

PPPs Western Europe

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THE INTERNATIONAL FEDERATION OF
PRIVATE WATER OPERATORS

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Europe the 'home' of PPPs

- Existed in various forms in various countries for 300 - 400 years
- Invented and adapted to provide solutions to many different 'societal' problems
- Still being re-invented to meet changing needs of today
- A very useful tool in the toolbox

The Europe of PPPs

- Several different Europes, including:
- UK
- Germany
- Poland
- Czech Republic
- Netherlands
- Belgium
- France
- Italy
- Spain

Diversity of understanding of what a PPP is

- Technical Assistance, Contract operations, affermage, concession, PFI (Long-term to Short-term)
- Different understanding of 'partnership' & 'contract'
- Contract Parties
- Asset ownership
- Who's the boss
- Different types of operators & different Skills
- Contract Execution
- Sector regulation

What is a 'purchaser' looking for?

- What problem/s does he want to solve?
- Money
 - Investment capital - Operating capital
- Technology
- Efficiency
- Management
- Change management
- Competitive pressure
- Clearer separation of responsibility
- Boost employment/economic activity
- Risk transfer
- Other

The parties to a PPP

- Service Users
- Public Authorities
- Service Operator
- Public Administration
- Asymmetries
- 6Rs
 - Roles
 - Responsibilities
 - Risks
 - Rewards
 - Rights
 - Recourse

The life cycle of a PPP

- Conception
 - Policy Objectives
- Creation
 - Bidding
 - Finalisation
 - Contract
- Conduct
 - Establishment of operating relations
 - Personnel
 - Takeover & Start up
 - Data, tracking & Reporting

The life cycle of a PPP (2)

- Changes
 - Identification & alerting
 - Proposing & agreeing solutions
 - Adaption & implementation
- Conclusion
 - Finalisation
 - Personnel
 - Renewal

Who promotes PPPs and why?

- Those who want to separate political activities from industrial ones
- Those who want action
- Those for whom it is a policy
- Those who have seen repeated public sector failures
- Those who have used PPPs successfully
- Those who offer and operate PPPs
- Those who finance PPPs
- Consultants

Who opposes PPPs and why?

- Vested interests against
- Treasury/budget departments
- Trade unions
- Incumbent management
- Public authorities extracting revenue from public services
- NGOs
- Academic and political ideologies
- Consultants

Exposing some of the propaganda.

- Profit
- Contrary to Human Rights
- Service focus
- Price rises
- Corruption
- Re-municipalisation

Consistency in Legal Frameworks

- Avoid conflicting rules and policies e.g.:
 - Aarhus Convention
 - Investor protection
 - Human rights
- Responsibility & Reporting
- Balance & Protection of relationships
- Transparency
- Pre-bid and post-bid evaluations

Conclusion

- PPPs are useful tools
- Like all tools they need to be used properly
 - Choose the right tool for the job
 - Maintain the tool and keep it sharp
 - Use it properly
- PPPs are generally complex tool that require three to operate.

Like riding one of these!



If one falls all fall

Also needs a smooth road to run on = Enabling framework

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