subsidies to cover “viability gap” for P3s; public sector procurement benchmarked by P3s
- **Taking-up-to-scale techniques** (standardization, SIP)
- **Combination of “public use” and “private use” under one P3 / time & space sharing** (School / sport center / swimming pool, City of Espoo, Finland)
- **Emergence of P4** (public-private-people partnerships)