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Team of Specialists on Public-Private Partnerships

Third session

Geneva, 18-19 April 2011

Report of the Team of Specialists on Public-Private Partnerships*Summary*

The Team of Specialists on Public-Private Partnerships (PPP) held its third session on 18-19 April 2011 with over 200 participants from more than 35 countries that included two ministers and other senior policy makers, 10 intergovernmental organizations, and 24 internationally-recognised private sector institutions. The meeting was opened by the Director General of the United Nations Office in Geneva, and the Secretary General of the United Nations Conference on Trade and Development.

Taking note of the unanimous support throughout the debate in the substantive session to the creation of the UNECE International Centre of Excellence, and encouraged by the several expressions of interest by countries to host specialist centres within the UNECE PPP Initiative, the Team recommended the establishment of the UNECE International PPP Centre of Excellence in Geneva, and invited the appropriate UNECE management bodies to consider further steps to operationalize it.

The Team also: elected a new Chairperson and several vice-Chairpersons; reviewed the work done since the second session in December 2009; agreed on the implementation plan for the rest of 2011 and made proposals for the programme of work in the next biennium 2012-2013; established a working group to work on the Toolkit; and created the PPP Readiness Task Force. Finally, The Team decided that its fourth session takes place in February 2012 in conjunction with PPP Days 2012.

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I. Attendance

1. The Team of Specialists on Public-Private Partnerships held its third session on 18-19 April 2011. Representatives of the following countries participated in the session: Albania, Belarus, Belgium, Bosnia and Herzegovina, Croatia, Cyprus, Czech Republic, Germany, India, Japan, Kazakhstan, Kyrgyzstan, Lebanon, Lithuania, Montenegro, Netherlands, Pakistan, Philippines, Poland, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Saudi Arabia, Serbia, Syrian Arab Republic, Tajikistan, the former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom, United States, Uzbekistan and Zimbabwe.
2. The European Community and the United Nations Mission in Kosovo (UNMIK) were also represented.
3. In attendance were representatives from the following United Nations organizations and specialized agencies: United Nations Conference on Trade and Development (UNCTAD), United Nations Commission in International Trade Law (UNCITRAL) and United Nations Industrial Development Organization (UNIDO).
4. The following intergovernmental organizations also participated: Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), European PPP Expertise Centre (EPEC), International Finance Corporation, a member of the World Bank Group (IFC), and the Organization of the Black Sea Economic Cooperation (BSEC).
5. The following non-governmental organizations, academic institutions, experts and private companies took part in the session: Amey (United Kingdom), AON (the Netherlands), Berwin Leighton Paisner LLP (United Kingdom), Bouygues Batiment International (France), C.R.E.A.M. Europe PPP Alliance (Belgium), Clnb des Partenariats Public-Privé (France), CTA International Consulting (Republic of Moldova), Complex Program Group (United Arab Emirates), Deloitte and Touche (Ireland), Derech Eretz Highways Management Corporation Ltd (Israel), DIF (Netherlands), EC Harris LLP (United Kingdom), Farne Project Consultancy/Pinsent Masons (United Kingdom), Fritel and Associés (France), Graduate Institute for International and Development Studies (Switzerland), Grant Thornton UK LLP (United Kingdom), Gide Loyrette Nouel (Russian Federation), Heritage Strategies International (United States), Hornbanger Law Firm (Austria), Infrastructure Capital (Singapore), Infrastructure Journal (United Kingdom), International Consultancy Organization LTD (Turkey), Institute of World Economy & International Relations (Russian Federation), International Federation of Private Water Operators (Belgium), International Road Federation (IRF), International Investment Centre (Russian Federation), International PPP Platform Turkey (Turkey), Intervistas Consulting Group (Netherlands), KfW Development (Germany), Kommunalkredit Public Consulting (Austria), Louis Berger (United Kingdom), LYCIAR (United Kingdom), Marketing Research Foundation (Russian Federation), McBains Cooper (United Kingdom), Minsk Capital Association of Entrepreneurs and Employers (Belarus), Noerr OOO (Russian Federation), Open University Business School (United Kingdom), Peterka & Partners (Ukraine), Pinsent Masons and Magisters (United Kingdom), Pöyry Infra GmbH (Germany), Project and Structure Finance, Gazprombank (Russian Federation), Public Services International (France), RebelGroup Advisory (Netherlands), Sagias & Partners Law Firm (Greece), Severn Trent Services International Ltd (United Kingdom), Simmons & Simmons (United Kingdom), State University – High School of Economy (Russian Federation), TFI News (United Kingdom), TheCityUK (United Kingdom), Timmermans & Simons International Business Lawyers (Netherlands), Toyo University (Japan), University of Geneva (Switzerland), VanderBroek Consulting (Netherlands), Vnesheconombank

(Russian Federation), White & Case LLP (United Kingdom), and Yalti Yondem Law Firm (Turkey).

II. Opening statement by the Director General of the United Nations Office in Geneva and keynote address by the Secretary-General of UNCTAD

6. At the beginning of the meeting, the Director General of the United Nations Office in Geneva, Mr. Sergei Ordzhonikidze, delivered an opening statement, followed by a keynote address by Mr. Supachai Panitchpakdi, Secretary-General, UNCTAD.

7. The Director General remarked that PPPs were very important for the United Nations, and that they were critical for the modernization of infrastructure, the improvement of public services and in meeting the United Nations Millennium Development Goals. He added that UNECE was unique within the United Nations in working in the area of PPPs and in having an inter-governmental body, its Team of Specialists, to undertake PPP capacity building. He recalled that between 2007 and 2009, three of the United Nations Regional Commissions, the UNECE, the United Nations Economic and Social Commission for Asia and the Pacific, and the United Nations Economic Commission for Africa, recommended the creation of an international PPP Centre of Excellence, and mandated the UNECE to identify the modalities of such a Centre and to explore whether extra budgetary resources could be found to make this ambitious project feasible. The Director General added that this meeting has to ensure that this vision becomes a reality with a recommendation to establish the UNECE International PPP Centre of Excellence. He reminded the meeting that when embarking on such a project, one should keep in mind that:

(a) The projects we promote under the term ‘PPPs’, embrace the Millennium Development Goals, in particular, the challenges of sustainable development and ensuring decent livelihoods for all our citizens;

(b) The proposed Centre should be a platform for partnership with other international agencies such as the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development and the European Investment Bank as well as the European PPP Expertise Centre or EPEC;

(c) The governance of such a proposed Centre should be under the scrutiny of the governments of member States, while at the same time, the private sector remains a critical player in PPPs and its involvement must be encouraged in all the Centre’s activities in order to ensure success; and

(d) The Centre must rely on extra budgetary resources to meet its goals, and that to be fully operational and effective, the Centre requires such resources.

8. In his keynote address on “Infrastructure Deficit and Importance of PPP Capacity Building”, Mr. Supachai Panitchpakdi, Secretary-General, UNCTAD, stated that in the next decade it was going to be very difficult to satisfy key infrastructure investments’ needs based on traditional public financing sources. He opined that better arrangements for infrastructure support needed to be in place in order to catch up with the deficit in infrastructure spending, and stressed that the deficit could be met by the participation of the private sector in infrastructure projects using the PPP model. He congratulated the UNECE on this initiative and committed UNCTAD to working closely with the Centre once it had been established.

III. Adoption of the agenda (Agenda item 1)

Documentation: Annotated provisional agenda for the third session (ECE/CECI/PPP/2011/1)

9. The Team adopted the provisional agenda as proposed by the secretariat.

IV. Election of officers and issues related to the Bureau (Agenda item 2)

10. The Team elected Mr. Jan van Schoonhoven (Netherlands) as its new Chairperson, and thanked the outgoing Chairperson, Mr. Charles Solomon (Israel) for his leadership and contribution to the implementation of the Team's programme of work since its first session in 2008. The Team agreed that Mr. Solomon continue serving as outgoing co-Chairperson for an interim period to ensure continuity and a smooth transition in the work of the Team.

11. The Team also thanked a number of outgoing members of the Bureau for their services, namely, Mr. Dmitry Amunts (Russian Federation), Mr. Rafkat Hasanov (Kyrgyzstan), Ms. Boriana Pencheva (Bulgaria), and Mr. James Stewart (United Kingdom), and elected Mr. Leo McKenna (United Kingdom), Mr. Bernhard Mueller (Germany), Mr. Kairat Tilebaldinov (Kazakhstan), and Mr. Kamilo Vrana (Croatia) as vice-Chairpersons of the Team. The Team also noted the interest from countries outside the UNECE region in nominating candidates to join the Bureau as vice-Chairpersons, namely, Mr. Sam Tabuchi (Japan), Mr. Jay-Hyung Kim (Republic of Korea), and Mr. Bastary Pandji Indra (Indonesia).

12. The Chairperson welcomed the over 200 participants from 35 countries, 10 inter-governmental organizations, the private sector and academic institutions, and thanked the Team for electing him as Chairperson at an exciting time when the UNECE and the PPP community were on the verge of a new global initiative involving both the public and the private sector. He stressed his conviction that the UNECE PPP Initiative will help to build the capacities of governments to undertake PPPs successfully, and will help the private sector to engage effectively with the public sector. The Chairperson then went on to highlight the following points:

(a) The UNECE PPP Toolkit, with its five core components, was well suited to assist governments in developing their PPP capabilities;

(b) The UNECE International PPP Centre of Excellence, with its specialists and training centres, could be the vehicle for effective capacity building delivery, and will assist governments in implementing best practice PPP policy; and

(c) The work of the UNECE in the area of PPPs has attracted the interest of international PPP players, reflected in the request to the UNECE by the World Bank and the Asian Development Bank to host the next PPP Days¹ in Geneva in early 2012.

¹ In 2006, the World Bank Institute inaugurated Public-Private Partnership in Infrastructure (PPPI) Days as a regular global event. The conference invites PPP units or other similarly mandated agencies around the world to share latest knowledge and experience among themselves and with leading PPP researchers and PPP capacity building professionals.

V. Substantive segment: UNECE PPP Initiative – the UNECE PPP Toolkit and the UNECE International PPP Centre of Excellence (Agenda item 3)

13. The Substantive Segment of the third session of the Team of Specialists on Public-Private Partnerships discussed the UNECE PPP Initiative, consisting of the UNECE PPP Toolkit for capacity building, and the UNECE International PPP Centre of Excellence, which once established, would contribute to improving the delivery of capacity building. The UNECE International PPP Centre of Excellence will consist of a hub, established under UNECE premises in Geneva, and affiliated PPP specialist centres dedicated to one sector, such as, roads, water supply, water management, health, food security, prison services, sustainable development, education, and others hosted by various countries.

14. The Substantive Segment consisted of three main sessions. 32 panellists took part in the Substantive Segment, representing the public and the private sectors, as well as intergovernmental organizations, all of whom endorsed the idea to establish the UNECE International PPP Centre of Excellence in Geneva.

15. Session I consisted of a high level panel, and addressed the challenges of implementing successful PPPs, and how the UNECE International PPP Centre of Excellence can help countries meet these challenges. Throughout the discussion, a number of countries expressed their intention to host a sectoral specialist centre within the UNECE PPP Initiative:

(i) The Minister of Health of the Philippines stated that his Government was fully committed to the establishment of a PPP specialist centre in health in Manila, in order to increase the use of the PPP model with the objective to improve the health care facilities throughout the whole country, develop a strategy on PPP promotion in the Philippines, and become a global repository of best practices in health care;

(ii) The Chief Executive Officer of the National Water Company of Saudi Arabia confirmed that Saudi Arabia would host a specialist centre on water supply and waste water, and by doing so, Saudi Arabia would also develop best practices in water supply and waste water to be used as a vehicle to increase the use of PPP approaches in the sector in Saudi Arabia;

(iii) The Director General of the National Administration of Penitentiaries of Romania expressed Romania's intention to host a PPP specialist centre on prison services;

(iv) A representative from Toyo University in Japan supported the idea of setting up a specialist centre in Japan, and underscored the intention of Toyo University to act as a catalyst for Japan to host the specialist centre on the role of PPP in disaster recovery, including at the municipal level.

(v) A representative from the Ministry of Finance of Germany expressed Germany's interest in hosting a specialist centre on schools;

(vi) A representative from the Netherlands informed the Team that the Government of the Netherlands was interested in hosting a PPP specialist centre on water management; and

(vii) A representative from the Public Works Authority of Qatar informed the Team that the State of Qatar was very much interested in hosting a PPP specialist centre on a sector yet to be determined.

16. Session II was divided into two parts: Part 1 dealt with the UNECE PPP Toolkit, and Part 2 was devoted to the UNECE International PPP Centre of Excellence.

(i) Part 1 consisted of a series of presentations on: the development and purpose of the UNECE PPP Toolkit; how the Toolkit was going to be applied in individual countries; what was going to be the role of the private sector and how it would be engaged in this process; and how would the Toolkit raise the capacity of governments to improve the implementation of PPP legislation. A representative from Simmons and Simmons also presented the results of the UNECE-commissioned survey and evaluation of the UNCITRAL Model Provisions on Privately Financed Infrastructure Projects (PFIPs). Part 1 was concluded by a special address from a representative from the State of Qatar who made the case for Islamic financing to be considered as an alternative financing tool for PPP.

(ii) Part 2 considered in some detail the structure, purpose and benefits of the UNECE International PPP Centre of Excellence.

17. Session III was dedicated to comments on the UNECE PPP Initiative from various stakeholders, including development banks, intergovernmental organizations, the private sector, and other non-governmental organizations. Speakers included representatives from the Asian Development Bank, the European Bank for Reconstruction and Development, the United Nations Conference on Trade and Development, and the European PPP Expertise Centre.

18. The Team took note of the fact that hosts of specialist centres will be committing considerable financial resources to the UNECE secretariat to run the International PPP Centre of Excellence for a number of years, while also committing financial resources to meet the costs associated with establishing, maintaining and regular updating of international sectoral best practice guides in their chosen sector, besides all the costs associated with running the specialist centres in their respective country.

19. In summing up the Substantive Segment, the Chairperson recalled that all speakers and interventions from the floor in over nine hours of discussion on the UNECE PPP Initiative have been unanimous in their support to the establishment of the UNECE International PPP Centre of Excellence and to the work undertaken so far on the Toolkit, including the need to ensure that all the useful material prepared, especially the work on the modules, was integrated in the Toolkit.

20. Taking note of extrabudgetary resources pledged by Member States for the use of the UNECE International PPP Centre of Excellence and the support for the UNECE PPP Initiative, the Team recommended the establishment of the UNECE International PPP Centre of Excellence in Geneva, and invited the appropriate UNECE management bodies to consider further steps to operationalize it.

21. The Team also endorsed the Chairperson's proposal to express special appreciation to Mr. David Dombkins, member of the Team, for the work and efforts since the second session undertaken in promoting the UNECE PPP Initiative worldwide. He invited Mr. Dombkins to kindly continue assisting the Bureau and the secretariat on a pro bono basis on work related to the Toolkit and the Centre, under the guidance and supervision of the Bureau and the secretariat and under terms of reference and functions to be defined by the Bureau once the UNECE Executive Committee decides on the establishment of the UNECE International PPP Centre of Excellence.

VI. Review of the work done since the second session (Agenda item 4)

22. In introducing the work accomplished since the second session of the Team in December 2009, the Chairperson remarked that the focus of this agenda item was on the ongoing development of the UNECE PPP Toolkit, the capacity-building activities undertaken by the secretariat on behalf of the Team, and on fundraising initiatives.

A. Status report on the UNECE PPP Toolkit

23. The Chairperson recalled that a detailed overview of the development of the UNECE PPP Toolkit was provided under Agenda item 3.

24. The Chairperson also reiterated a point made under Agenda item 3, namely, that it was imperative that previous work on the PPP modules properly be integrated within the new structure of the Toolkit. In this regard, the Chairperson proposed that a working group be created within the Team for this purpose and also to assure that the Toolkit meets the aspirations of the end users.

25. The Team took note of the need to integrate the prior material on the modules into the Toolkit, and decided to establish the working group as proposed by the Chairperson. It also called on participants to become involved in the work of the working group.

B. Capacity-building activities

26. The secretariat provided detailed information on the seven activities with a capacity building and training component that it organised and serviced on behalf of the Team since the second session in December 2009. The focus of these activities was on general familiarisation that tended to support the need for more systematic and comprehensive support. These meetings were held with the following international partners:

- (i) The Organization of the Black Sea Economic Cooperation (BSEC);
- (ii) The German Agency for International Cooperation (GIZ);
- (iii) The Turkish International Cooperation and Development Agency (TIKA);
- (iv) The Public-Private Infrastructure Advisory Facility (PPIAF), a member of the World Bank.

27. The meetings, attended by some 650 people mainly from countries with economies in transition, took place in the following venues²:

- (i) Istanbul, Turkey (April and December 2010);
- (ii) Astana, Kazakhstan (July 2010);
- (iii) Tashkent, Uzbekistan (July 2010);
- (iv) Vienna, Austria (October 2010);
- (v) Bishkek, Kyrgyzstan (January 2011); and
- (vi) Zagreb, Croatia (February 2011).

² A more detailed account of these activities, including its main outcomes, is contained in Annex 1.

28. One of the results of these activities was the creation of the Expert Group on PPP in Central Asia. Representatives from Kyrgyzstan, Tajikistan and Turkmenistan shared their views with the Team on the added value and benefit of such a network of professional PPP practitioners, and expressed their support for its expansion to include other CIS countries.

29. A number of participants, including from Croatia, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkey, Turkmenistan, Ukraine, and Uzbekistan, expressed gratefulness for these activities and praised their effectiveness. The representative of BSEC also expressed its satisfaction with the two events organised in Istanbul, Turkey in 2010.

30. The Chairperson expressed his gratitude to the PPP experts participating in these activities, especially those who did so on a pro bono basis, and to the secretariat for organizing and servicing these activities on behalf of the Team.

31. The Team took note of the capacity building activities carried out since the second session in December 2009, and expressed its appreciation to all involved for their contribution to ensure that the Team's capacity building activities were successful. The Team also took note of the creation of the Expert Group on PPP for Central Asia, and endorsed the recommendation by a number of its representatives to enlarge it to also include representatives from other CIS Countries. In view of the growing demand for PPP-related capacity-building activities and other technical cooperation services, the Chairperson pointed out to the need to match this demand with an adequate level of regular budget and extrabudgetary resources.

C. Fund-raising

32. The Chairperson, on behalf of the Team, thanked the following organizations for providing funding for some of the Team's capacity building activities:

- (a) The Russian Federation;
- (b) The German Agency for International Cooperation (GIZ);
- (c) The Turkish International Cooperation and Development Agency (TIKA);
- (d) The Public-Private Infrastructure Advisory Facility (PPIAF), a member of the World Bank, and
- (e) Toyo University, Japan.

33. The Team recalled that the Committee on Economic Cooperation and Integration (CECI), at its fifth session in December 2010, invited Member States and interested stakeholders to consider the possibilities of supporting the work on the UNECE PPP Initiative with extra budgetary financial and in-kind contributions, and called on Member States and other stakeholders to follow the footsteps of existing donors and support the work on the PPP Initiative with extra budgetary resources and in-kind contribution.

VII. Implementation plan for the rest of 2011 and proposals for the programme of work in the next biennium 2012-2013 (Agenda item 5)

34. The Team was informed that CECI's decision to support the renewal of the mandates of its Teams of Specialists by three years until the end of 2013 was still awaiting the endorsement by the UNECE Executive Committee. The UNECE Executive Committee, at its meeting in March 2011, requested to postpone a decision on the renewal of the mandates of CECI's Teams of Specialists till a future meeting, although there was an

understanding among delegations that CECI's activities, including the Team of Specialists on PPP, will continue as planned until a decision was taken.

A. Policy and Normative work

35. The secretariat introduced this agenda item, and elicited the policy and normative work expected from the Team throughout 2011 as part of the CECI programme of work. A number of policy documents were expected to be delivered this year, namely:

(a) Comparative Review of PPP legislation in the countries of Central Asia and other CIS Countries (to be prepared in cooperation with the Expert Group on PPP for CIS Countries (formerly Central Asia)). Out of this Comparative Review, guidelines in the area of procurement in PPPs with a view to the elaboration of a good practice guide on the modalities of organizing open, transparent and competitive tenders for PPPs will also be prepared;

(b) The revision of the 'Guidebook of Promoting Good Governance in PPP', produced in 2008, to take into account the effect of the economic and financial crisis; and

36. The representative from UNCITRAL expressed its interest in the work of the Team in the area of procurement in PPPs, and requested the Team to consult with UNCITRAL secretariat on the elaboration of a good practice guide on the modalities of organising open, transparent and competitive tenders for PPPs to ensure synergy and to avoid unnecessary duplication of work. The representative from UNCITRAL also invited the secretariat to present the Team's work to the upcoming UNCITRAL session in July 2011.

37. The Team took note of the policy and normative work that it was mandated to undertake in 2011, and called on participants to assist the secretariat in this work, and to undertake specific tasks under the guidance of the Bureau and the secretariat. The Team also took note of the results of the UNECE-commissioned survey and evaluation of the UNCITRAL model legislative provisions (PFIPs) conducted by Simmons and Simmons, and recommended that this work be continued in 2012, where the Team was expected to prepare a guide on good practices provisions in PPP legislation, and will submit it to UNCITRAL for consideration in any future normative work in this particular area.

B. Capacity-building activities

38. The secretariat informed the Team that three of the four capacity-building activities planned for 2011 have the PPP national readiness assessment as their main focus. The secretariat remarked that, subject to resources, the Team's goal was to have three PPP national readiness assessments ready by the end of 2011 in countries that have already requested the secretariat for such an exercise to be undertaken by an international PPP consultant working closely with local consultants and partners. The team of consultants will then present its findings to the secretariat, who will in turn present the results of the PPP national readiness assessment to the Government on behalf of the Team at these planned activities. In chronological order and subject to resources, PPP national readiness assessment-focused capacity-building events were planned in:

- (a) Tashkent, Uzbekistan, 15-16 June 2011;
- (b) Kiev, Ukraine, 22-23 September 2011; and
- (c) Bishkek, Kyrgyzstan, second half of 2011.

39. The secretariat also informed the Team that a session on PPP in ICT infrastructure will be organised in the context of the International Conference on "Knowledge-Based

Development and Innovative Entrepreneurship”, to be held in Baku, Azerbaijan, on 23-26 November 2011. Furthermore, the third ‘knowledge sharing’ meeting of the newly enlarged Expert Group on PPP in CIS Countries (formerly Central Asia) will be held back-to-back with this International Conference, and participants from CIS Countries will be invited to participate in both events.

40. The representatives of Belarus, Montenegro and Tajikistan made requests for capacity-building activities to be held in Minsk, Podgorica and Dushanbe respectively. The Chairperson stressed that these events should not be one-off activities, but should lead to national PPP readiness assessments that will identify both a PPP strategy and potential pilot projects.

41. The Team also heard interventions from:

(a) A representative from the Ministry of Economy of Ukraine, who briefed the Team on numerous activities planned jointly with UNECE in Kiev in 2011;

(b) A representative from the Minsk Capital Association of Entrepreneurs and Employers, who made a brief presentation on PPP development in the Republic of Belarus;

(c) A representative from Korea Development Institute (PIMAC), who made a brief presentation on PPP development in the Republic of Korea, and on the International Alliance of PPP Centres; and

(d) A representative from Infrastructure Journal, who presented the 2010 analysis of the PPP market.

42. The Team took note of all the planned capacity building activities based on the PPP national readiness assessment for 2011 and the requests for capacity building activities from Belarus, Montenegro and Tajikistan. The Team requested the secretariat to liaise directly with all the recipients of these activities on the dates and other modalities, and to consider them and other requests for similar activities on the basis of resources and funding availability.

C. PPP Readiness Task Force

Documentation: Conference Room Paper 1 dated 22 March 2011 “Proposal to establish the PPP Readiness Task Force”.

43. The Chairperson referred to Conference Room Paper 1, and introduced the concept of establishing the PPP Readiness Task Force as the body that would provide targeted policy advisory services to Governments and facilitating the undertaking of national PPP readiness assessments considered under Agenda item 5(B), and encouraged participants to be involved in the Task Force by being on the roster.

44. The Team endorsed the establishing of the PPP Readiness Task Force until the end of 2013, subject to renewal, which shall operate in accordance with the Terms of Reference contained in Annex II to this report. The Team also called on the secretariat to inform the extended network of PPP practitioners of the creation of the Task Force and invite interested participants to join the roster of PPP experts who express their desire and interest to participate in the activities of the Task Force in accordance with the Terms of Reference.

VIII. Other business (Agenda item 6)

A. Dates of the next session

45. The Team took note of the proposal to host PPP Days 2012 in Geneva made by the representative of the Asian Development Bank under Agenda item 3, and decided that its fourth session would take place in the second half of February 2012, tentatively on 24 February, in conjunction with PPP Days 2012, tentatively scheduled for 21 to 23 February. The secretariat shall fix the dates depending on conference room availability at the Palais des Nations.

B. Adoption of the report

46. The Team agreed that the secretariat will prepare a draft report on the third session and circulate it to the Chairperson and other members of the Bureau for approval on behalf of the Team no later than 10 working days following the session.

Annex I

List of past capacity building activities

The following list in date order elicits capacity building activities undertaken by the Team since its second session in December 2009:

(a) International Conference on “Addressing the Challenge of Doing Public-Private Partnerships in the Black Sea Region, the Caucasus and Central Asia: Bridging the Gap in PPP Knowledge and Skills,” Istanbul, Turkey, 29-30 April 2010. The Conference, attended by some 100 participants from Central Asia, the Caucasus and the Black Sea region, was co-organized with the International PPP Platform Turkey, and the Organization of the Black Sea Economic Cooperation (BSEC), with the financial support of the Turkish International Cooperation and Development Agency (TIKA). One of the main outcomes of the Conference was the creation of the Expert Group on PPP for Central Asia;

(b) First meeting of the Expert Group on PPP for Central Asia, on the margins of the Special Session on the Creation of a World Association of PPP Units, held under the auspices of the III Astana Economic Forum, Astana, Kazakhstan, 2-3 July 2010. Representatives from Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan discussed future activities of the Expert Group, and decided to draw up the programme for a Regional Training Workshop in Turkey, in December 2010. The meeting was hosted by the Kazakhstan PPP Center, with the financial support of the German Agency for International Cooperation (GIZ);

(c) Regional Training Workshop on “Public-Private Partnerships: How to Assess and Implement Infrastructure Projects”, Tashkent, Uzbekistan, 28-29 July 2010. The Workshop was co-organized with the Chamber of Commerce of Uzbekistan, the Business Forum of Uzbekistan, and UNDP, with the support of the Cabinet of Ministers. One of the highlights of the Workshop was a session with experiences from other Central Asian countries (Kazakhstan, Kyrgyzstan and Turkmenistan);

(d) Training Workshop within the “6th Annual PPP in CEE & SEE Conference”, Vienna, 20 October, 2010. The focus of the Workshop was on the role of the UNECE International PPP Centre of Excellence and its Specialist Centres, and the UNECE Toolkit, in particular, the PPP national readiness assessment tool. The event, organized by a private sector conference organizer, was attended by 90 participants;

(e) Regional Training Workshop on “Addressing the Challenge of Doing Public-Private Partnerships in Specific Sectors in the Black Sea Region, the Caucasus and Central Asia”, and the second meeting of the Expert Group on PPP in Central Asia, Istanbul, Turkey, 15-17 December 2010. The Workshop was hosted by the Organization of the Black Sea Economic Cooperation (BSEC), and was co-organized with, and financially supported by, the Public-Private Infrastructure Advisory Facility (PPIAF), a member of the World Bank, in cooperation with the International PPP Platform Turkey. The third day of the Workshop consisted of a site visit to an operational PPP in the waste water sector, and a series of presentations by private sector operators of PPP projects in Turkey, especially in the airport sector;

(f) PPP familiarisation visit, Bishkek, Kyrgyzstan, 26-27 January 2011. The event was co-organized with the Ministry of Economic Regulation of the Kyrgyz Republic and the recently-established private sector Center for PPP and Investment Promotion. On 26 January, a Workshop, attended by some 140 participants, provided a general introduction to PPP and a series of PPP best practice in different sectors. This was followed

on 27 January by a series of bilateral meetings with Ministers and deputy Ministers, including the Ministry of Economic Regulation, which is the lead ministry in PPP development in Kyrgyzstan;

(g) International Conference on “Addressing the Challenge of Doing PPPs in the South Eastern European Region”, Zagreb, Croatia, 7-8 February 2011. The Conference, attended by 130 participants from 10 countries in South-East Europe, was co-organized with the Agency for PPP in Croatia and the Regional Cooperation Council. The focus was on the PPP project cycle and on national PPP reports from 10 countries in South-East Europe.

Annex II

Terms of Reference of the PPP Readiness Task Force established under Agenda item 5

1. Name

The task force shall be referred to as the “PPP Readiness Task Force”

2. Mandate

The task force is initially established until the end of 2013, subject to renewal, and shall serve two main functions:

- (a) Assist in implementing the UNECE PPP Toolkit; and
- (b) Undertake PPP national readiness assessments on a demand basis.

3. Modalities of operation

Under the guidance of the Bureau and the secretariat, the task force shall carry out its obligations in the following stages:

- (a) Visits the requesting country, and meets with government officials and with the private sector;
- (b) Collaborates with local partners in preparing the readiness assessment questionnaire and the draft report with its recommendations to accelerate progress in creating the right enabling environment for PPP;
- (c) Identifies potential pilot projects to a pre feasibility stage;
- (d) Consults with the government on the draft recommendations at the level of senior decision makers, and at the operational level in the public administration;
- (e) Incorporates feedback and issue a final report; and
- (f) Develops an action plan for implementation.

The task force shall report on its activities at each session of the Team. It shall submit its first report to the fourth session of the Team in February 2012.

4. Membership

Membership shall be open ended, and open to individuals from within the Team and its extended network of PPP practitioners with relevant experience in delivering PPP programmes. The secretariat shall:

- (a) Compile and maintain a roster of PPP experts who express their desire and interest to participate in the activities of the task force;
- (b) Identifies individuals on the roster to participate in specific task force activities on a project by project basis, according to their expertise and experience;
- (c) Regularly update and post the roster on the UNECE website; and
- (d) At the end of the third session of the Team, inform the extended network of PPP practitioners of the creation of the task force and open the roster for interested participants.

5. Link between the task force and the UNECE International PPP Centre of Excellence

The task force shall be an implementing arm of the UNECE International PPP Centre of Excellence, and shall operate under the auspices of the Bureau and the secretariat.

6. Benefiting from the support of the task force

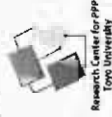
Subject to available resources, catching up economies within the UNECE region are eligible to benefit from the services provided by the task force. The process of applying for these services is through a formal letter by the relevant government entity³ to the Executive Secretary of UNECE.

³ It is assumed that the government in requesting this service would be ready to facilitate all the necessary meetings with government agencies and the private sector, and provide a venue for the consultation with interpretation facilities and basic equipment.

Recovering with the Minimum Time & Cost

Using PPP Methods to Reconstruct Municipalities in Tohoku
After the Great East Japan Earthquake

RESEARCH CENTER FOR PUBLIC/PRIVATE PARTNERSHIP
TOYO UNIVERSITY



Research Center for PPP
Toyo University

Rapid Reactions by Toyo University

- ▶ Recording “1000 Days Actions”
 - Record actions taken by the Government, Legislatures, Municipalities, and other disaster relief programs
 - Objective comparison with Hanshin-Awaji Great Earthquake in 1995
- ▶ Collecting Data on “Damages Under 6”
 - Collecting data on damaged buildings/infrastructures with a quake registered Japanese seismic scale 6+ or under (Fell short to meet Earthquake/Building Standards)
 - Earthquake rose issues of deterioration of public buildings and infrastructures
- ▶ Published Opinions “Recovering with the Minimum Time & Cost Using Public/Private Partnership”

Damages

- ▶ Lost: 13,000+ people
- ▶ Missing: 14,500+ people
- ▶ Evacuated: 150,000+ people (staying at evacuation centers)
- ▶ Buildings: 48,000 totally destroyed
11,000 partially damaged
- ▶ Most damages caused by Tsunami (Max. height 35m)
- ▶ Some cities have lost almost 10% of their population
- ▶ Fukushima Nuclear Incident threatening sustainable community and industries (agriculture and fishery)

(Figures are as of April 10)



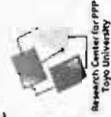
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Opinion 1:

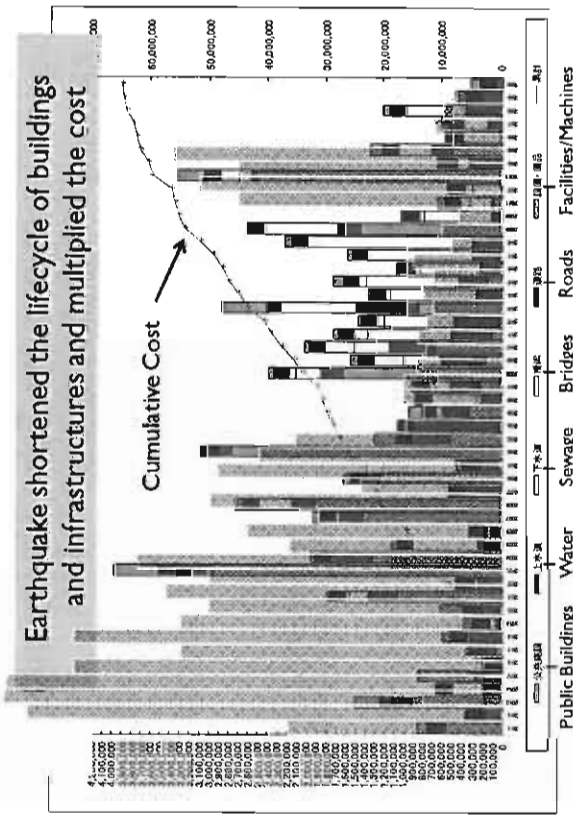
Calculation of Reconstruction Cost

- ▶ Calculation of Financial Burden of Reconstruction Cost is necessary for choice and concentration
- ▶ Toyo PPP Research Center published easy-calculation software for municipalities' cost for Renewal/Renovation of Public Infrastructure (October 2010)
- ▶ Ministry of Internal Affairs and Communication and its auxiliary institute published more in-depth calculation model with Toyo PPP Research Center (March 2011)
- ▶ Ultimate formula for calculation of whole-of-lifecycle cost with disaster relief aspect (release by Summer of 2011)

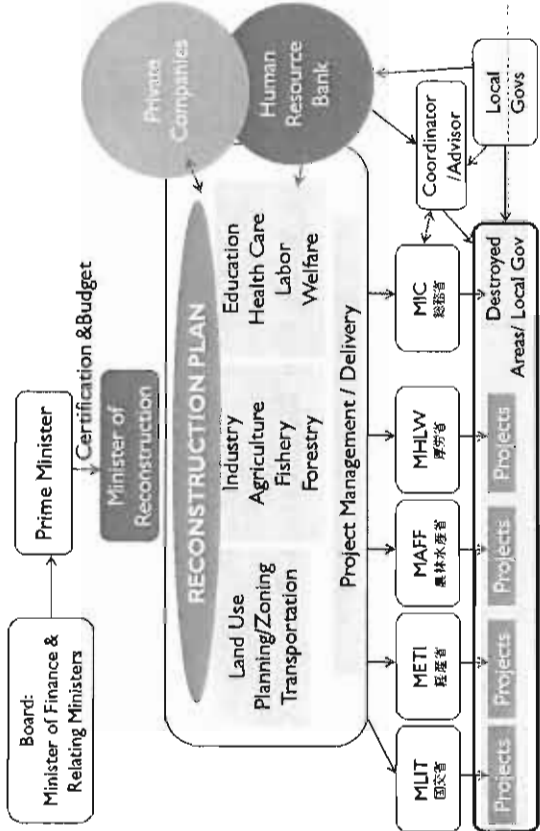


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Earthquake shortened the lifecycle of buildings and infrastructures and multiplied the cost



Works with certification, budget, skills, human resources, and cooperation

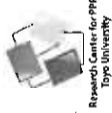
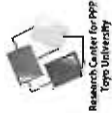


Opinion 2:
Establishment of “Reconstruction Agency”

- ▶ Integrate all governmental organizations
 - Land use, Housing, Infrastructure, Transportation, Industries, Agriculture, Fishery, Forestry, Welfare, Healthcare, Education, Finance...
- ▶ Comprehensive and whole-of-lifecycle planning and project management & delivery (plan, budget, implement, and execute)
- ▶ Provide administrative supports for public services in severely damaged municipalities
- ▶ Establishment of Human Resource Bank will enhance utilization of public and private professionals

Opinion 3:
Effective and Broad Use of PFI

- ▶ Faster and easier application of PFI
 - Shorten/omit some bureaucratic procedures (i.e. If in accordance w/National Reconstruction Plan, shortcut basic and implementation policy study, project qualification testing, and some Assembly procedures)
- ▶ Dispatch experienced administrative personnel from other municipalities/organizations
- ▶ Flexible and wider application of Concession (amending of the PFI Law to implement concession is in progress)
 - Apply to non user-fee projects
 - Allow municipalities and related organizations to become business operators / concessionaires



Opinion 4:

Intensive Investment on Multi-purpose Community Centers

- ▶ Put multiple fundamental functions together (i.e. schools, administrative offices, meeting spaces etc.)
- ▶ Build as skeleton architecture for disaster prevention and flexible adjustment of functions to social needs/demands
- ▶ National subsidy system prevents municipalities for effective use of buildings/spaces for long time
- ▶ Integrative operation of administrative property and ordinary property is required for flexible diversion

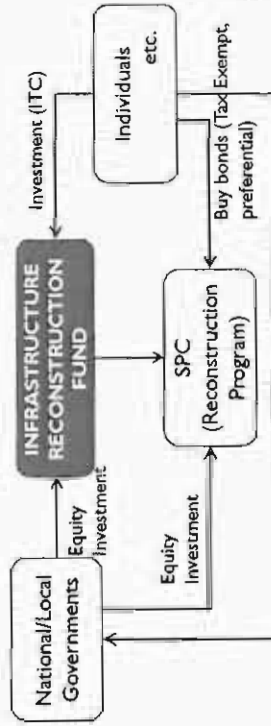


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Opinion 5:

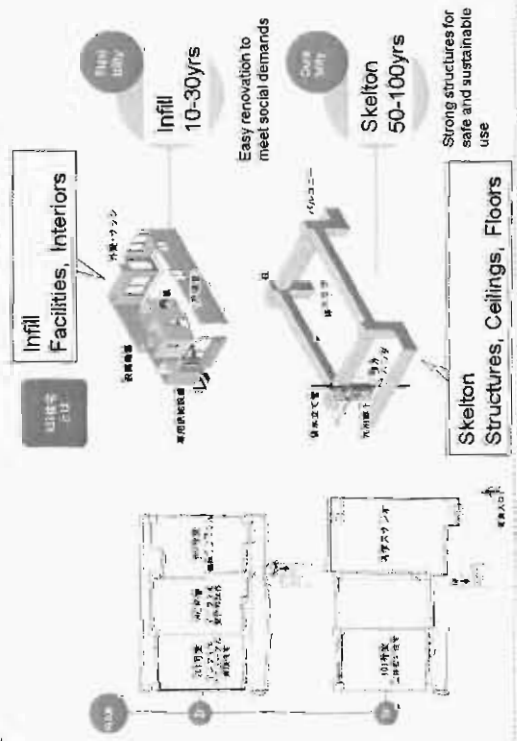
Establishment of Infrastructure Reconstruction Fund

- ▶ Investment tax credit
- ▶ Issuance of tax-exempt bonds
- ▶ Utilize individual financial assets ¥1400 trillion



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Separate Skelton & Infill allows effective uses



Copyright, 都市再生機構 Urban Renaissance Agency



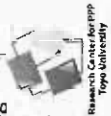
About Toyo University

Toyo PPP Graduate School Toyo PPP Research Center

- ▶ Established in 2006
- ▶ Produced 50+ Professionals
- ▶ Faculties, graduates and students are serving in Governmental and municipal organizations

- ▶ Established in 2008
- ▶ 30+ Professionals act as "Research Partners"
- ▶ Publish periodical/non-periodical research outcomes

- ▶ Assisting municipalities for implementing PPP concepts
- ▶ Conducted more than 30 researches on Area revitalization, Asset management, Innovative procurement systems, Sounding local finance, and etc.



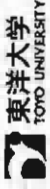
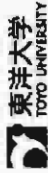
Research Center for PPP Toyo University



東洋大学大学院
経済学研究科公債連携専攻

PPP Possibilities for the Future of Butuan City

Toyo University
PPP School
Butuan Project Team
September 10, 2011



1. Introduction from Professor Sam K Tabuchi



Presentation Agenda

- Introduction by Prof. Sam Tabuchi
- List of Our 4 days' Visit
- Possibilities List
 - Waste to Energy
 - Agriculture
 - Forestry
 - Forestry/Bio-mass
 - Others(Central Market, Tourism, University collaboration)
- Questions and Discussions



2. List of Our 4-days' Visit

Where we visited (1st day)

- Site Inspection
 - Masao (seaport)
 - Libertad (suspended sports center)
 - Tiniwisan (suspended South market)
 - Suspended Business Center
 - Butan Medical Center (BMC)

Where we visited (3rd day)

- Interviews
 - Mayor, Vice Mayor, and City management-class staffs
 - Caraga State University
 - NEDA Caraga
 - Department of Agriculture
 - Department of Tourism
 - Philippine Port Authority
 - Saint Joseph Institute of Technology
 - Father Saturnino Urios University
 - Governor, Agusan del Norte

Where we visited (2nd day)

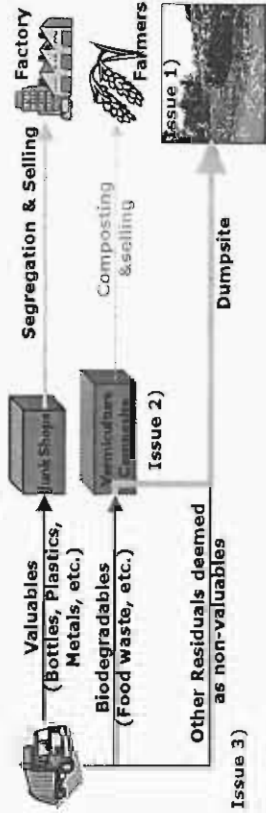
- Site Inspection
 - Pulang Lupa, brgy. Dulag(Co-Management Area)
 - NIA Pumping Station
 - Vermiculture Facility
 - Mahay Balanghayan GK Housing Project
 - Banza (Vacant land of 90 ha)
 - Langihen Public Market and Flea Market
 - Doongan Dump Site
 - Department of Natural Environment and Resources
 - Dumagalan Sanitary Land Fill
 - Shrine (Historical museum)

Where we visited (4th day)

- Interviews
 - Mr. Renato's Rice field
 - PhilRice
 - Doongan dump site
 - Public Market
 - Flea Market
 - Slaughter House
 - Riverside Park
 - Public Cemetery
 - City Administrator
 - Filipinas Renewable Energy Corporation
 - Butuan City Water District
 - City Environment and Natural Resources Office
 - Budget Office of Butuan City
 - Greenbank
 - ANECO (electricity)

3. Potential Projects

Present Situation in Butuan City



Issue 1) Disposal Site

- Existing disposal site is almost full, New LF is necessary.
- Sanitary LF complying with the RA9003 is necessary.

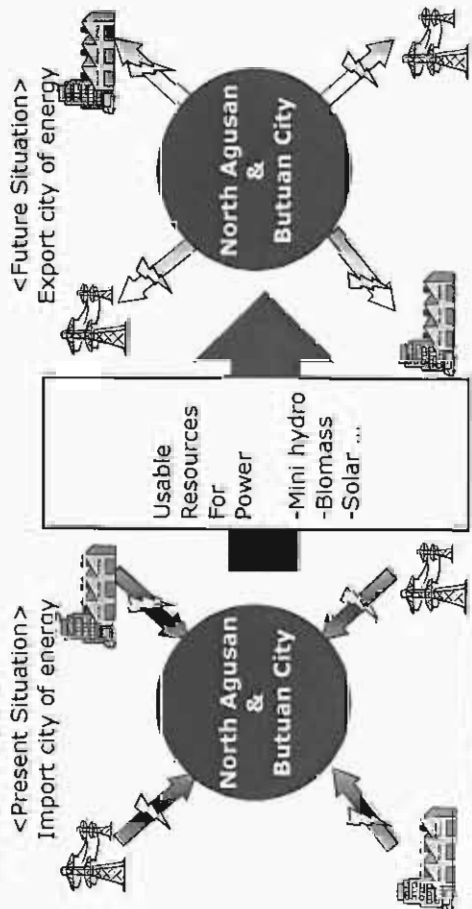
Issue 2) Material Recovery Facility (Vermiculture & Composite)

- Vermiculture is existing, but not yet enough.
- Grand 0 waste will start on coming Sunday.

Issue 3) Budget Deficit

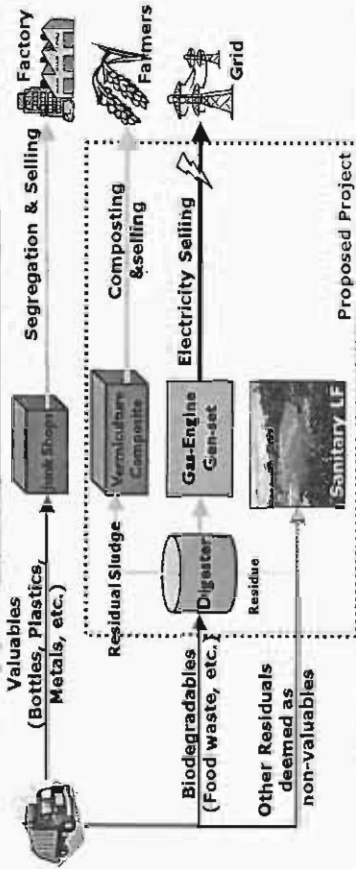
- Not enough budget for MRF & New LF.
- Valuable PPP scheme for New LF is necessary.

Power Supply



- Many usable Resources are existing.
- It's possible to create more power!!
- It's possible to create new job & to sell electric power!!!

Future Situation (1) in Butuan City with Proposed Project



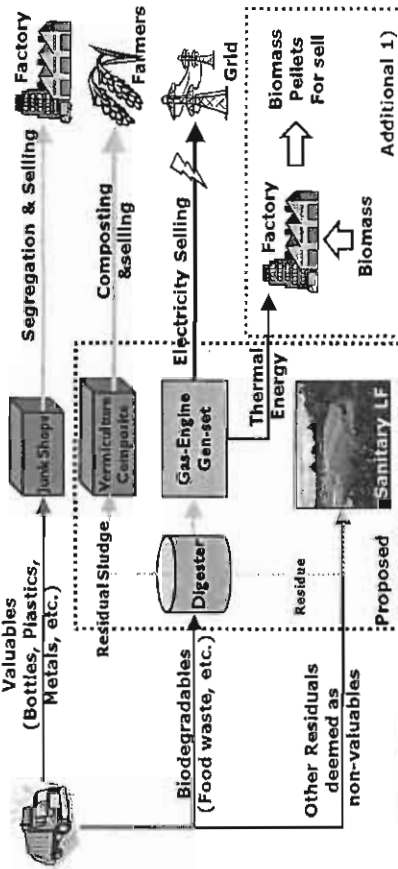
Proposed Project) Solid Waste to Energy Project in Caraga

- Create the gas using digester with biodegradables.
- Sellable electrical power is created by gas engine.

Achievements: Sanitary LF & energy diversification will be provided.

- Employment at those factory will be produced.
- Additional income by selling waste will be created.

Future Situation (2) in Butuan City with Proposed Project & Additional 1



Additional 1) New Industry : Biomass Pellets Production Project
 (SPC shall be established using ppp scheme)
 - Thermal energy is necessary on the process of pellet production.
 - New industry is created by using thermal & biomass resources.
 (Market research of pellet including neighboring country is necessary.)

Proposed by Eight-Japan Engineering Consultants Inc.

Coconut Husk

- Industrial Use
- High-Value Added Products
 - Seeds bed (Hydroponics)
 - Outfits (slippers)
 - Mosquito Coils (for Dengue)



Agricultural Waste to Resources

- Coconut Shells and Trees

Coconut Shells are full of strong fibers

Usually Coconut shells, husks, and trees are dumped...



Coconut Trees

- Old/non-productive coconut trees are hard to be utilized because of disproportion of density...
- Example:
 - With some manufacturing technologies, Coconut trees can be used as Flooring Tiles, furnitures, and interior products



- May be used for FRP(Fiber Reinforced Plastic)

Coconut Shell

Hand Crafts

- Generate income sources for Indigenous and rural people

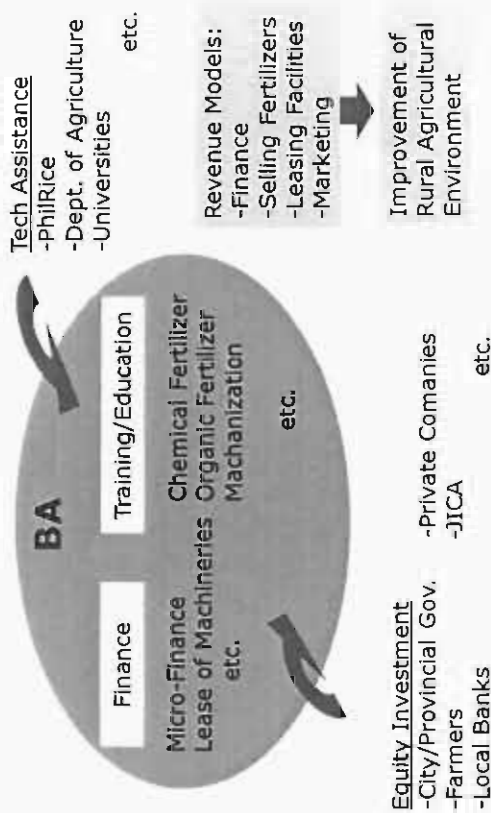
■ Example:

- Beads from shells
- Accessories



Butuan Agricultural Cooperatives

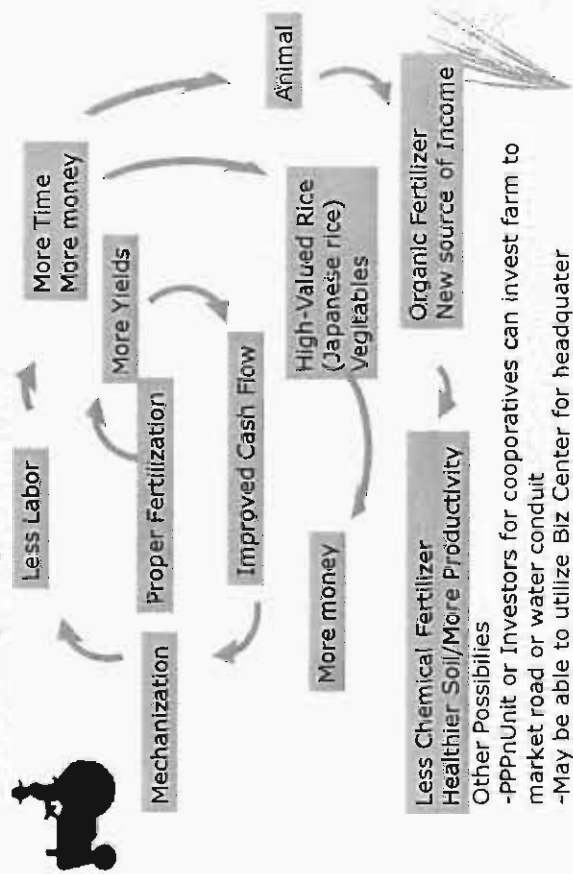
- Establish as a PPP Organization adapting JA model



Issues of Agriculture in Butuan

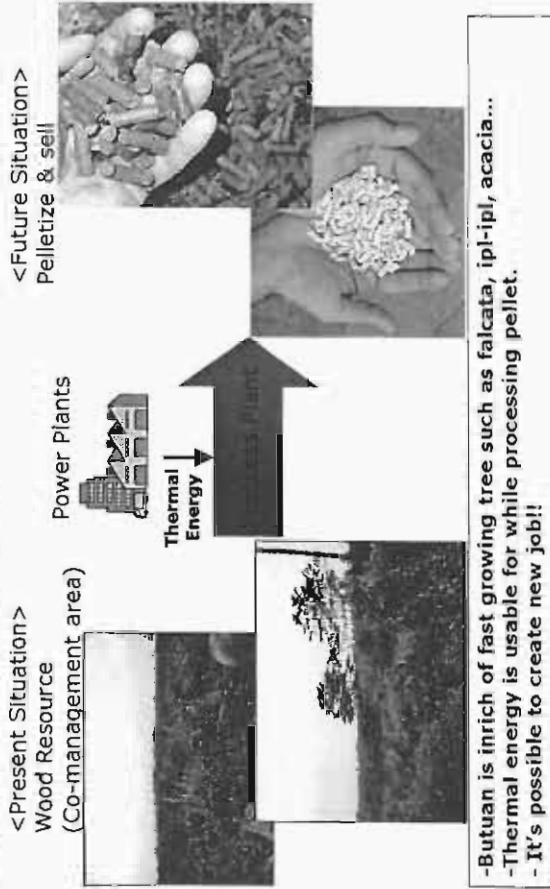
- Low Yields/Under Utilized Land
 - Fertilization
- Inefficient Labor
 - Mechanization
- Land owner/Lender and Tenant/Borrower
 - Reasonable Finance

Productivity Improvement



■ Video

Biomass Pellet Production (new industry)



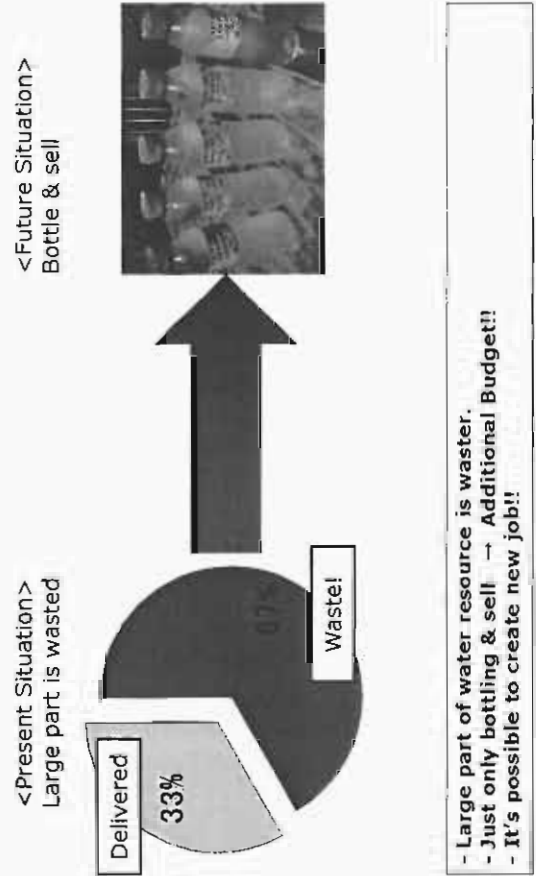
Old Instruments

- Japanese Municipalities/Companies are Replacing Old Instruments which are still fully functioning
→ Japanese manufactureres do not provide these facilities any longer

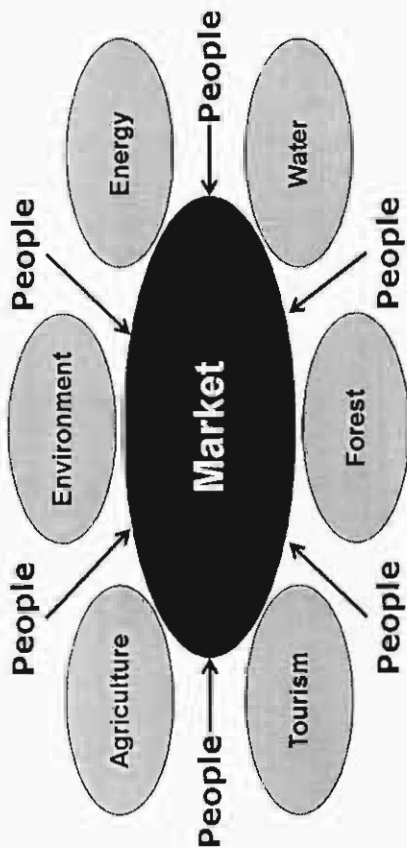


- Example:
 - Flow Meters for Water/Sewer
 Less leaks, less stealing of water, better water supply
New Job opportunities for Maintenance

Excessive Water Resource make Worth!!



What is "Market" ?



"Market" is a basis of development

How can "PPP" help?

Expected incremental income could be utilized

Public Market

For example

- Adjustment of tenant fee payable to the City
 - ✓ Creating "Premium stall zone" alongside of traffic line of more people
 - ✓ Gradually raising fee to the same / close level to other markets nearby
- "One-stop market" where people can buy everything

Taboan Market

- Redevelopment together with Bus terminal
 - "Where people gather and stay is where money comes in"
 - Complex building of market & bus terminal function to be constructed around which arrival & departure of every types of buses exists

How to get "Market" more attractive?

Necessary measures to be taken	Public Market	Taboan Market
■ Rehabilitation / Reconstruction to be conducted	○	△ (Partly)
■ More equipments to be introduced such as ice storage etc.	○	○
■ Better sanitary condition especially of drainage water to be pursued	○	○
■ Anti-flood measure to be conducted	○	○
■ Traffic line of people to be considered	○	△
■ Zoning to be considered	○	○
■ More signage to be installed	○	△
■ Increase in profitability by adjusting tenant fee payable to the City	○	○

Case study: Japanese "complex bldg"



Station building (Shinjuku sta.)



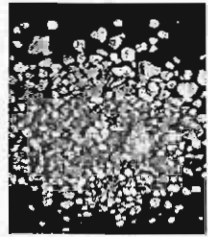
Further details to be discussed and then reported

New Possibilities for TOURISM

Agri tourism (Harvest Experiencing)



Mine tourism (Gold Hunting)



Schedule to make final report

Step1	Additional Research and Study
Step2	Study at the PPP School Class
Step3	Prepare the Final Report
11/14	Presentation to Mayor Amante, VM Fortun and other leaders of Butuan in Tokyo

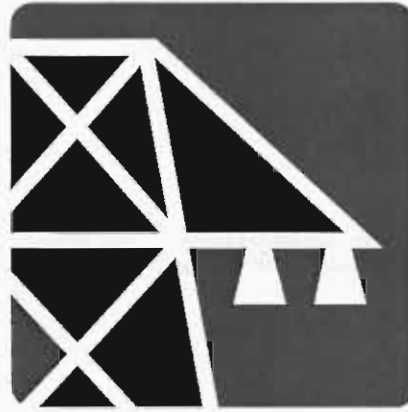
Toyo University's PPAP Connection

- Caraga State University
- Saint Joseph's Institute of Technology
- Father Saturnino Urios University

THANK YOU ! ! !

TOYO University
PPP School

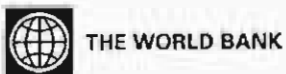
Butuan Project Team
2011.9.10



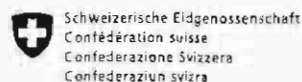
PPP DAYS

2012

21 - 24 February 2012
Geneva, Switzerland



UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE



Swiss Confederation

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

Event Overview

Time	Day 1 • Tuesday, 21 February 2012	Meeting Room
08:30-09:15	<i>Welcome Coffee</i>	Foyer Salle XVII
09:15-10:00	Opening Session	Salle XVII
10:00-11:00	Plenary Panel Discussion: Where are PPP markets heading (Financing Gap)?	Salle XVII
11:00-12:00	Plenary Panel Discussion: Financing Future Growth	Salle XVII
12:00-13:00	Plenary Panel Discussion: The role of Multilateral Development Banks	Salle XVII
13:00-14:30	<i>Lunch and World Café</i>	Foyer Salle XVII
14:30-15:30	Plenary Debate: Reassessing the costs and benefits of PPPs	Salle XVII
15:30-16:00	<i>Coffee break</i>	Foyer Salle XVII
16:00-17:00	Parallel clinics on thematic issues in PPPs	
	A. Government financial support and PPPs	Salle XVII
	B. Transforming urban and rural spaces through PPPs	Salle XXIV
17:00-18:00	Parallel clinics on sectoral themes in PPPs	
	A. Energy	Salle XVII
	B. Transport	Salle XXIV
	C. Health	Salle XXV
18:00-20:00	<i>Cocktail Reception</i>	Restaurant des Delegates (8th floor)
Time	Day 2 • Wednesday, 22 February 2012	Meeting Room
09:00-09:30	<i>Coffee</i>	Foyer Salle XVII
09:30-10:30	Plenary Session: Improving the transparency and governance of PPP arrangements	Salle XVII
10:30-11:30	Plenary Session: PPPs at the sub-national level	Salle XVII
11:30-13:00	Parallel clinics on governance frameworks	
	A. National audit institutions and PPPs	Salle XVII
	B. Preparing PPP Programs	Salle XXIV
	C. Addressing Governance Risks	Salle XXV
13:00-15:00	<i>Lunch</i>	Foyer Salle XVII
14:30-15:00	Lunchtime talk: "2000 Years of PPPs" - Mr. Xavier Bezancon	Salle XVII
15:00-16:00	Parallel clinics on governance - sectoral and thematic aspects	
	A. Improving accountability through PPPs	Salle XVII
	B. Creating public sector capacity	Salle XXIV
	C. Contract management	Salle XXV
16:00-17:30	Plenary Session: Promoting networking activities and fostering capacity-building programs	Salle XVII
17:30-17:45	Closing Reflections and Remarks	Salle XVII
17:45-18:30	<i>Aperitif</i>	Foyer Salle XVII
18:30-22:00	<i>"Swiss Night"</i>	Transport to venue
Time	Day 3 • Thursday, 23 February 2012	Meeting Room
08:45-09:15	<i>Coffee</i>	Foyer Salle XVII
09:15-09:30	Welcome address	Salle XVII
09:30-12:30	Business Forum in parallel sessions	
	Stream A. Japan and Ukraine	Salle XVII
	Stream B. Brazil, Nigeria and Peru	Salle XXV
	Stream C. The Philippines and India	Salle XXIV
12:30-14:00	<i>Lunch and networking</i>	Foyer Salle XVII
14:00-18:00	Business Forum in parallel sessions	
	Stream A. Armenia, Russian Federation and Kazakhstan	Salle XVII
	Stream B. Uruguay and West Africa	Salle XXV
	Stream C. Turkey, Colombia and Vietnam	Salle XXIV
From 17:30	<i>Networking Session</i>	Foyer Salle XVII
18:30-20:00	<i>Dutch Reception</i>	Foyer Salle XVII
Time	Day 4 • Friday, 24 February 2012	Meeting Room
08:30-09:00	<i>Coffee</i>	Foyer Salle XVII
09:00-12:30	Special Session of PPP "Virtual" Site Visits	Salle XVII
12:30-14:30	<i>Lunch</i>	Foyer Salle XVII
14:30-17:30	Fourth session of the UNECE Team of Specialists on PPPs (cont'd)	Salle XVII



PPP DAYS 2012

The main theme of PPP Days 2012 is:

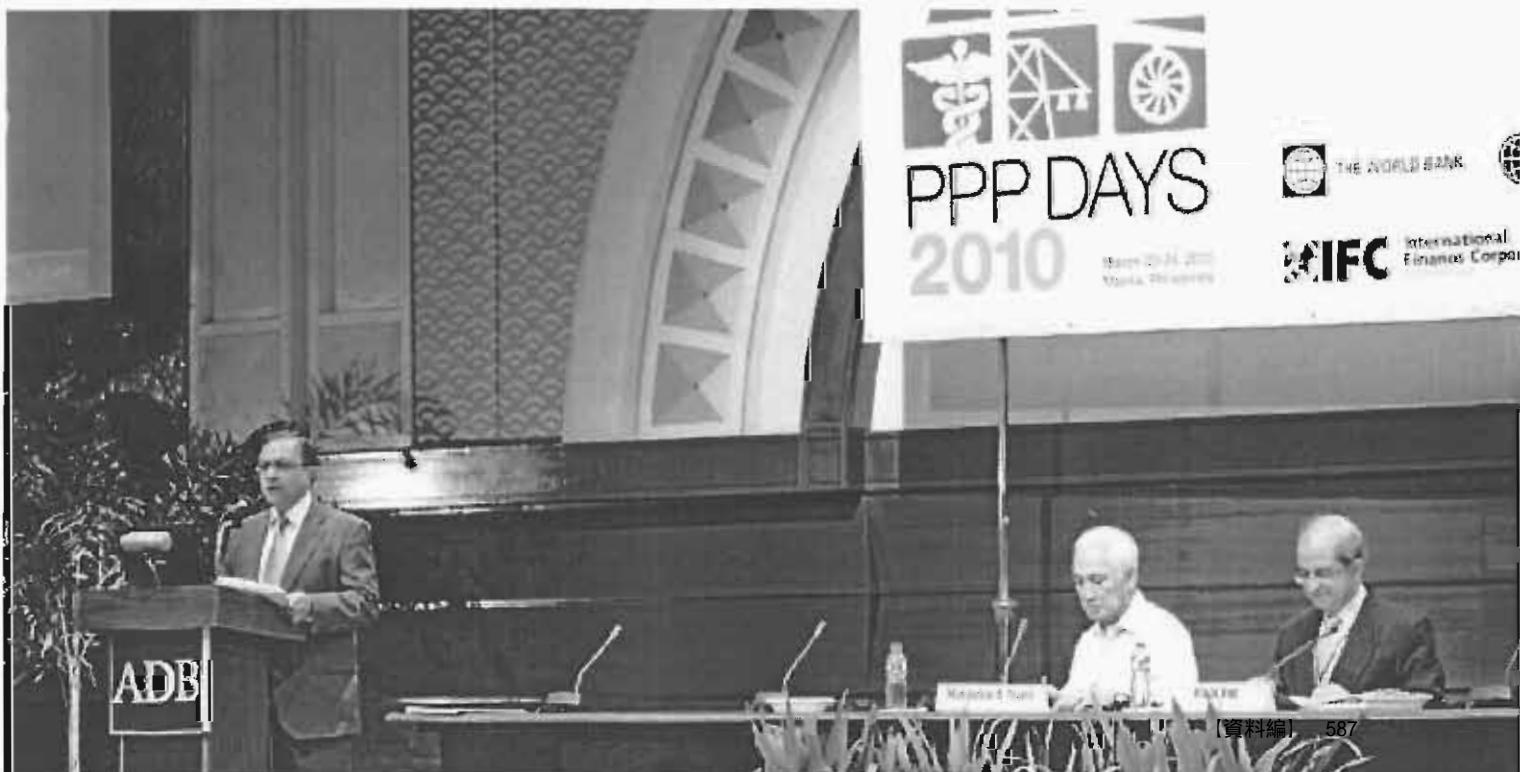
Strengthening institutions and frameworks for better PPP delivery

Public-Private Partnerships Days

Public-Private Partnerships (PPP) Days is the premier global meeting for public sector PPP practitioners. It provides a forum for those charged with developing and implementing PPP programs to share experiences on innovations in PPP policy, structuring, and financing. The four-day conference brings together PPP practitioners from public sector PPP units and senior PPP executives worldwide to analyze and explore innovative PPP models and key policy issues.

The PPP Days 2012 will take place at the Palais des Nations in Geneva, Switzerland, on 21-24 February 2012, and will be jointly hosted by the United Nations Economic Commission for Europe, the World Bank Institute and the Asian Development Bank.

The event includes two days of presentations and debates among public sector PPP practitioners, managers and experts, followed by a full-day Business Forum open to the private sector. On the fourth day, there will be a special session dedicated to case studies, while site visits to operational PPPs are also envisaged. An exhibition will also run for the four days.



TUESDAY, 21 and WEDNESDAY, 22 FEBRUARY 2012

Public Sector Session

Investment in PPPs in emerging markets has stayed relatively buoyant over the last few years despite the global financial crisis. There are increasing pressures which practitioners will need to deal with however if PPPs are to continue to contribute to closing critical basic service gaps in a cost effective manner.

The recent global financial turmoil has put renewed pressure on the costs of financing for PPPs. Tenors have shortened in many markets and sources of financing have become more restricted. Related to this there have been increased concerns that with the higher cost of financing, it has become harder for PPPs to pass value-for-money tests. The first day of PPP Days will address these issues. Plenary sessions with experts from the public and private sectors will discuss expectations on trends in PPP markets, options for closing the financing gaps including interventions from the multilateral development banks and reassess whether PPPs are offering value-for-money. Parallel clinics will look at how innovative projects have tackled these issues in different sectors, as well as how governments are reshaping the financial support they give to projects.

The second day focuses on issues of transparency, governance and accountability. Plenary sessions will look at critical topics such as the disclosure of information on PPPs as a tool for increased accountability, governance challenges as they relate to sub-national PPP programs, and how capacities can be strengthened to improve the overall institutional framework. Parallel clinics will address related topics including how to measure and assess governance, structuring projects to improve accountability, improving regulation and contract management, and the role of bodies such as national audit institutions.

The range and expertise of panelists assembled, discussing key PPP issues in an open and frank manner, will enable public officials to draw on a breadth of knowledge and different perspectives that will better inform their decision making process.



THURSDAY, 23 FEBRUARY 2012

Business Forum

The Business Forum, open to the private sector, will allow a select number of Governments to present their strategies, policies, projects and support for PPP to the private sector; and for a number of representatives from the private sector to present their successes and issues faced in delivering public services and building infrastructure through the PPP model.

The Business Forum will also provide Governments with an important networking opportunity to dialogue with representatives of the private sector from Europe and beyond. Further networking can be done through the exhibition, which will enable countries to showcase their PPP capabilities and opportunities to the international PPP community.

FRIDAY, 24 FEBRUARY 2012

Site visits

The fourth day will give participants a choice between actual or 'virtual' site visits. There will be a presentation of selected projects from around the world that will focus on the themes of the conference as well as site visits to operational PPPs in the Geneva vicinity. Case study presentations will be integrated within the fourth session of the UNECE Team of Specialists on PPPs, which will be held on 24 February, back-to-back with PPP Days 2012.

What this event uniquely provides

PPP Days 2012 offers ample opportunities for you to:

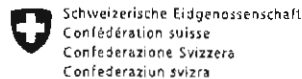
- Analyze and explore how the public sector can engage more effectively in PPPs to deliver infrastructure and public services;
- Gain knowledge on recent developments and trends in PPP delivery models; and
- Connect with peers, the private sector, and the donor community.

We welcome you and encourage you to make the most of PPP Days 2012!

About PPP Days 2012

In 2006, the World Bank Institute inaugurated Public-Private Partnership in Infrastructure (PPPI) Days as a regular global event. The Conference invited PPP units or other similarly mandated agencies around the world to share latest knowledge and experience among themselves and with leading PPP researchers and PPP capacity-building professionals. The breadth of countries represented by attendees has continued to grow steadily, signifying the growing global community of PPP practitioners. In 2008, PPP Days was again held in Washington D.C., United States, hosted by the World Bank Institute, and the subsequent event in 2010 was hosted by the Asian Development Bank and the World Bank Institute in Manila, Philippines.

Public-Private Partnerships Days 2012 is hosted by the United Nations Economic Commission for Europe, the Asian Development Bank and the World Bank Institute with the support of the International Finance Corporation, and the Swiss Economic Cooperation Organization.



Swiss Confederation

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

Day 1 | Tuesday, 21 February 2012

08:30-09:15 *Welcome Coffee* Foyer Salle XVII

09:15-10:00 **Opening Session** Salle XVII

Openings from sponsoring institutions (UNECE, WBI, ADB)

- *Andrey Vasilyev*, Acting Executive Secretary, United Nations Economic Commission for Europe
- *Clive Harris*, Manager, World Bank Institute
- *Anand Chiplunkar*, Director, Asian Development Bank

Words of welcome

- *H.E. Luzius Wasescha*, Ambassador and Permanent Representative of Switzerland to the WTO and the EFTA

Keynote speech

- *James Stewart*, Chairman - Global Infrastructure Practice, KPMG

10:00-11:00 **Plenary Panel Discussion: Where are PPP markets heading?** Salle XVII

Constraints on public financing and recognition of the inefficiencies of delivery via the public sector mean more governments are hoping to see PPPs play an increasing role in meeting basic service and infrastructure needs. At the same time PPP markets around the world are being challenged by the present turmoil in global financial markets. This session will discuss how different regional markets are likely to move in the near future and reflect on global prospects.

Chair: *Francois Bergère*, Director, Mission d'appui à la réalisation des Contrats de Partenariat, France

Speakers

- *Andy Carty*, Special Advisor, European PPP Expertise Centre
- *Pradeep Singh*, Vice Chairman and Managing Director, Infrastructure Development Finance Company Limited
- *David Tuesta*, Chief Economist, BBVA - Latin America
- *Richard Abadie*, Partner, Capital Projects and Infrastructure, PricewaterhouseCoopers

11:00-12:00 **Plenary Panel Discussion: Financing Future Growth** Salle XVII

The recent global financial turmoil has put renewed pressure on the costs of financing for PPPs with shortening tenors and restrictions in the sources of financing. This session will look at initiatives to tap into new sources of financing, including pension funds, to replace sources, such as commercial bank debt, that are presently becoming more limited.

Chair: *Mansur Ahmed*, Director General, Infrastructure Concession Regulatory Commission, Government of Nigeria

Speakers

- *Michael Redican*, Managing Director, Deutsche Bank, Germany
- *Gavin Munro*, Managing Director, Infrastructure Finance, Société Générale Corporate and Investment Banking, France
- *Michael Flynn*, Partner, Deloitte
- *Pradeep Singh*, Vice Chairman and Managing Director, Infrastructure Development Finance Company Limited
- *Karine Cenci*, Principal Advisor, European Investment Bank

12:00-13:00

Plenary Panel Discussion: The role of Multilateral Development Banks

Salle XVII

This session will review new initiatives being undertaken by the multilateral development banks in particular helping governments continue to use PPPs in the face of current financing challenges.

Chair: *Philip Erquiaga*, Director General, Private Sector Operations Department, Asian Development Bank

Speakers

- *Raymond Bourdeaux*, Lead Infrastructure Specialist, the World Bank
- *Georgi Petrov*, Manager, International Finance Corporation
- *Gerardo Reyes-Tagle*, Fiscal Economist - Senior Specialist, Inter-American Development Bank
- *Temí Abimbola*, Division Manager – African Development Institute, African Development Bank
- *Alexei Zverev*, Senior Counsel, European Bank for Reconstruction and Development

13:00-14:30

Lunch and World Café

Foyer Salle XVII

The World Café will be an opportunity for delegates to tour country and PPP Days 2012 sponsor stands to hear more on their PPP programs and activities.

14:30-15:30

Plenary Debate: Reassessing the costs and benefits of PPPs

Salle XVII

There have been increased concerns that with the higher cost of financing, it has become harder for PPPs to pass value-for-money tests. What is the current empirical record of PPPs? Are they delivering value for money and do we need to adjust the model?

Chair: *Clive Harris*, Manager, World Bank Institute

Speakers

- *Eduardo Bitran*, former Minister of Public Works, Government of Chile
- *Junwook Kim*, Head of Policy and Research Division, Public & Private Infrastructure Investment Management Center, Korea Development Institute
- *Gajendra Haldea*, Advisor to the Deputy Chairman, Planning Commission of India
- *Fiona Mules*, Head of PPP Programme, New Zealand Treasury

15:30-16:00

Coffee break

Foyer Salle XVII

16:00-17:00

Parallel clinics on thematic issues in PPPs

A. Government financial support and PPPs

Salle XVII

In delivering PPP programs, the public sector is required to provide incentives to encourage private sector participants to develop capacity. These incentives can include financial support mechanisms and this clinic will review recent lessons related to some of the more developed approaches, including the provision of viability gap funding and guarantees.

Chair: *Michael Fox*, Senior PPP Specialist, World Bank Institute

Speakers

- *Aparna Bhatia*, Director (PPP), Department of Economic Affairs, Ministry of Finance, Government of India
- *Sinthya Roesly*, Chief Executive Officer, Indonesia Infrastructure Guarantee Fund
- *David Duarte*, Chief of Contingent Liabilities and PPPs, Ministry of Finance, Government of Chile



B. Transforming urban and rural spaces through PPPs

Salle XXIV

This clinic will look at innovative PPP projects that are expected to have transformative impacts and that contain elements that will be delivered through PPP methods. The session will examine how these challenging projects are being delivered and the additional benefits sought by doing them as PPPs within a broader development program.

Chair: *Anthony Coumidis*, Director, McBains Cooper

Speakers

- *Arvind Mayaram*, Additional Secretary and Financial Advisor, Ministry of Rural Development, Government of India
- *Vipul Bhagat*, Chief Investment Officer, International Finance Corporation
- *Carlos Herrera*, Director of Investor Services, ProInversion - Private Investment Promotion Agency of Peru

17:00-18:00

Parallel clinics on sectoral themes in PPPs

A. Energy

Salle XVII

While PPPs in energy are not new, their increased application in renewables, to meet climate targets, means governments are paying increased attention to their use and having to develop new frameworks and assess how these can leverage sources of financing that are available for such projects. This session will examine some recently launched programs and especially the 'better energy access for all' initiative.

Chair: *Adam Sek*, Regional Advisor, Sustainable Energy Division, UNECE

Speakers

- *Tumi Moleki*, Head of the PPP Unit, Government of South Africa
- *Muneer Ferozie*, Principal Investment Officer, International Finance Corporation
- *Leo McKenna*, Strategic Advisor, Strategic Investment Board - Government of Northern Ireland
- *Mongi Bida*, First Economic Affairs Officer, Sustainable Development and Productivity Division, United Nations Economic and Social Commission for Western Asia

B. Transport

Salle XXIV

Transport is often one of the initial sectors to use PPP methods to develop and deliver public infrastructure. Over time these have developed to encompass highly complex and innovative solutions. The panel will discuss some of the more demanding projects from their own experiences and the key issues faced.

Chair: *Richard Abadie*, Partner – Capital Projects and Infrastructure, PricewaterhouseCoopers

Speakers

- *William Dachs*, Senior Executive Manager, Gautrain Rapid Rail Link, South Africa
- *Sibylle Rupprecht*, Director General, International Roads Federation
- *Richard Cabello*, Manager, International Finance Corporation

C. Health

Salle XXV

The application of PPP methods to the delivery of health service provision is often seen as an extension of the model into the delivery of social infrastructure. This leads to different challenges in terms of the scope of services to be provided by the private partner and the issues faced in implementing these projects. The panel will share their experiences from a number of different models adopted across the world for the benefit of participants looking to explore the possibilities of the approach in meeting their own policy objectives.

Chair: *James Neal*, Managing Partner, Global Infrastructure Advisory, Ernst & Young

Speakers

- *Mariana Abrantes de Sousa*, former Chief Financial Officer to Ministry of Health, Government of Portugal
- *Teodoro Herbosa*, Undersecretary, Ministry of Health, Government of the Philippines
- *Massimo Ricchi*, Lawyer and member of PPP Task Force, Presidency of the Council of Ministers of Italy
- *Seyit Yalçın*, Assistant Planning Expert, PPP Department - Ministry of Development, Government of Turkey

18:00-20:00

Cocktail reception

8th floor

Hosted by the International Finance Corporation, at the *Restaurant des Délégués*, Palais des Nations

Speaker: *Laurence Carter*, Director of PPP Advisory Services, International Finance Corporation

Day 2 | Wednesday, 22 February 2012

09:00-09:30 *Coffee* Foyer Salle XVII

09:30-10:30 **Plenary Session: Improving the transparency of PPP arrangements** Salle XVII

While PPPs can offer the chance for better transparency in basic service delivery, very often contracts are not released or placed in the public domain and information on the contracting and performance of PPPs can be difficult to obtain. This panel will discuss how Governments can improve the transparency of PPP arrangements, looking at what some proactive PPP units are doing and also what can be learned from other approaches to improving transparency in government contracting.

Chair: *Selina Jackson*, Special Representative to the United Nations and World Trade Organization, World Bank

Speakers

- *Christiaan Poortman*, Senior Advisor, Transparency International
- *Clive Harris*, Manager, World Bank Institute
- *Marcos Siqueira*, Head of the PPP Unit, Government of Minas Gerais, Brazil
- *Victoria Westcott*, Partner, White & Case

10:30-11:30 **Plenary Session: PPPs at a sub-national level – governance and implementation challenges** Salle XVII

Sub-national governments have important service delivery responsibilities and many are developing PPP programs to help meet these. This panel will look at some new initiatives undertaken at the sub-national level in delivering PPP projects and will also address the challenges of developing programs and ensuring good governance and efficient oversight at state/provincial and local government levels.

Chair: *Anthony Pearce*, Honorary Life Member, International Road Federation

Speakers

- *Mansur Ahmed*, Director General, Infrastructure Concession Regulatory Commission, Government of Nigeria
- *Francois Bergère*, Director, Mission d'appui à la réalisation des Contrats de Partenariat, France
- *Gajendra Haldea*, Advisor to Deputy Chairman, Planning Commission, Government of India
- *Vladimir Ramirez*, Director of Investments, Ministry of Finance, Government of Mexico
- *Richard van Breukelen*, Chief Financial Officer, Ministry of Infrastructure and Environment, Government of the Netherlands

11:30-13:00 **Parallel clinics on governance framework**

A. National audit institutions and PPPs

Salle XVII

National audit institutions can play an important role both in improving the overall governance of PPP programs as well as enhancing their performance by undertaking performance reviews. At the same time, in countries where programs are new, these audit agencies may jeopardize efficiency by applying to PPPs rules designed for non-PPP projects. This session will review experiences from different regions and draw lessons on how audit agencies can best fulfill their roles.

Chair: *Rui Monteiro*, Senior PPP Specialist, World Bank Institute

Speakers

- *Freek Hoek*, Audit Manager, Rekenkamer, the Netherlands
- *Guilherme La Rocque Almeida*, Head of External Control, Tribunal de Contas da União, Brazil
- *Marcos Siqueira*, Head of the PPP Unit, Government of Minas Gerais, Brazil

B. Preparing PPP Programs

Salle XXIV

In order to launch successful PPP programs, experience would suggest that there is a significant role for the government to play in the development of a pipeline of services to be delivered as PPP projects? How do they identify and prioritize these projects? Once selected, how are they then developed and promoted as PPP projects that will be attractive to sponsors?

Chair: *Ed Farquharson*, Executive Director, Private Infrastructure Development Group

Speakers

- *James Neal*, Managing Partner, Global Infrastructure Advisory, Ernst & Young
- *Henrique Costa Pinto*, Head of Project Structuring, Brazilian Development Bank, Brazil
- *David Duarte*, Chief of Contingent Liabilities and PPPs, Ministry of Finance, Government of Chile
- *Marc Frilet*, Chief Editor of the PPP Handbook, Confederation of International Construction Associations

C. Addressing Governance Risks

Salle XXV

In developing PPP programs, governments need to establish the governance frameworks in which these projects can be selected, developed, tendered and ultimately managed. There are a number of references on this subject from the UNECE Guidebook on Promoting Good Governance to the ADB Guidelines for Addressing Governance Risks in PPP Projects. This clinic looks to address the practicalities associated with developing and enforcing these frameworks.

Chair: *Art Smith*, Chairman, US National Council for PPPs, United States of America

Speakers

- *Geoffrey Hamilton*, Chief of Cooperation and Partnership Section, Economic Cooperation and Integration Division, United Nations Economic Commission for Europe
- *James Ballingall*, Head of Assurance and International, Infrastructure UK, Government of the United Kingdom
- *Tariq Niazi*, Principal Public Management Specialist, Asian Development Bank
- *Mario Marcel*, Deputy Director, Organisation for Economic Co-operation and Development

13:00-14:30

Lunch

Foyer Salle XVII

14:30-15:00

Lunchtime talk "2000 Years of PPPs" - *Xavier Bezançon*

Salle XVII



Parallel clinics on governance – sectoral and thematic aspects

A. Improving Accountability in Public Spending: The Experience with Output-Based Aid (OBA) and Results-Based Financing (RBF)

Salle XVII

As donors place greater emphasis on demonstrating results, how can PPPs achieve higher levels of accountability? This session will open with a screening of a short film: “Improving Lives in Morocco: Extending Access to Water and Sanitation Services to the Poor.” The objective of the session is to spur a discussion on how OBA and RBF can be most effectively integrated in infrastructure PPP operations. The conversation will focus on how the approaches and OBA in particular, can improve the accountability of governments for spending efficiently and delivering results.

Chair: *Adriana de Aguinaga*, Program Manager, Global Partnership on Output-Based Aid and Public-Private Infrastructure Advisory Facility

Speakers

- *Laurence Carter*, Director of PPP Advisory Services, International Finance Corporation
- *Oliver Gilbert*, Head of the Social Innovation Department, Veolia
- *Kilian Reiche*, Consultant, the World Bank
- *Andrew Maclean*, Private Sector Infrastructure Policy Manager, Department for International Development, Government of the United Kingdom

B. Creating public sector capacity

Salle XXIV

When PPP programs are first launched, how can governments put in place the capacities and political support that will launch successful pathfinder projects? What are the most important steps to take, and what are the ones to avoid?

Chair: *Bernhard Müller*, Head of Division, “Partnerships Germany Project Transfer”, Ministry of Finance, Government of Germany

Speakers

- *Adriana Rodriguez*, Chairwoman, Corporación Nacional para el Desarrollo, Government of Uruguay
- *Mariana Abrantes de Sousa*, Consultant, former Chief Financial Officer to Ministry of Health, Government of Portugal
- *Yuji Nemoto*, Head of PPP Research School, Toyo University, Japan
- *James Ballingall*, Head of Assurance, Infrastructure UK, Government of the United Kingdom

C. Contract management

Salle XXV

Getting good results from PPPs requires good contract management. But this can be a challenge to maintain given the complexity of PPP contracts, lack of resources provided and high turnover of staff in government agencies. What strategies can be adopted to improve contract management capabilities?





Chair: *Mark Moseley*, Lead Counsel, the World Bank

Speakers:

- *Lincoln Fior*, Senior PPP Specialist, World Bank Institute
- *Andy Carty*, Special Advisor, European PPP Expertise Centre
- *David Dombkins*, Chief Executive Officer, Complex Program Group
- *Amir Ingratubun*, Senior Procurement Specialist, Asian Development Bank

16:00-17:30

Plenary Session: Promoting networking activities and fostering capacity-building programs

Salle XVII

The development of PPP programs can be enhanced through practitioners sharing their experiences in delivering specific projects. This session looks at different approaches to establishing and fostering these networks with the aim to raise the capacity of individuals delivering PPP programs and also discusses new approaches to developing capacity building for PPPs.

Chair: *Andy Carty*, Special Advisor, European PPP Expertise Centre

Speakers

- *Angelo Dell'Atti*, Manager, International Finance Corporation
- *Rui Monteiro*, Senior PPP Specialist, World Bank Institute
- *Anand Chiplunkar*, Director, Asian Development Bank
- *David Bloomgarden*, Project Specialist and PPP Coordinator, Inter-American Development Bank
- *Jan van Schoonhoven*, Chairman, Team of Specialists on PPPs, United Nations Economic Commission for Europe

17:30-17:45

Closing Reflections and Remarks

Salle XVII

- *H.E. Vladimir Pesevski*, Deputy Prime Minister, the former Yugoslav Republic of Macedonia
- *Geoffrey Hamilton*, United Nations Economic Commission for Europe

17:45-18:30

Aperitif

Foyer Salle XVII

18:30-22:00

“Swiss Night”

Hosted by the Government of the Swiss Confederation.
Transportation to the venue will be organized from the Palais des Nations.

Day 3 | Thursday, 23 February 2012

08:45-09:15	<i>Coffee</i>	Foyer Salle XVII
09:15-09:30	Welcome address on behalf of the co-hosts	Salle XVII
	<ul style="list-style-type: none"> • <i>Geoffrey Hamilton</i>, United Nations Economic Commission for Europe 	
09:30-12:30	Business Forum in parallel sessions (morning session)	

Stream A (Salle XVII)	Stream B (Salle XXV)	Stream C (Salle XXIV)
 <p><i>Japan</i></p>	 <p><i>Brazil</i></p>	 <p><i>Philippines</i></p>
<p>Special session: Japan and the role of PPPs in disaster risk reduction and post disaster reconstruction</p> <p>Opening remarks:</p> <ul style="list-style-type: none"> • <i>H.E. Kenichi Suganuma</i>, Ambassador, Permanent Representative of Japan to the United Nations Office at Geneva <p>Keynote speaker:</p> <ul style="list-style-type: none"> • <i>Margareta Wahlstrom</i>, Special Representative of the UN Secretary-General (SRSG) for Disaster Risk Reduction (UNISDR) <p>Moderator:</p> <ul style="list-style-type: none"> • <i>Sam Tabuchi</i>, Professor, Toyo University, Japan <p>Speaker:</p> <ul style="list-style-type: none"> • <i>Machiko Kamiya</i>, Senior Representative, Japan International Cooperation Agency • <i>Peter Williams</i>, IBM Distinguished Engineer Chief Technology Officer, Big Green Innovations, IBM • <i>Nobuyuki Nagata</i>, Partner, CFA, Deloitte Tohmatsu Financial Advisory Co., Ltd. • <i>Sandra Wu Wen-Hsiu</i>, President and Chief Executive Officer, Kokusai Kogyo Holdings Co. Ltd. • <i>Yuji Nemoto</i>, Professor, Toyo University, Japan • <i>Yu Namba</i>, Research Associate, Toyo University, Japan <p>Recommendations:</p> <ul style="list-style-type: none"> • <i>Geoffrey Hamilton</i>, UNECE • <i>Sam Tabuchi</i>, Toyo University, Japan 	<p>The outlook for PPPs in Brazil</p> <p>Government keynote address:</p> <ul style="list-style-type: none"> • <i>Vanialucia Lins Sauto</i>, Vice-Director, PPP Unit, Ministry of Planning, Budget & Management • <i>Henrique Costa Pinto</i>, Head of Project Development, Brazilian Development Bank <p>Moderator:</p> <ul style="list-style-type: none"> • Representative of the World Bank Institute <p>Private sector perspectives:</p> <ul style="list-style-type: none"> • <i>Helcio Tokeshi</i>, EBP, Brazil <p>Panel discussion with Q&A</p>	<p>The outlook for PPPs in the Philippines</p> <p>Government keynote address:</p> <ul style="list-style-type: none"> • <i>H.E. Cesar V. Purisima</i>, Secretary of Finance, Philippines • <i>H.E. Cayetano Paderanga</i>, Secretary for Socioeconomic Planning, National Economic and Development Authority • <i>Teodoro Herbosa</i>, Undersecretary of Health • <i>Cosette Canilao</i>, Head of PPP Center of the Philippines <p>Moderator:</p> <ul style="list-style-type: none"> • <i>Aziz Haydarov</i>, ADB Philippines Country Economist <p>Private sector perspectives:</p> <ul style="list-style-type: none"> • <i>Zobel de Ayala</i>, Ayala Corporation • <i>Sanjeev Wadhwa</i>, Unisys Philippines • <i>Eduardo Francisco</i>, BDO Capital <p>Panel discussion with Q&A</p>



Stream A
(Salle XVII)

Stream B
(Salle XXV)

Stream C
(Salle XXIV)



The outlook for PPPs in Ukraine at the national and regional levels

Government keynote address:

- *Vladislav Kaskiv*, Head, State Agency for Investment and National Projects

Moderator:

- *Yuriy Husyev*, Director of National Projects Department, State Agency for Investment and National Projects

Private sector perspectives:

- *Volodimir Buzinov*, Director General, UKrenergoengineering
- *Valeriy Uzhba*, Deputy Head of Union of Entrepreneurships

Panel discussion with Q&A

- *Kseniia Liapina*, People's Deputy, Verkhovna Rada of Ukraine (Parliament of Ukraine)
- *Oleksandr Masurchak*, First Deputy Head of Kiev City State Administration
- *Tereziya Babych*, Head of Department, State Road Agency of Ukraine
- *Irina Zapatrina*, Chairperson of the Board, Ukrainian PPP Center



The outlook for PPPs in Nigeria

Government keynote address:

- *Mansur Ahmed*, Director General, Infrastructure Concession Regulatory Commission (ICRC)

Moderator:

- *James Stewart*, Chairman - Global Infrastructure Practice, KPMG

Panel discussion with Q&A

- *Olateru Akinnawo*, Project Development Specialist, ICRC
- *Nyananso Gabriel Ekanem*, Head, Monitoring and Compliance, ICRC



The outlook for PPPs in Peru

Government keynote address:

- *Hector Rodriguez*, Executive Director, ProInversion

Moderator:

- Representative of the World Bank Institute

Panel discussion with Q&A



The outlook for PPPs in India

Keynote address:

- *Chandrajit Banerjee*, Director General, Confederation of Indian Industry
- *Raghav Chandra*, Joint Secretary, Ministry of Road Transport & Highways

Moderator:

- *Pradeep Singh*, Vice Chairman and Managing Director, Infrastructure Development Finance Company Limited

Panel discussion with Q&A

- *Rajesh Menon*, Deputy Director General, Confederation of Indian Industry
- *Babu Khan*, Director, Confederation of Indian Industry

12:30-14:00

Lunch and networking

Foyer Salle XVII

Stream A
(Salle XVII)Stream B
(Salle XXV)Stream C
(Salle XXIV)

Armenia



The outlook for PPPs in Armenia

Government keynote address:

- *Gagik Khachatryan*, Deputy Chairman, State Committee of Water System

Moderator:

- *Toshiaki Sakatsume*, Principal Economist, European Bank for Reconstruction and Development

Private sector perspectives:

- *Gary Stout*, International General Director for MVV-decon GmbH, Armenia
- *Patrick Lorin*, General Director, Armenian Water and Sewerage CJSC

Panel discussion with Q&A

Uruguay



The outlook for PPPs in Uruguay

Government keynote address:

- *Adriana Rodriguez*, Chairwoman, National Development Corporation
- *Silvina Panizza*, Head of PPP Unit, Ministry of Economy and Finance

Moderator:

- *Daniel Benitez*, Senior Transport Economist, the World Bank

Panel discussion with Q&A

Turkey



The outlook for PPPs in Turkey

Government keynote address:

- *Elvan Ongun*, Deputy Director General, Undersecretariat of the Treasury
- *Funda Ocak*, Deputy Director General, State Airports Authority
- Representative of Turkish Investment Support and Promotion Agency

Moderator:

- *Türker Yöndem*, Yalti Yöndem Law Firm

Private sector perspectives:

- *Yetik Mert*, CEO, EnerjiSA
- *Burak Kutluğ*, Business Development Coordinator, Akfen Holding
- *Murat Soğancıoğlu*, Business Development Director, IC Holding

Panel discussion with Q&A

Russian Federation



The outlook for PPPs in the Russian Federation

Government keynote address:

- *Igor Kardashev*, Deputy Director, Department of Investment Policy and PPPs Development under Ministry of Economic Regulation, Russian Federation

Moderator:

- *Alexander Bazhenov*, Director, PPP Centre, Vnesheconombank

Private sector perspectives:

- Representative of VTB Capital

West and Central Africa

Moderator:

- *Marc Teyssier d'Orfeuil*, General Delegate, "Club PPP Médafrique"

West Africa
Burkina Faso
Côte d'Ivoire
Senegal

Burkina Faso:

- *Adélaïde Nare*, Technical Adviser, Ministry of Economy and Finance
- *Ousmane Ouedraogo*, Representative of the Bagré growth cluster

Colombia



The outlook for PPPs in Colombia

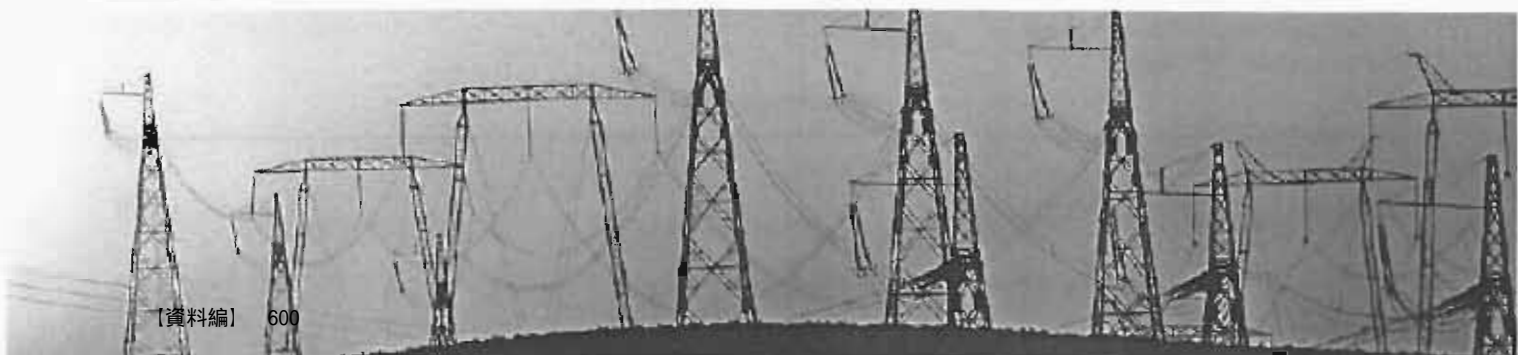
Government keynote address:

- *Luis Andrade*, President, National Infrastructure Agency

Moderator:

- Representative of the World Bank Institute

Panel discussion with Q&A



Stream A
(Salle XVII)

Russian Federation
(cont'd)



Special panel for the regions:

- *Hafiz Salikhov*, Chairperson, Expert Council on PPP legislation, Committee of State Duma on Economic Policy and Entrepreneurship
- *Ilya Gudkov*, General Director of St. Petersburg State Enterprise "Agency for Strategic Investments"

Panel discussion with Q&A

- *Elena Gromova*, Minister of Transport, Perm Region
- *Vitali Maximov*, Adviser to the Director General for Investment and PPP Federal State Company, "Rostransmodernizatsiya"
- *Alexander Dolgov*, Partner, Head of PPP and Project Finance Group, Gide Loyrette Nouel

Kazakhstan



The outlook for PPPs in Kazakhstan

Government keynote address:

- *Zhomart Abiyessov*, Chairman of the Management Board, Kazakhstan PPP Center

Moderator:

- *Jill Jamieson*, Deloitte, Chief of Party, USAID MEP project

Private sector perspectives:

- *Nurlan Dosaeov*, Financial Director, ATM Group ULUSLARARASI HAVALIMANI YAPIM YATIRIM VE ISLETME LTD. STI.

Panel discussion with Q&A

- *Aimgul Batyrbekova*, Chairperson, Karaganda PPP Center

Stream B
(Salle XXV)

West and Central Africa
(cont'd)

Côte d'Ivoire:

- *Madeleine Yao*, Special Adviser, Ministry of Economy and Finance
- *Esmel Emmanuel Essis*, Centre for Investment Promotion in Côte d'Ivoire

Senegal:

- *Xavier Ricou*, Special Adviser to the Director General, Investment Promotion Agency (APIX)
- *Dominique Ndong*, General Coordinator of Large Works, APIX

Central Africa
Cameroon
Congo
Gabon

Cameroon:

- *Justin Ntsama*, Technical Coordinator, Council for the Support of Partnership Contracts (CARPA)

Congo:

- *Joseph Ibara*, Coordinator, Programme for the Diversification of the Congolese Economy (PADE)
- *Charles Nganga*, Director of Regulation, Ministry of Tourism
- *Jean Joseph Imangue*, Permanent Secretary, Privatisation Committee

Gabon:

- *Eugene Aziawor Nguimbi*, Cabinet, Ministry of Economy
- *Etienne Ngoubou*, Director, Ministry of Energy and Water Resources

Panel discussion with Q&A

Stream C
(Salle XXIV)

Vietnam



The outlook for PPPs in Vietnam

Government keynote address:

- *Dang Huy Dong*, Vice Minister, Ministry of Planning and Investment

Moderator:

- *Michael Montelibano*, Private Sector Development Specialist, Asian Development Bank

Panel discussion with Q&A



From 17:30

Networking session

Country stands, showcasing recently completed and upcoming projects and concession agreements to attendees. Opportunities for bilateral meetings.

Foyer Salle XVII

18:30-20:00

Dutch Reception

Cocktail reception hosted by the Government of the Netherlands

Speaker: *H. E. Roderick van Schreven*, Ambassador, Permanent Representative of the Netherlands to the United Nations Office at Geneva

Foyer Salle XVII

Day 4 | Friday, 24 February 2012

08:30-09:00 *Coffee*

Foyer Salle XVII

Special Session on PPP “Virtual” Site Visits

Salle XVII

Participants will attend PPP “virtual” site visits of projects from around the world (presentations, videos) that will be complimented by two local site visits to operational PPPs in Bern and the Geneva vicinity. The case study discussions will be conducted within a coherent framework, highlighting success factors in the overall PPP process and life-cycle. The videos will be further discussed as training tools under the auspices of the fourth session of the UNECE Team of Specialists on PPPs after lunch.

09:00-09:05 **Welcome**

Salle XVII

- *Geoffrey Hamilton*, United Nations Economic Commission for Europe

09:05-9:30 **The PPP Project Neumatt: Cantonal Civic Center Burgdorf (Switzerland)**

Video and Q&A with key stakeholders: main learnings

- *Touraj Etezady*, Zeughaus PPP AG

9:30 **Optional visit to the PPP Project Neumatt in Bern**

9:30-10:05 **Framework of PPP “virtual” site visit project**

Introductory video: matrix of success factors (cross-sector) and an overview of video case studies

- *Ansgar Kauf*, SECO-UNECE Project Coordinator
- *Serge Bodart*, SECO-UNECE Project Advisor

10:05-10:40 **The Manila Water Company PPP (Philippines)**

Video and Q&A with key stakeholders: main learnings

- *Aura Abon*, Infrastructure Officer (PPP), Asian Development Bank

10:40-11:10 **Lesotho Hospital PPP (Lesotho)**

Video and Q&A with key stakeholders: main learnings

- *Elena Dana Burduja*, International Finance Corporation

11:10-12:00 **Outpatient Dialysis Services PPP (Romania), and National Kidney and Transplant Institute: Haemodialysis Center Project (Philippines)**

Video and Q&A with key stakeholders: main learnings

- *Elena Dana Burduja*, International Finance Corporation
- *Aileen Riego-Javier*, Executive Director, National Kidney and Transplant Institute, the Philippines

12:00-12:30 **The Annecy-Geneva PPP toll motorway (France)**

Presentation, Q&A with key stakeholders

- *Jacques Leca*, Financial and Administrative Director, ADELAC, France

12:30-14:30 *Lunch break*

Foyer Salle XVII

12:30 **Optional visit to Annecy-Geneva PPP toll motorway in France**

14:30-17:30 **Fourth session of the UNECE Team of Specialists on PPPs (cont'd)**

Salle XVII

About the Organizers



**World Bank
Institute**

Public-Private Partnerships Practice at the World Bank Institute

WBIPP is a global connector of PPP practitioners, providing opportunities for peer-to-peer knowledge sharing, South-South learning, harvesting innovations in public-private partnerships (PPPs), and providing accessible knowledge and global best practices on PPPs. We work with public sector agencies and partner institutions to identify and address high-priority needs for learning on PPPs. We aim to share good practices, address complex cross-sectoral issues, and enhance local ownership. Our programs combine face-to-face activities, video conferences, and e-learning programs to maximise effectiveness.

Our goal is to enable Governments to design and implement successful PPPs by drawing on the expertise of global networks of practitioners to:

- establish legal, regulatory, and institutional frameworks for PPPs;
- develop a realistic project pipeline and take these projects successfully to market;
- build the capacity of the public and private sectors; and
- evaluate and monitor the performance of project.

Visit us at: www.worldbank.org/wbi/ppp



Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. ADB's mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region's many success, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

Visit us at: www.adb.org



United Nations Economic Commission for Europe

The United Nations Economic Commission for Europe (UNECE), based in Geneva, is one of the five UN regional commissions, and has 56 member States. It is the only regional commission and the only organization within the UN which has an intergovernmental body - the UNECE Team of Specialists - with a PPP capacity-building mandate. Membership of the Team is open to representatives from both public and private sectors. Its Executive Board or Bureau consists of representatives from seven UN member States, three of which are outside the UNECE region. Under its mandate the Team:

- undertakes PPP readiness assessments in countries at the request of Governments;
- holds high level consultations with Governments on their PPP problems on projects;
- elaborates guides, training materials and videos for the UNECE PPP Toolkit.

Visit us at: www.unece.org/ceci/ppp.html



UNITED NATIONS
Palais des Nations
Geneva, Switzerland

Creating public sector capacity in Japan

Feb. 22, 2012

Yujin Nemoto, nemoto@toyo.jp

Director/Professor, Toyo University PFI Graduate School
Member, PFI Promotion Committee, Cabinet Office of the
Japanese Government

History of PPP in Japan

- 18c: Infrastructure construction by merchants
 - (ex. Yodoyabashi-bridge in Osaka)
- 19c: Privatization by the National Government
 - (ex. Iron mill disposal in Yahata)
- 1960~70s: "Japan Inc." MITI's Industrial policy
- 1980s: Nakasone Reform
 - privatization(NTT, JR, JT) + "third sector"
(Public/Private JV)
- 2000s: Koizumi Reform
 - Current PPP Legal Framework was completed

TOYO Univ. PFI School

Toyo University PPP Graduate School

- Private university located in Tokyo, Japan
- The Governor, Dr. Masajuro Shiokawa, former Finance Minister in the Koizumi Cabinet in 2001~2003
- 2006: PPP Graduate School
- 2008: PPP Research Center
- 2011: Asia PPP Institute



TOYO Univ. PFI School

PPP Legal Framework in Japan

- Outsourcing
- Designated Manager System
 - 2003 Local Government Act revision
 - library, gymnasium and swimming pool etc.
 - no ownership, relatively small, 70,000+ projects
- PFI (Private Finance Initiative)
 - 1999 PFI Act, 2010 Reform
 - prison, school and hospital etc.
 - BOT/BTO, relatively large, 350 projects
- Market Testing
 - 2006 Public Service Reform Law
 - public service, 30+ projects
- Economic Development such as Mixed-Use Real Estate Development

TOYO Univ. PFI School

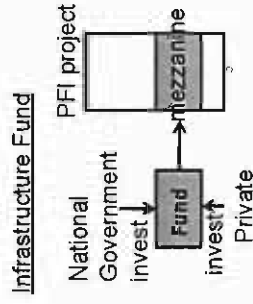
Current Issues

- Severe financial circumstances (200%: Debts to GDP)
- PPP for earthquake disaster revival
- Aging of Social Infrastructure
- PFI Act Reform in 2011
 - Concession
 - Private sector proposal system
 - Public/Private Infrastructure Fund
 - Numerical target (twice)

⇒ the expectation for PPP is great.



The Sendai Airport



TOYO Univ. PFI School

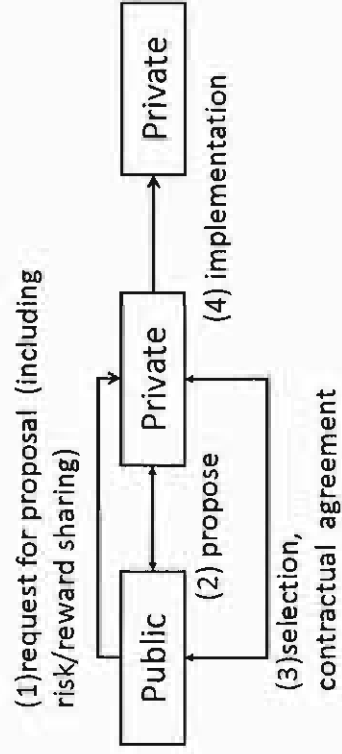
Capacity Building Institutions in Japan

- National Government
 - PFI Promotion Committee, Cabinet Office of the Japanese Government
- Non-profit Sector
 - Toyo PPP Graduate School
 - Japan PFI-PPP Association

TOYO Univ. PFI School

Why Capacity Building is indispensable?

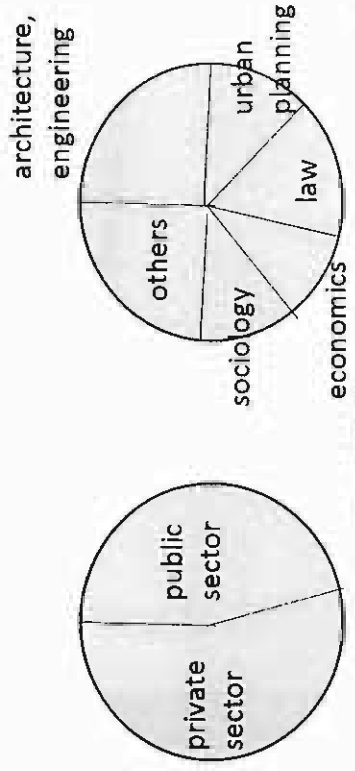
Typical PPP Structure



TOYO Univ. PFI School

Toyo PPP Graduate School

- Established in 2006, master course, 2 years
- Academic-based (mainly economics & finance)
- 20+ students every year (background as below)



TOYO Univ. PFI School

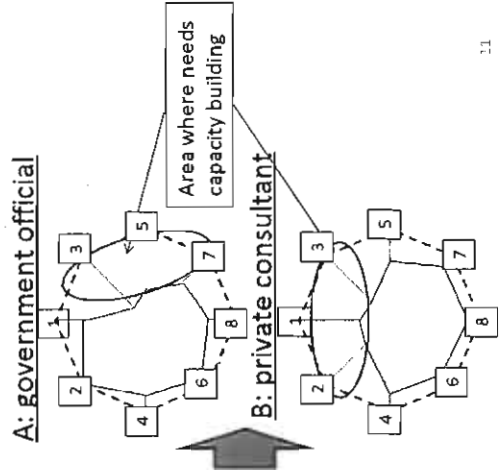
Toyo PPP School Capacity Building System

- Curriculum
- Capacity Building Sheet
- Amount-of-money automatic calculation software for replacement investment
- Local Reproduction Support Program

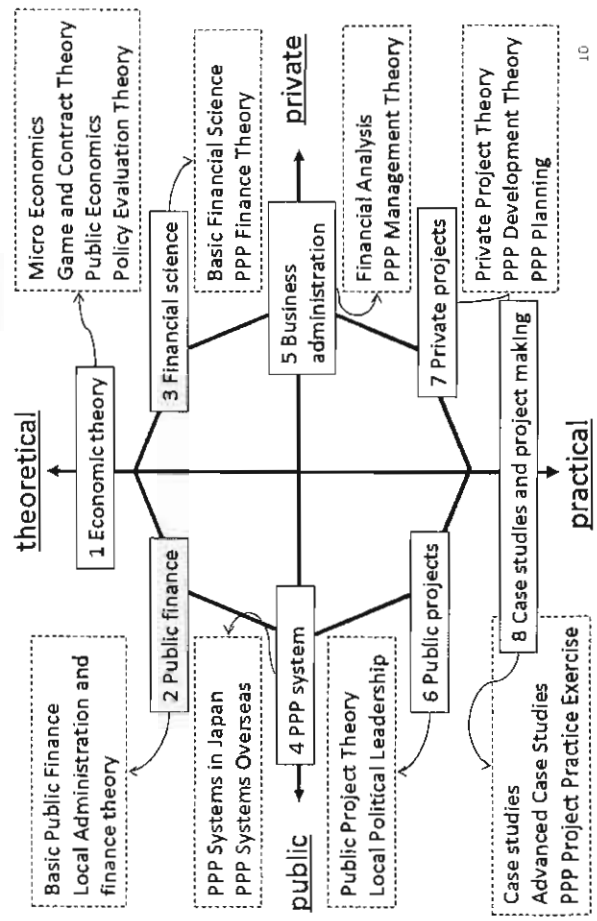
Capacity Building Sheet

Each student choose own level(from 0=no knowledge to 5=the highest knowledge)

Category	Key Words examples	Level
1 Economic theory	public goods, external effect	0~5
2 Public finance	Local Government Act	0~5
3 Financial Science	project finance	0~5
4 PPP system	PFI, market testing	0~5
5 Business administration	public accounting	0~5
6 Public projects	Building Standard Law	0~5
7 Private projects	Mixed-use Development	0~5
8 Case studies and project making	Various case studies and exercise	0~5



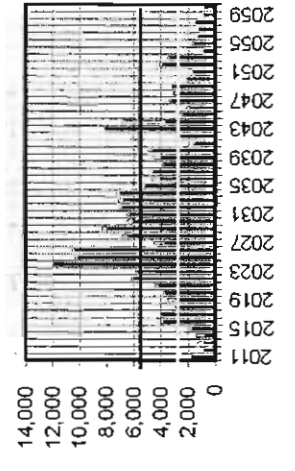
Curriculum - 8 fields and main subjects



Software for easy calculation of replacement investment (MS-excel)

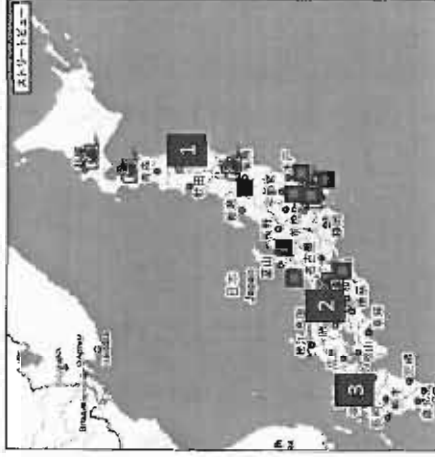
Input: some specific local government, building architectural area, paved road area, bridge area, water piping distance, sewer piping distance, construction year

Output: amount-of money for replacement investment evaluated automatically.



Area Revitalization Support Program(domestic)

- 16 research projects with local governments.
- Each different theme
- 1 PPP development in front of a station
- 2 comprehensive outsourcing as Sandy Springs in the U.S.
- 3 unutilized sea port



Conclusion

- PPP is indispensable.
- PPP has not been fully utilized in Japan.
- Lack of governments officials' knowledge.
- That's why public capacity building is necessary.
- Toyo will contribute to PPP capacity building through the unique educational programs.
- If interested, please visit our booth and Japan session, 23 February, 9:30~12:30, Salle17

Area Revitalization Support Program(international)

- Asia PPP Institute has begun the same program in Asia
- Research and/or intensive course on PPP
- Phillipine, Malaysia



Thank you for your attention.

PPP Days 2012 Japan Session

Feb. 23, 2012
Research Center for PPP
Toyo University
Tokyo, Japan



Great Eastern Japan Earthquake

- March 11, 2011 14:46
- Magnitude 9.0
- Lost and Missing 20,425
- Tsunami damaged vast area
- Devastated municipalities—lost their ability to rescue citizens



Toyo Univ. PPP's reactions #1 Keeping Records

- 1000 day's chronicle
Comparison with Hanshin-Awaji earthquake in 1995
- Response and reactions taken by national/local governments and private sectors
- Damages under smaller tremor
Many structures were damaged with tremor below building standards
- Web links for future disaster
Should be useful immediately after a disaster



Toyo Univ. PPP's reactions #2 Utilization of PPPs

- Proposed wider implementation of PPPs for response and reconstruction
- Technical liaisons for assisting municipalities without experience and human resources
- Easier application of PFI
- Proposing wider application of logistic and administrative support for affected municipalities using public-private and public-public partnership



Logistic and administrative support

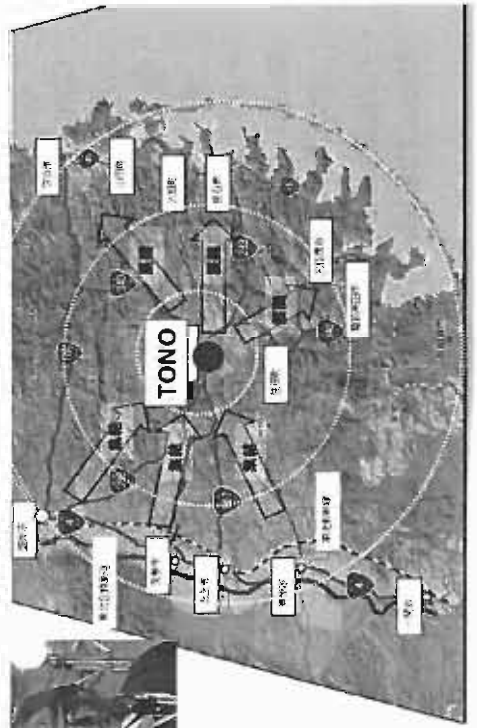
Rescue, Police, DMAT,
Self Defense Force



42 municipalities



Proximity and good access



Private companies



NGOs, citizen volunteers



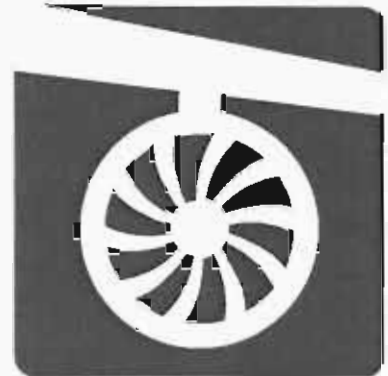


Toyo Univ. PPP's reactions #3

In cooperation with UNECE PPP Team

- International PPP Forum
July 4, 2011
- Visited Tsunami-affected
areas in July and November

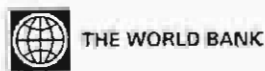




PPP DAYS

2012

21 - 24 February 2012
Geneva, Switzerland



**REPORT OF THE
INTERNATIONAL CONFERENCE
ON PUBLIC-PRIVATE PARTNERSHIPS 'PPP DAYS' 2012**
prepared by the United Nations Economic Commission for Europe

*20 - 24 February 2012,
Geneva, Switzerland*

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I. EXECUTIVE SUMMARY

Purpose

PPP Days' is the premier global meeting for public sector PPP practitioners. The PPP Days 2012 took place at the Palais des Nations in Geneva, Switzerland, on 21-24 February 2012 which was the first time it had been held in Europe. It was jointly hosted by the United Nations Economic Commission for Europe (UNECE), the World Bank Institute (WBI) and the Asian Development Bank (ADB) with the support of the International Finance Corporation (IFS), and the Swiss Economic Cooperation Organization (SECO).

The four days event was divided into two parts: Part I which consisted of Days 1 and 2 was reserved for public sector PPP practitioners only and focused on policy issues, namely the institutions and governance in PPPs as well as the new financial challenges facing PPPs worldwide. Part II covered Days 3 and 4 and was open also to the representatives from the private sector. As an innovation to the usual PPP Days format, Day 3 presented a Business forum which allowed 17 countries to present their projects to prospective investors. Day 4 combined both virtual and actual site visits to inspire and educate delegates to go home and implement best practice projects in their home countries.

Altogether the four day event brought together over 700 PPP practitioners from public sector PPP units and senior PPP executives worldwide from over 70 countries.

Key outcomes

Typically 'PPP Days' events overall provide an excellent opportunity to network and to gain insights from the PPP experiences in other countries. However on top of this, PPP Days 2012 had a number of other significant outcomes:

- Created practical and highly valuable training materials (e.g. training videos) on PPP case studies including the cantonal civic Centre in Burgdorf in Berne that will be used by delegates and international organisations well after the event is over.
- Stimulated private sector interest in the projects pipelines of emerging countries PPP programmes. Top level delegations from different countries such as the Philippines presented actual projects to the assembled private sector. Out of these initial contacts at PPP Days 2012 many projects will be successfully launched.
- Consolidated a unique partnership between the UN and the International Financial Institutions in the field of PPP capacity building. 'PPP days 2012' constituted an exemplary model of cooperation between three organisations that was universally perceived as positive by the participants (who appreciated the holding of the event at the UN in Geneva) and by the respective UNECE, WBI and ADB teams.

Next steps

The event attracted a huge number of participants from a vast number of countries. This has taken the demand for better quality information and more details on what constitutes 'best practice' in PPP onto a new level. Of course not everything on PPP is best practice. Many projects encounter problems and are not successful. However today there is now a sufficient number of projects from which to draw lessons and from which governments can benchmark their own PPP strategies. Yet such information does not exist or exists only as anecdotes.

There is still a strong need to be put together analytical, in depth reports that can define best practice in sectors such as renewable energy, water, schools and health.

In this respect PPP Days 2012 constitutes a good beginning for the UNECE PPP initiative in the establishment of the International Centre of Excellence in PPP. Working in close collaboration with ADB and WBI, the Centre will be responsible for the rolling out of best practice in specific sectors and using this for training and practical project delivery.

The task of identifying and maintaining best practice will be given to specialist centres and the first - on PPPs in health - will be hosted by the Ministry of Health of the Government of the Philippines and will be launched in Manila at a joint ADB UNECE event on 23-25 October 2012.

II. A GLOBAL OPPORTUNITY

Public-Private Partnerships (PPP) Days is the premier global meeting for public sector PPP practitioners. The PPP Days 2012 took place at the Palais des Nations in Geneva, Switzerland, on 21-24 February 2012, and was jointly hosted by the United Nations Economic Commission for Europe (UNECE), the World Bank Institute (WBI) and the Asian Development Bank (ADB) with the support of the International Finance Corporation (IFC), and the Swiss Economic Cooperation Organization (SECO). The four-day conference brought together over 700 PPP practitioners from public sector PPP units and senior PPP executives worldwide (over 70 countries) to analyze and explore innovative PPP models and key policy issues.

The event included two days of presentations and debates among public sector PPP practitioners, managers and experts, followed by a full-day Business Forum open to the private sector. On the fourth day, a special session dedicated to case studies took place, while two site visits to operational PPPs took place. A special exhibition entitled '2000 years of PPPs' also ran during all four days of the conference.



PPP Days 2012 offered ample opportunities for participants to analyze and explore how the public sector can engage more effectively in PPPs to deliver infrastructure and public services; to gain knowledge on recent developments and trends in PPP delivery models; and to connect with peers, the private sector, and the donor community and strengthen the PPP network.

Last but not least for the first time at 'PPP Days' over 100 speakers coming from all over the world spoke and shared their experiences. The plenary sessions, debates and parallel clinic discussions were led by ambassadors, chief economists, chairmen of the diverse multilateral developments banks, managing directors, leading lawyers, former ministers, head of PPP Units and others.

III. KEY ISSUES

The conference provided a forum for those in charge for the development and implementation of PPP programmes to share experiences on innovations in PPP policy, structuring, and financing. The main theme of PPP Days 2012 was to “*strengthen institutions and frameworks for better PPP delivery*”.

IV. OPENING OF THE CONFERENCE

The conference was opened by the representatives of the co-hosting organizations: Mr. Andrey Vasilyev, Acting Executive Secretary, UNECE; Mr. Clive Harris, Manager, the World Bank Institute; and Anand Chiplunkar, Director of Urban Development and Water Division, the Asian Development Bank.



All three co-hosts highlighted the importance of PPPs in modernization of infrastructure and improvement of public services around the world and the uniqueness of PPP Days 2012. Each organization stated that although the knowledge and experience in undertaking PPPs have grown during the last decade, a number of new challenges have arisen as a result of the financial crisis and along with a serious demand for accountability and transparency in the countries. As a result, the conference included sessions reflecting the

topical issues and the current situation. The co-hosts thanked the Swiss Government for its generous contribution in helping to organize this event and in producing the video case studies and training documents.

The Ambassador and Permanent Representative of Switzerland to the WTO and the EFTA, H.E. Mr. Luzius Wasescha, delivered a special welcoming speech on behalf of the Swiss Government at the opening of the conference: Ambassador Wasescha, emphasized that “*PPPs can be an extraordinary powerful instrument to make infrastructure happen. They can help mobilize private capital along with important technical and managerial know-how. PPPs mobilize competition, which in turn fosters innovation. [And] Switzerland is committed to promotion of this kind of partnerships*”.

The opening part of PPP Days was concluded by a powerful keynote speech delivered by Mr. James Stewart, the Chairman of Global Infrastructure Practice, KPMG. In his speech, Mr. Stewart described the global context for the current infrastructure market, highlighted some challenges, and suggested how things might move forward in the future. Mr. Stewart mentioned that infrastructure investment was on the increase and about 40 trillion US dollars of investment over the next 25 years was needed to meet the rising demand from urbanization, population growth, environment and climate change. However, he warned that with this major step-up in investment would bring with it many challenges, such as the ability to pay for infrastructure; the finance, how to raise the private sector capital; and the public sector delivery capability.

V. SUMMARY OF DISCUSSIONS

The first two days of the conference were structured so as to include a number of panel discussions, a plenary debate and parallel clinics on thematic issues and spectral themes. *The key points under each session are listed below.*

TUESDAY, 21 FEBRUARY 2012 - Public Sector Session

The recent global financial turmoil has put renewed pressure on the costs of financing for PPPs. Tenors have shortened in many markets and sources of financing have become more restricted. Related to this there have been increased concerns that with the higher cost of financing, it has become harder for PPPs to pass value-for-money tests. The first day of PPP Days 2012 addressed these issues:



Plenary sessions with experts from the public and private sectors discussed expectations on trends in PPP markets, options for closing the financing gaps including interventions from the multilateral development banks and reassessed whether PPPs are offering value-for-money.

Parallel clinics looked at how innovative projects have tackled these issues in different sectors, as well as how governments are reshaping the financial support they give to projects.

PLENARY PANEL DISCUSSIONS:

Three plenary panel sessions took place on the first day of the conference to discuss the following:

I. *Where PPP markets are heading*

The first panel discussion looked at issues such as, how financial crisis impacting the mature PPP markets and what were the global prospects; and how different regional markets were likely to move in the near future. In response to these questions, the panelists stated that:

- (a) PPP was not any more about project financing in its old meaning, it was now about the leveraging the investments in the most sensible way to suit a number of countries trying to develop their infrastructure through PPPs, as well as introducing new initiatives in investing money (e.g. project bonds);
- (b) taking into account that the quantity and quality of money available in the banking system were no longer able to meet the rapidly increasing requirement, the governments and the private sector (e.g. India) were currently involved in developing a bond market as well as other related instruments and institutions which would enable such development. The idea was to create a facility managed by both private and public sector players, which would create a vehicle where pension and insurance

funds would be able to invest, whereas the money can be used to finance the infrastructure projects through issuance of infrastructure bonds.

II. Financing Future Growth

During the second panel the speakers discussed what were the new sources of financing (e.g. pension funds) that can replace traditional sources, such as, commercial bank debt that were presently becoming more limited and suggested that:

- (a) the focus of the governments doing PPPs should be on getting the bid that was capable of getting funded in today's market and engage with funders in the earlier project stage and involve the rating agencies to understand what the credit rating of the project would be;
- (b) although the financing of PPP projects was complex and involves multilateral parties some governments have been improving the ways of financing the projects, for example, through increased substantial capacity of the parties, availability of structured funds (e.g. India infrastructure project development fund), simplified and streamlined processes, etc.

III. The role of Multilateral Development Banks.

The third panel discussed the new initiatives that are being undertaken by the multilateral development banks in helping governments continue to use PPPs in the face of current financing challenges. The panellists suggested that with cut-back in debt and a lot of demand for debt at the same time within the next couple years, the governments are expected to intervene in the infrastructure finance market. Accordingly many state owned development banks or multilateral institutions are going to be the key in driving infrastructure finance for a while.

PLENARY DEBATE

A special plenary debate session was organized to '*Reassess the costs and benefits of PPPs*', as there have been increased concerns that with the higher cost of financing, it has become harder for PPPs to pass value-for-money tests. Therefore, the panellists tried to answer questions, such as (i) what was the current empirical record of PPPs? (ii) were they delivering value for money and do we need to adjust the model? In response to these questions, the following recommendations were made:



- (a) There has been a tendency that governments have been doing PPPs to score political points before its electorate and have been selecting the concessionaires not with better technical expertise, but with better political connections. In addition the governments were putting all the money into the development of the project, with no funds left for the monitoring and enforcement. Therefore, the governments were advised to

introduce a legal framework that would allow transparent and fair procurement of bidders, as well as proper balance of state funds.

- (b) One of the great methods that leads to successful and streamlined PPP projects was the standardization of the bidding, pre-qualifications, procurement documents and others, which will decrease the transaction costs, increase transparency and prevents complains against the public officials. Therefore, to deliver better value for money, the governments were advised to standardize the project documents or at least to consider this approach.

PARALLEL CLINICS ON THEMATIC ISSUES IN PPPS

The second half of the first day of the conference was structured to hold a number of parallel clinics on diverse thematic issues, such as

- (i) *Government financial support and PPPs* - this clinic reviewed recent lessons related to some of the more developed approaches that governments may employ in provision of financial support while delivering PPP programmes, including the provision of viability gap funding and guarantees.
- (ii) *Transforming urban and rural spaces through PPPs* - this clinic looked at innovative PPP projects that were expected to have transformative impacts and that contain elements that will be delivered through PPP methods and examined how these challenging projects were being delivered and the additional benefits sought by doing them as PPPs within a broader development program.

And parallel clinics on three sectoral themes, namely:

- (i) *Energy* - This session examined some recently launched programmes and especially the 'better energy access for all' initiative. In addition the panellists discussed how governments shall develop new frameworks to allow them to better implement PPPs in energy, renewables, and meet climate targets overall as well as assess how they can leverage sources of financing that were available for such projects.
- (ii) *Transport* - The panel discussed some of the more demanding projects from their own experiences and the key issues faced in current times. Although transport was often one of the initial sectors to use PPP methods to develop and deliver public infrastructure, over time these have developed to encompass highly complex and innovative solutions. Accordingly there was a high interest of the audience in learning new approaches in undertaking PPPs in transport sector.
- (iii) *Health* - The panelists in this session shared their experiences from a number of different models adopted across the world allowing the participants looking to explore the possibilities of the approach in meeting their own policy objectives in the health sector. The panelists discussed different challenges in terms of the scope of health services to be provided by the private partner and the issues faced in implementing health projects.

WEDNESDAY, 22 FEBRUARY 2012 - Public Sector Session

PLENARY SESSIONS:

The second day focused on issues of transparency, governance and accountability and was started with two plenary sessions on (i) *Improving the transparency of PPP arrangements*; and (ii) *PPPs at a sub-national level – governance and implementation challenges*.



The plenary sessions looked at critical topics such as the disclosure of information on PPPs as a tool for increased accountability, governance challenges as they relate to sub-national PPP programmes, and how capacities can be strengthened to improve the overall institutional framework. They were focused on the following questions:

- I. *How could Governments improve the transparency of PPP arrangements, looking at what some proactive PPP units are doing?*

The panellists suggested that there were clear benefits for all three parties, that is, government, private sector and the civil society to promote greater transparency. These benefits ranged from government having its public confidence restored, efficiency of public spending. For the private sector the benefits are a transparent and efficient business environment and access to new markets based on fair competition. For the civil society – it can be given a voice and opportunity to participate in major decisions that need to be taken.

- II. *How to measure and assess governance, structure projects to improve accountability, and improve the role of bodies such as national audit institutions?*

As for the issues of accountability, from the legal perspective, the speakers emphasized that the public should be aware and should be allowed to know what the government and government authorities were doing, and how they were spending taxpayers' money. Therefore, governments were advised to discuss with the private sector at the earliest stages of the project and identify what information can be disclosed to the public and what can be considered as confidential.

- III. *What are the challenges faced by sub-national governments in delivering PPP projects of developing programmes and ensuring good governance and efficient oversight at state/provincial and local government levels?*

The governments with several layers of federal and local governments were advised to harmonise their legislation and policies, which would enable the private sector to predict and decide whether or not to invest in a particular project in that country. In addition, to increase the overall attractiveness of the national market, a PPP network or a platform that will bring together all of the existing PPP units, institutions, legal framework in different states within the country, can be established. This will help to better organize and develop the PPP market.

PARALLEL CLINICS ON GOVERNANCE FRAMEWORK

A. National audit institutions and PPPs

National audit institutions can play an important role both in improving the overall governance of PPP programmes as well as enhancing their performance by undertaking performance reviews. At the same time, in countries where programmes were new, these audit agencies may jeopardize efficiency by applying PPPs rules designed for non-PPP projects. This session reviewed experiences from different regions and discussed lessons learned on how audit agencies could best fulfil their roles.

B. Preparing PPP Programs

In order to launch successful PPP programmes, experience would suggest that there was a significant role for the government to play in the development of a pipeline of services to be delivered as PPP projects. How did governments identify and prioritize these projects? Once selected, how were they then developed and promoted as PPP projects that will be attractive to sponsors?

C. Addressing Governance Risks

In developing PPP programmes, governments needed to establish the governance frameworks in which these projects can be selected, developed, tendered for and ultimately managed. There were a number of references on this subject from the UNECE Guidebook on Promoting Good Governance to the ADB Guidelines for Addressing Governance Risks in PPP Projects. This clinic looked to address the practicalities associated with developing and enforcing these frameworks.

D. Promoting networking activities and fostering capacity-building programs

The development of PPP programmes can be enhanced through practitioners sharing their experiences in delivering specific projects. This session looked at different approaches to establishing and fostering these networks with the aim to raise the capacity of individuals delivering PPP programmes and also discusses new approaches to developing capacity building for PPPs.

PARALLEL CLINICS ON GOVERNANCE – SECTORAL AND THEMATIC ASPECTS

A. Improving Accountability in Public Spending: The Experience with Output-Based Aid (OBA) and Results-Based Financing (RBF)

As donors placed greater emphasis on demonstrating results, how can PPPs achieve higher levels of accountability? This session was open with a screening of a short film: “Improving Lives in Morocco: Extending Access to Water and Sanitation Services to the Poor.” The objective of the session was to spur a discussion on how OBA and RBF can be most effectively integrated in infrastructure PPP operations. The discussion focused on how the approaches and OBA in particular, can improve the accountability of governments for spending efficiently and delivering results.

B. Creating public sector capacity

When PPP programmes were first launched, how can governments put in place the capacities and political support that will launch successful pathfinder projects? What were the most important steps to take, and what were the ones to avoid?

C. Contract management

Getting good results from PPPs required good contract management. But this can be a challenge to maintain given the complexity of PPP contracts, lack of resources provided and high turnover of staff in government agencies. What strategies can be adopted to improve contract management capabilities?

SWISS NIGHT

Thanks to the great generosity by the Swiss Government all delegates were invited for a fondue dinner accompanied with Swiss folklore music at two restaurants in the heart of Geneva. The evening was extremely well hosted and the hospitality experienced by all the delegates was overwhelming. The secretariat received a number of thank you letters for the outstanding organisation and wonderful Swiss hospitality.



THURSDAY, 23 FEBRUARY 2012 - Business Forum

One of the unique features of PPP Days 2012 and quite the opposite from the usual practice was the Business Forum, where the private sector from Europe and beyond was invited to actively participate at the conference. It has become clear that the public sector practitioners will not be able to find answers to all future challenges, if isolated from the private sector. Therefore, the Business Forum invited a select number of Governments (Japan, Brazil, Philippines, Ukraine, Nigeria, Peru, India, Armenia, Uruguay, Turkey, Russia, Colombia, Kazakhstan, Vietnam, and some West and central African countries) to present their strategies, policies, projects and support for PPP to the private sector; and for a number of representatives from the private sector to present their successes and issues faced in delivering public services and building infrastructure through the PPP model. In addition the UNECE secretariat prepared an Information Notice on PPP projects in selected countries, which was also presented at the Business Forum. The information notice and all country presentations are available on the UNECE website¹.

In addition, given the global reach of PPP Days and in order to maximize the opportunities for delegates, a networking opportunity to dialogue with representatives of private sector was facilitated at least in three ways.

- *Firstly*, there was a dedicated area, an exhibition of companies and certain countries to show case their expertise on on-going or recently completed projects.

¹ <http://www.unece.org/index.php?id=27543>

- *Secondly*, some of the delegations had one-on-one meetings on request during the Forum to discuss potential cooperation and partnerships. As a result of such meetings countries, like Russia, Kazakhstan, Nigeria, Malaysia, Kyrgyzstan, and others discussed the possibility of engaging in potential projects in the respective countries.
- *Thirdly*, during coffee breaks, as well as at the buffet lunch and evening reception, there was further opportunity for networking where other interested investors/operators could interact with the government officials about the projects/sectors of interest.

FRIDAY, 24 FEBRUARY 2012 - Site visits

Day 4 was devoted to learning from actual PPP case studies, taking people “on site” to see the actual PPP project reality. Visits to actual PPP sites were not new for PPP days. This formula had already worked successfully at PPP days 2010 in Manila (Philippines).

However, as the Geneva vicinity falls short of “real PPPs”, the approach selected was a combination of two “real visits” to Bern and neighbouring France with 6 “virtual site visits” via videos and written materials. It should not be forgotten that Switzerland is still in an early stage in PPP development, whilst the Swiss State Secretariat for Economic Affairs (SECO) is already operational and experienced in implementing PPPs “overseas”, i.e. in its international development work.

Contribution of SECO

SECO made this activity possible, sponsoring and providing the Swiss project team offering funding and putting together the project team, which included experts and collaborators from the think tank “PPP Schweiz”:

- Urs Bolz, coordinator of the national expert network, for elaborating the Bern case study and video, and
- Ansgar Kauf, international PPP expert, overall coordinator of day 4 and the international case studies and videos (supported by project development and risk expert Serge Bodart (CH), PPP health expert Chris Lo (HK), and Celso Manangan (PH);
- Max Fahrni from Yak GmbH, SECO's experienced video producer, and his colleague Patrick Buerge, ensured high standard video production and review of existing ones.

The following video case studies were showcased to the participants:

(i) **The PPP Project Neumatt: Cantonal Civic Center Burgdorf (Switzerland)** - this is the first PPP project in Switzerland and consists of four administration buildings together with a regional prison for 110 detainees. The project, now operational, will see 19 different cantonal offices employing 450 people coming together under one roof. All of the land and buildings are owned by the Canton of Bern, and the overall investment is around 150 million Swiss Francs.

(ii) **The Manila Water Company PPP (the Philippines)** - in August 1997, the Manila Water Company took over the operation of water and waste water in the East Zone of Metro Manila as agent and contractor of the government-owned Metropolitan Waterworks and Sewerage System under a 25-year concession agreement. The concession agreement also granted Manila Water exclusive rights to the use of land and facilities for the production, treatment and distribution of water, as well as the rights to operate the sewerage system. The East Zone of Metro Manila is home to some 7 million people. A capital investment of 750 million dollars was injected in the project since 1997, with an additional injection of 4.7 billion dollars in 2009 following the approval of a 15 year extension of the concession.

(iii) **Lesotho Hospital PPP (Lesotho)** - in 2006 a landmark PPP project to build a state-of-the-art 425-bed National Referral Hospital to replace the very old main hospital was implemented. Besides the main hospital, this project included an adjacent gateway clinic, the renovation of three strategic filter clinics, and the private management of facilities, equipment, and delivery of all clinical care services for 18 years. It also includes a clinical training component to improve the availability of well-trained healthcare professionals. The project capital expenditure amounted to 120 million dollars, with a Government capital contribution of 52 million dollars. The hospital opened in October 2011.

(iv) **Outpatient Dialysis Services PPP (Romania)** - four international operators won four-year contracts (extendible to seven years if the operators opted to build new facilities) to refurbish, operate, and manage dialysis centres at eight hospitals in Romania. The concessionaires have invested more than 40 million dollars to modernize the facilities and expand the services.

(v) **National Kidney and Transplant Institute (NKTi): Hemodialysis Center Project (the Philippines)** - the NKTi Hemodialysis Center is a 1.2 million dollar facility constructed as a PPP between a government hospital and a private investor. The project involved a long-term lease agreement with the private service provider, and through this scheme, NKTi was able to acquire the latest technology in dialysis treatment thus expanding its services to more patients. At the same time, the services provided in this new Hemodialysis Center are relatively more affordable since NKTi is a government hospital.

The leitmotif that runs across these successful case studies presented was the consistent application of internationally-recognized good governance principles, such as the seven principles enshrined in the UNECE Guidebook on Promoting Good Governance in Public-Private Partnerships.

The seven UNECE good governance principles in PPP² have been universally embraced by Governments and PPP practitioners alike, and have become one of the most used and standard reference on the topic of PPP in transition economies and developing countries. While Governments are using these principles to model their PPP policies and practices (for example, in the area of government procurement), financial and legal advisers use these principles in their own advisory work on PPP to governments.

Case study presentations were integrated within the fourth session of the UNECE Team of Specialists on PPPs, which was held on 24 February, back-to-back with PPP Days 2012. In

² The seven UNECE principles on good governance in PPP are: policy; capacity-building; legal framework; risk-sharing; procurement; putting people first; and the environment

summing up the moderator informed the Team of Specialists that these video case studies will be used by the Team in its future training activities, and that the UNECE secretariat will continue building on this material to include other case studies from around the world. The moderator reminded participants that the video case studies are also available on DVD and on the UNECE YouTube channel³ and on the UNECE website⁴.

In addition two site-visits to operational PPP projects were organized to Bern, Switzerland and Annecy, France to show-case real PPP projects:

- *The PPP Project Neumatt: Cantonal Civic Center Burgdorf, Bern, Switzerland* - the first PPP project in Switzerland to be based on international project finance standards. The project encompasses the demolition of the old buildings, as well as planning, financing, construction and operation of the new 'Neumatt - Cantonal Administration Center Burgdorf'. This will include three planning units, a prison (110 beds), a street inspection office including an operation center and finally an administration center.

A group of 40 delegates signed up for this visit, which was structured around 4 major topics: (a) the lifecycle experience, (b) private engagement in prisons, (c) organisation and challenges - public side, and (d) organisation and challenges - private side / value for money. The delegates were also privileged to visit the Town Hall Berne and to be welcomed by state chancellery of Berne and briefed on the Bern PPP project by a project manager, PPP Project Civic Center Neumatt.

As a result the UNECE secretariat received extremely positive feedbacks from a number of countries (Belarus, Kazakhstan, Kyrgyzstan, Nepal, Brazil, Russia, China, and Mozambique) regarding the site visit and most complimented on its professional organization and quite informative programme.

- *The Annecy-Geneva PPP toll motorway (control center), Annecy, France* - this is a new generation PPP toll motorway in France, opened to traffic in December 2008. It has been built, financed and operated by a consortium composed of a regional toll road operator and a contractor, a 871,5 million € investment. The A41 North motorway links Annecy to Geneva, having an average daily traffic of 19'000 vehicles. It represents on its 19 km route a technical challenge (including a 3,100 million two-bore tunnel, 4 viaducts, a covered cutting and other civil structures).

A group of 50 delegates had opportunity to visit the control centre and receive the first-hand information about the project from Jacques Leca, the financial and administrative director of the concession company ADELAC, and from Marc Moretti, the ADELAC Director and an experienced toll concession executive. When driving on the A 41, participants were impressed by this masterpiece of civil engineering, as well as by a sophisticated environmental protection programme, respecting the natural habitat and neighbouring biotopes.

The UNECE appreciated very much the excellent work of the Swiss team to make this Day 4 such a success. Ansgar Kauf managed the event working to tight schedule highly competently.

³ <http://www.youtube.com/user/UNECE/>

⁴ <http://www.unece.org/index.php?id=27543>

VI. CLOSING REFLECTIONS AND REMARKS

Mr. Vladimir Pesevski, the Deputy Prime Minister of the Former Yugoslav Republic of Macedonia and *Mr. Geoffrey Hamilton*, Chief, Cooperation and Partnerships Section, UNECE delivered closing speeches on their reflections on the conference.

Mr. Pesevki, having worked for more than 10 years in the private sector before entering politics, shared his experience in undertaking PPP projects and highlighted once again the importance of the issues, such as stable and solid legal framework, training public officials, political support and clear understanding of PPPs by top political leadership, ability of the governments to prioritize PPP projects and others. He thanked the panelists and governments for raising all these issues during the conference panel sessions and clinics and stated that PPPs certain were not panacea, but they still remained an important tool for developing countries to develop their infrastructure facilities and provide better public services.

Mr. Hamilton thanked all the partners and teams from WBI, ADB, SECO, IFC, and others for organizing this great event, which was the outcome of an excellent collaboration of all these partners working as 'one'. He remarked that even though these organizations were different, all of them were completely committed to promoting the PPP model. Mr. Hamilton noted that the UNECE looked forward to continue working closely with these organizations in promoting PPPs globally.

VII. CONCLUSION

The outcome of PPP Days 2012 conference can be summarized as follows:

- To meet all this huge demand for investment, it is not sufficient to do PPPs; the challenge is rather to do the best PPPs employing innovative financial schemes;
- The best practice in PPPs is no longer coming from Europe, but from other parts of the world (e.g. India, South Africa, Brazil, etc.)
- Collecting and systemizing information on best practice becomes a considerable challenge.



As for the organization of the event, it was rated as highly relevant and informative by the participating PPP executives, policymakers, and practitioners. Delegates appreciated the programme's focus on ensuring an in-depth analysis of issues related to governance, financing, transparency, accountability and others, and opportunities for discussing shared PPP challenges with colleagues from other governments who are engaged in PPP policy development.



豊洋大学
経済学部の国際交流課

PPP Seminar in Kyrgyz Republic Day 1: Introduction and Selected Pilot Projects

August 23, 2012



Toyo University Mission Members

- Prof. Sam Tabuchi
- Kei Mizushima, consultant
- Kosuke Kikuchi, consultant
- Motoe Kanno, architect
- Marie Kikuchi, banker
- Yoshikazu Matsuura, student
- Yu Namba, researcher

Today's Agenda

- Morning: PPPs in theory and practice
 - PPP Law in Kyrgyz Republic
 - Toyo University's concept of PPP
 - Case studies and discussion
- Afternoon: Proposed pilot projects
 - Issyk-kul Airport
 - Bishkek City Solid Waste Management
 - Bishkek=Kara Balta By-pass

PPP Law in Kyrgyz Republic

- Enacted in February 2012
- well-written and organized
- Very high expectations from public sectors and international donors

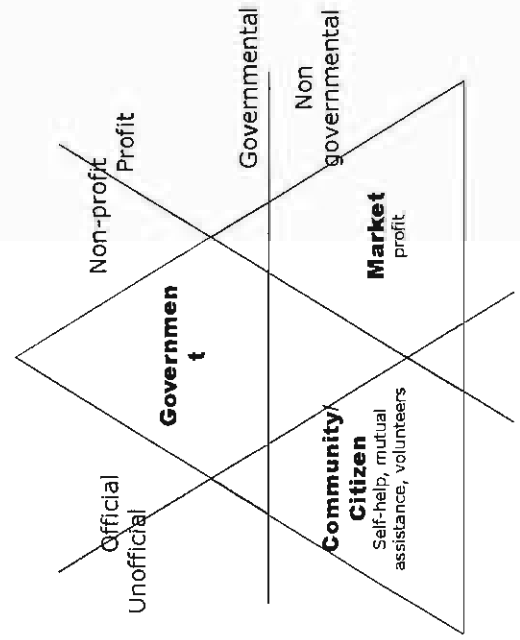
Issues for further consideration

- Lack of detailed procedures
- Inadequate time for prepare proposals
- Tariffs/service charge
- Accountability and cost of government information
- Procurement procedure that supports domestic industry and/or future growth of this country and city
- Countermeasure for inflation

TOYO University's concept in PPP

- Contractual agreement and governance between public and private
- Design of risk and reward
- Government, private sector, citizens all have to play its role
- wide variety of implementation ways, modes, and sectors(public service purchase, utilization of public assets, regulation/deregulation and incentive)

PPP Triangle



Failures caused by the system

- **of Market**
 - Public goods
 - Externality
 - Natural monopoly
 - Asymmetry of information
- **of Government**
 - Inefficiency and bloat
 - Subjective purpose
 - Abuse of privilege (financial and/or administrative privilege)
- **of Public Private Partnership**
 - Failing to set right public goal
 - Inadequate sharing of roles
 - Lack of competition
 - failure of message
 - Inadequate governance/monitoring

Discussion

- Who are the stakeholders of services you provide?
- What is the role of Government, private sector and community sector/citizens

Wide varieties of PPP

- TYPE 1: Public service delivery
- TYPE 2: Utilization of Public Asset
- TYPE 3: Regulation/Deregulation and Incentive

Type 1: Public service delivery

- Public sector determines which services to provide, and private sector provides actual service on behalf of the public. Private sectors make incomes either by service purchase payment or user fees/tariff
- Fractionalization: Some projects are considered purely public services. However, by looking close into services and fractionalize them, private sectors are able to take some of these roles.
- Example: Prison PPP
- Inclusion: in order to make outsourcing economically viable, some small services or areas are combined
- Example: "shared services," call centers etc

Example: Mine Prison

- "prisons" are considered pure public service
- When looking closely into provided services, some services are provided better by private sectors than public (ex. catering, vocational trainings, skill education)
- By reducing the prisoners' burden of catering, cleaning and other works, prisoners can spend more time and efforts on vocational trainings = Lower Recidivism rate

Type 2: Utilization of public asset

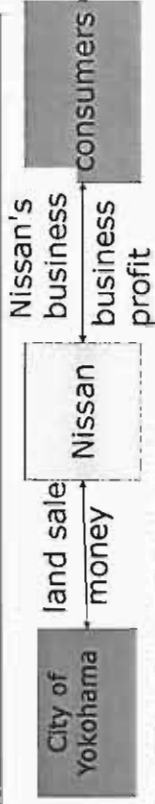
- Public objective is to revitalize the surrounding economy by utilizing public assets (sale/lease). Private sectors are allowed to do their business and make profits as long as public objectives are achieved.
- A public sector is in charge of setting public objectives, setting right criteria for selecting a private partner, and monitoring if the public objective is achieved
- Lesser interruptions by public sector preferred

Costs and benefits for Yokohama City

Costs	Benefits
- Grants and tax breaks	- improved balance sheet
- cost for infrastructure improvement	- employments (10,000+)
- discounted sale price of the asset	- tax revenues
- Congestion	- increased individual spending
	- vialization of surrounding industry and commercial activities

- Even though Nissan only does their own private business, public objectives are achieved

Ex: Headquarter of Nissan (Yokohama)

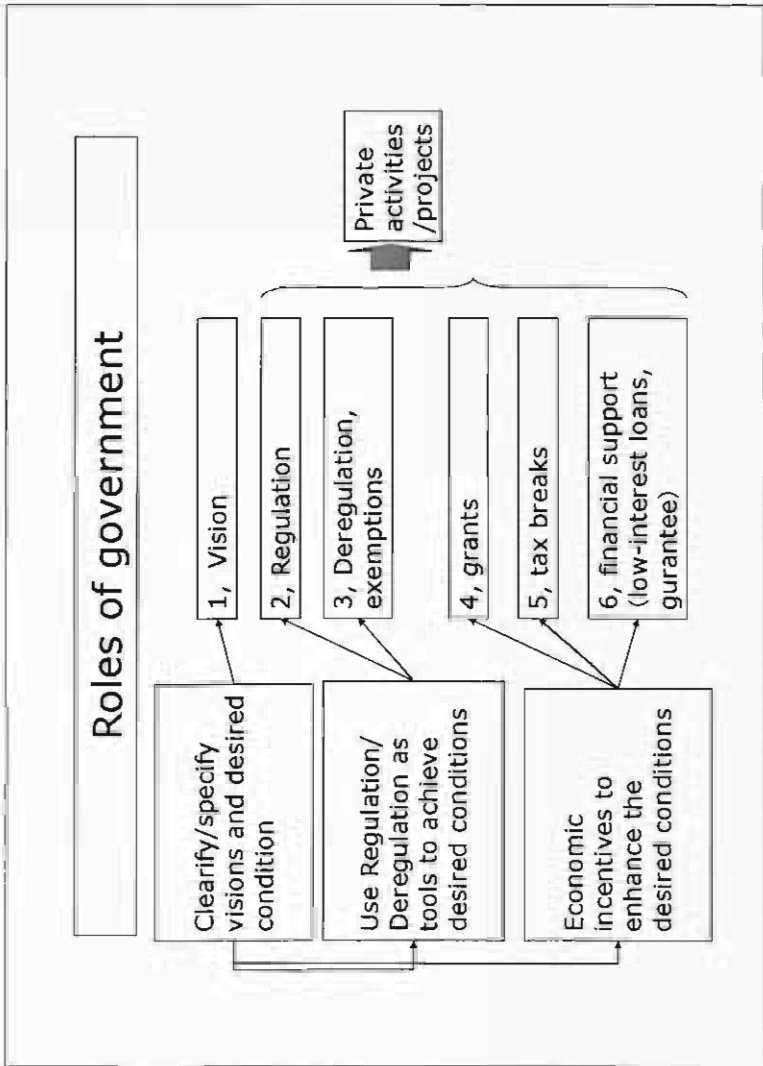


- Objectives of Yokohama City
 - Employment, improved tax revenues and consumption, revitalization of city's market economy
 - Sale of underutilized land (low fixed price), improvement of infrastructure (subway) = grant
- Private sector's proposal
 - Nissan would transfer its HQ to the area, more than 2000 employment created in the city
- Conditions of contract
 - Nissan has to keep its HQ in the area to be qualified for the sale and receiving grant
 - If Nissan violates the above condition, they have to give the land and grant back

Type 3:

Regulation/Deregulation/Incentive

- Public sector regulates/deregulates in order to lead private sectors to do their businesses under desirable public conditions
- Examples: Special (economic) zones, Aesthetic (landscape) regulations



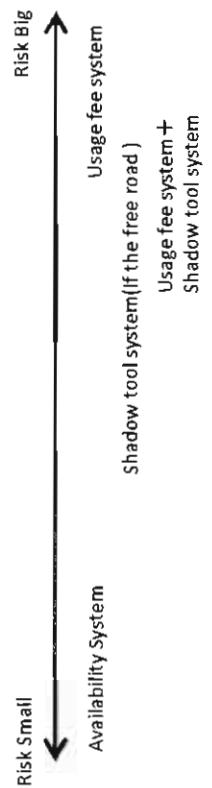
Bishkek Kara Balta By-Pass Road

Types of the PPP for the road project

- As the PPP system for the road, there are several types of payment/contribution from the public.
 - ① Usage fee system : Payment just from the road users, not from the public
 - ② Shadow toll : Based on the traffic volume, Public pay the cost to the private sector.
 - ③ Availability : Public pay the cost to the private based on the availability of the road(Service purchasing fee).
 - ④ Parallel system : Both①and③

Way of thinking of the reward from the public

- ① It depends on the Risk transfer of the traffic volume(demand risk) against the private sector(how to transfer the risk from the public to the private sector.
- ② If the risk is too big, there won't be a player to do the project.



Consideration of the PPP system on the Bishkek Kara Balta By-Pass

【Point of the consideration】
Importance of not only the business profit but also the construction of the project for the general public/citizens.

Stage of the right of was acquisition

Point:

Purchasing the land or not for the road construction as PPP project.

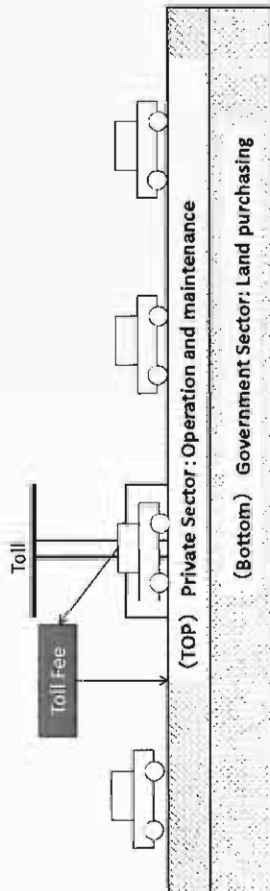
Stage of the Operation and Maintenance

Point:

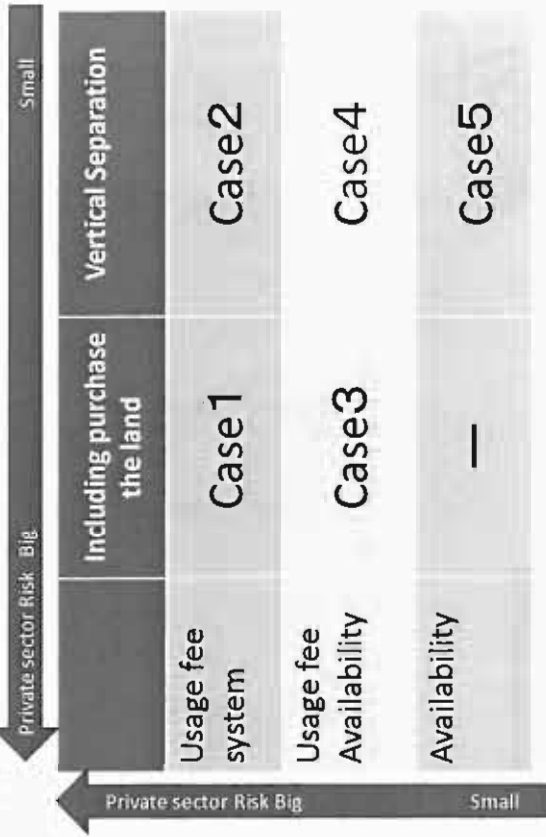
Type of the cost payment to the private sector = How to transfer the risk to the private sector

System of Vertical Separation

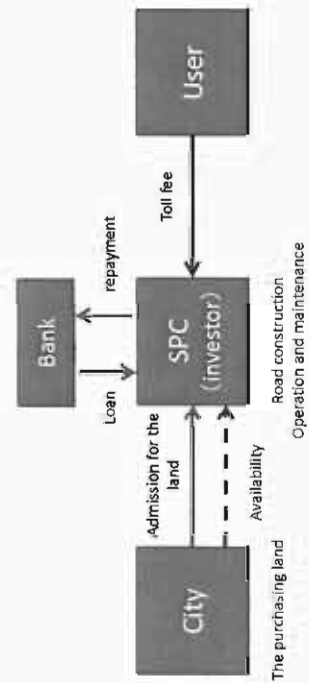
- If the PPP project doesn't include the land purchasing, [System of the vertical separation] could be better for the PPP project.



F/S PPP Scheme



Case 4: Usage Fee system + Availability system + Vertical separation



Case of the PPP project for 30 years

	Evidence	(万\$)	(万\$)	(万\$)
Revenue	Annual Traffic x Fee /car			
	20,000cars/day x US \$1 x 365 x 30years	\$219	\$438	\$438
Cost				
• Usage fee				
• Revenue (Revenue from Government)	Availability	\$219	\$438	\$150
• Tax for the sales	Revenue sum x Tax 2%	\$4.38	\$8.76	\$8.76
• Road construction (Land) (initial cost)	ADB report	\$500	\$250	\$250
• Road construction (running cost)	ADB report \$ 5 m x 3 0 years	\$150	\$150	\$150
Sum		\$654	\$409	\$409
Sales profit	Revenue - payment	-435	29	179
Company Tax	Sales profit x TAX (10%)	-44	\$2.92	\$17.92
Profit after tax	Sales profit - Company Tax	-392	\$26.32	\$161.32
Annual Profit after tax			\$0.88	\$5.38

Toyo Univ. Graduate PPP school

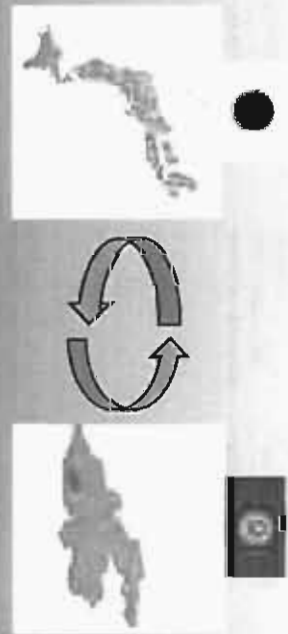
Japanese Ways to Reduce the Volume of the solid waste

3R, and garbage Separation and recycling



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Like Kyrgyz Republic, a country is also
small and Japan of our country is never
blessed also with natural resources.



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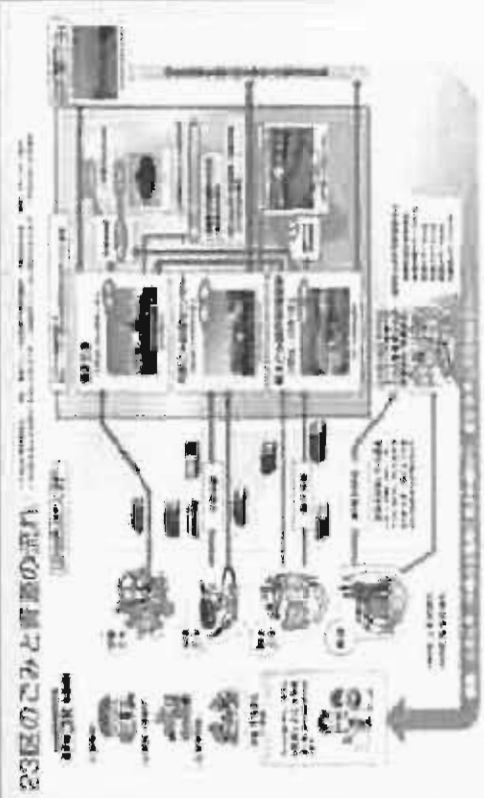
Do you know 3R?

Keywords required for Sustainable society – 3R



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The present condition of the solid waste in Japan



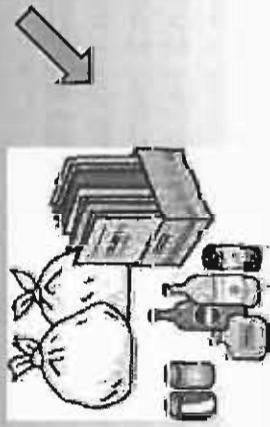
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Separation for Recycling

Separation
分別



Volunteer activity



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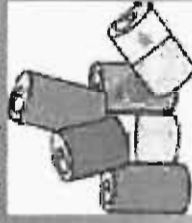
5

Recycling of solid waste

The total amount of solid waste: 136,375t /year (2010 Matsudo-city)



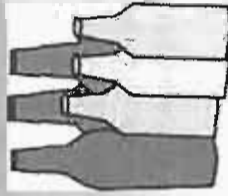
Paper
4.30%



Can
1.62%



PET
Bottle
0.08%



Bottle
0.91%

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6

Solid waste for Landfill!

Combustible Solid
waste
78.75%

21.25% less



Ceramics
1.13%



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7

Bishkek City Solid Waste Management

Current condition

- Collection: TAZALYK & some private sectors
- Dump & Recycle: TAZALYK + informal sectors
- Collection of tariff: Center of Utility Bills
- Tariff:
 - Individuals 15soms/month,
 - Retired 4 soms/month,
 - Business 150 soms/m³



Step1:Determine objective

- What are the most urgent issues?
 - Limited capacity of the dump site
 - Environmental concerns at dump site
 - Sanitation around collection sites
- What are the countermeasures?
 - Option 1: No change
 - Option 2: Improvement of current system
 - Option 3: Partial installment of new system
 - Option 4: Installation of advanced system

Step 1-2: Consider ways to improve current condition

- Need for comprehensive plan for how the city decrease amount of solid waste, how to improve environmental issues, and how to improve management
- Education and empowerment of individuals, businesses, and workers
- Improve coverage of collection by Tazalyk
- Improve sanitation of collection site (closed-container etc.)
- Improve efficiency in transferring solid waste (improved compaction)



Step2:Patterns of Private participation in SWM

	Tariff collection	Collection	Dump	Facility owner	Separation
Present	Utility Bill	Tazalyk	Tazalyk	City	Informal
CASE 1	Utility Bill	PRIVATE 1	Tazalyk	City	?
CASE 2	Utility Bill	PRIVATE 1	PRIVATE 1	City	?
CASE 2'	Utility Bill	PRIVATE 1	PRIVATE 2	City	?
CASE 3	Utility Bill	PRIVATE 1	PRIVATE 2	City	?
CASE 3'	Utility Bill	PRIVATE 1	PRIVATE 2	PRIVATE 1	?
CASE 4		PRIVATE 1		City	?
CASE 4'		PRIVATE 1	PRIVATE 2	City	?
CASE 5		PRIVATE 1	PRIVATE 2	PRIVATE 2	?
CASE 5'		PRIVATE 1	PRIVATE 1	PRIVATE 2	?

Step 2-2: Evaluating Risks

- Possible Risks for Bishkek City
 - Achieving desired level of public sanitation
 - Loss of control over collection and disposal
 - Possibility of monopoly
 - Loss of employment of Tazalyk
 - Loss of opportunity for informal sectors
- Possible Risks for Private Sector
 - Change in amount and composition of solid waste
 - Change in regulations
 - Investment for new equipments, rehabilitations etc.

Step3: Disposal plant

- How much separation and/or recycle the city, private sector and citizens are capable to commit?
 - Separation at collection site
 - Separation at the dump site
 - Recycle few materials (Cans/metals, bottles, plastics)
 - Recycle as much as possible

Step 3-2:Determining scheme

- Level of separation at collection site
- Level of separation at dump site
- Mode of operation
- Number/scale of contracts
- Means for separation and recycle
- Tariff collection
- Setting tariff

Step 3-3: ADB's proposal

- Need for comprehensive plan for SWM
- Need for observation and data for current conditions of collection, transfer and disposal
- Need for careful evaluation of risks and schema
- Overinvestment (production of combustible pyrolysis gas and ecological fuel)

Step 4: Conclusion

- Establish short, mid and long term plans and targets for SWM and recycle
- Evaluate and allocate risks
- Develop education campaign for individuals, children and businesses



Step4: Further issues for consideration

- Inclusion of informal sectors for separation
- Use of refuse derived fuel (RDF) facility
- Employment of Tazalyk personal
- Long-term plan for separation and recycle
- Collection of tariff from barrack settlements
- Expansion of business/industrial/organizational waste collection
- Procurement system and volume to enhance local business's participation
- Avoid monopoly
- Determine evaluation criteria of private sector's performances

Airport PPP

- 1 Privatization
LA Orange County John Wayne Airport
- 2 Partial Airport PPP
 - 1) NY JFK No.4 Int'l. Terminal
 - 2) Tokyo Haneda No.3 Int'l. Terminal
- 3 Transfer of Landing Fee to Private against for Additional Investment
Kitakyushu Airport Runway Expansion Project

NY JFK No. 4 Int'l. Terminal

\$1.4 billion PPP Investment

Expense	Revenue:
\$500 million Equity	Partial Landing fees
\$900 million Debt	Commercial Revenues
	Fuel Sales, Parking
	Others

Term: 30 years

Tokyo Haneda No. 3 Int'l. Terminal

\$900 million PFI (BOT) Investment
Self sustaining project

Revenues: Commercial Revenues Only

Term: 30 years

Kitakyushu airport expansion PPP project (Model Case)

PROJECT OUTLINE: Payment for Debt, Runway Expansion, Operating & Maintenance

Cost

Payment for Debt	: \$500 million
Runway Expansion	: \$100 million
Operation	: \$5 million/year

Landing & Parking fee	: \$5,000/airplane
Number of Flight	: 20/day

CASE1: Project Duration 20years

Total Cost : \$500 million + \$100 million + (\$5 million/year × 20years) = \$700 million

Total Income : \$5,000/airplane × 20flight × 365days × 20years = \$730 million

Balance : \$30 million/20years (\$1.5 million/year)
→ Private Sector won't offer the bit

CASE2: Project Duration 30years

Total Cost : \$500 million + \$100 million + (\$5 million/year × 30years) = \$750 million

Total Income : \$5,000/airplane × 20flight × 365days × 30years = \$1,095 billion

Balance : \$345 million/30years (\$11.5 million/year)
→ Good Project Private Sector will offer the bit

Tamchy airport case1 – current estimation

project duration	20 years	
landing & parking flights	3,000 \$	3 /week
operating period	81,000 /year	9 weeks
total income		1,620,000
initial cost	70,000,000	70,000,000
operational cost	500,000 /year	10,000,000
total cost		80,000,000
balance		-78,380,000

Tamchy airport case2 – with marketing effort

project duration	20 years
landing & parking flight	3,000 \$ / day
operating period	5 / day 60 days / year
total income	18,000,000
initial cost	35,000,000
operational cost	10,000,000
total cost	45,000,000
balance	-27,000,000

Tamchy airport case3 – ideal number?

project duration	? years
landing & parking flight	3,000 \$ / day
operating period	? / day ? / year
total income	
initial cost	70,000,000
operational cost	3,000,000
total cost	
balance	

Tamchy airport case3 – ideal number?

project duration	20 years
landing & parking flight	3,000 \$ / day
operating period	10 / day 180 days / year
total income	108,000,000
initial cost	70,000,000
operational cost	10,000,000
total cost	80,000,000
balance	28,000,000

Vision 2040 of Kyrgyz

Define Vision/Direction of Kyrgyz Future

Lemon – Lemonade

Identify Goals/Objectives for the
Visions/Directions

Projects Implementations to Achieve Goals

Use of PPP for the Implementation

Kyrgyz 2040

Lemons of Kyrgyz for the Future

Sam Tabuchi Theory of Economic Development
Lemon Lemonade

- 1 Lake Issyk-Kul Tourism, Housing, Cities
- 2 Geographical Location Hub for Central Asia
- 3 Democracy Free Economic System
- 4 Water Hydro Electricity, Export
- 5 Rare Earth/Metals New Energy Industry
- 6 Linguist Call Centers
- 7 Agriculture Value Add Industry
- 8 Others

Traditional PPP to Accomplish Visions

Japan Inc. Lemon - Lemonade
Industrial Policies, Ministry of Industry and Trade (MITI)
Government + Industries Work Together to achieve the goals

Korea Inc. Copy the Japan Inc. System
Lemon - Lemonade

Malaysia Inc. Dr. Mahathir Wawasan 2020 (L – L)
Look East Policy (follow Japan/Korea)
PPP as the base of national development
N-S Highway, Putroiyaya, Cyberjaya, BOT Development
Petronas Oil, Petron Motors, others

Group Discussion

What do you think the Lemons of Kyrgyz?
Prioritize the List

What can you make the Lemonades for
Kyrgyz?

Tourism at Lake Issyk - Kul

Implementation Process

- 1 Master Plan Development by All Parties
- 2 Adaption by Politicians and Stakeholders
- 3 Establish Implementing Org. – PPP Unit
- 4 Budget, Schedule, Pro Staff, Action Plan, R&R
- 5 Committee: Public + Private
- 6 National – Local Coordination
- 7 Inter-agency Coordination

Infrastructure: Hwy, Airport, Wastewater, etc.

- 8 Marketing Plan – Promotion Program
- 9 Marketing at Almaty to start (limited budget)
- 10 Duration of Tourists, All Season Tourism
Sports tourism (Avrora), skiing, others
- 11 Tamchy Airport – Karakol Airport - Connect
- 12 Tourism Infrastructure:
Bus, Rental Cars, Hotels, Restaurants, Shops,
Arts, Joint Marketing, Package Tour, etc.
- 13 Convention Business
- 14 Housing, Second house, etc.

Florida Tourism PPP

Reedy Creek Improvement District Act 1966

Opening of Disney Park (Magic Kingdom) 1969

Department of Commerce, Div. of Tourism

Local Tourism Org.s

Universal Studios, Seaworld, KSC, Beach, Cruise

EPCOT Center 1982, MGM, AK, 30,000 rooms

No. 1 Tourism Destination 1989

85 million Visitors

PPP Act 1996 (GPA) Visit Florida



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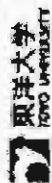
What is the Lemon for Kyrgyz Republic?

Toyo University
PPP School
Marie Kikuchi



City of Bishkek

- Well planned city
 - Wide street and greens
 - Parks and monuments
- Magnificent building
- Beautiful Scenery



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Ideally...

- Financial Hub
- Microfinance
- Project Finance
- Governmental Bank...



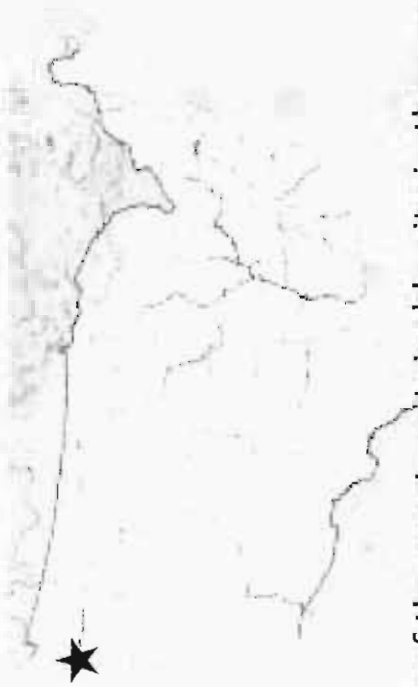
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Possible PPP Patterns

- Regulation/Deregulation
- Utilization of public asset

Example of Portland, Oregon

Population: 593,820 Size: 376.5 km²



One of the most sustainable city in the world

Regulation/Deregulation

Organic Food, Farmer's Market



Regulation/Deregulation

Mt.Hood and the Nature



Regulation/Deregulation

Light Rail Trucks



Regulation/Deregulation

- Urban Growth Boundary



Utilization of Public Asset
Case1: Kennedy School



Utilization of Public Asset
Case1: Kennedy School



Utilization of Public Asset
Case1: Kennedy School



Utilization of Public Asset
Case1: Kennedy School



Utilization of Public Asset
Case1: Kennedy School



Utilization of Public Asset
Fire Department



Utilization of Public Asset
Fire Department



Utilization of Public Asset

Fire Department



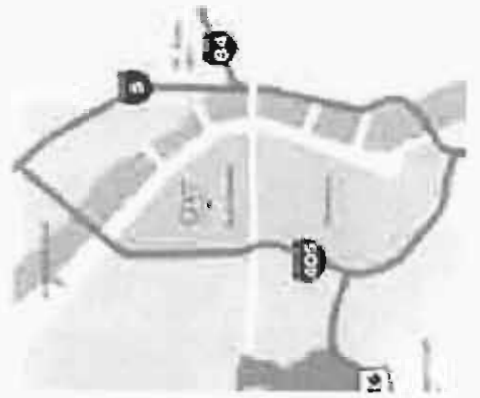
Utilization of Public Asset

Fire Department



Utilization of Public Asset

Eco Trust Building

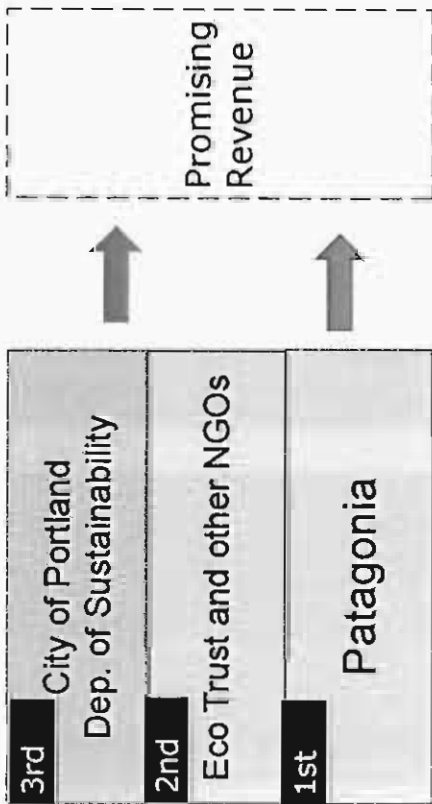


Utilization of Public Asset

Eco Trust Building



Utilization of Public Asset
Eco Trust Building



Utilization of Public Asset
Eco Trust Building



Utilization of Public Asset
Eco Trust Building



Utilization of Public Asset
Eco Trust Building



Utilization of Public Asset
Eco Trust Building



Thank You

LEMON
WATER in KYRGYZ



GOAL in 2040

Most Skillful country
in water management

WATER MANAGEMENT

- SUSTAINABILITY
- Need New Technology
(Passive/Active Way)
- Need New Facilities
- PPP is necessary in Kyrgyz

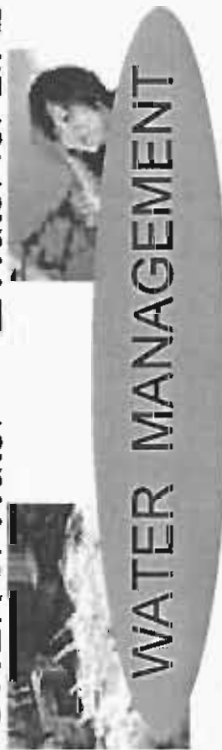


Kyrgyzz2040
Water as a Lemon

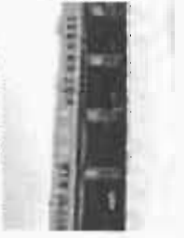
Toyo University
PPP School
Kyrgyz Project Team
August 24, 2011

Water Resources

- POWER of Water
- Water for LIFE



- SCENERY
- WASHING



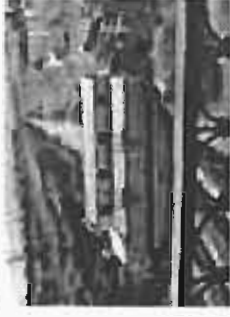
WATER QUARITY MANAGEMENT in PPP

- Regulation
- Construct Sewage Disposal Facilities
- Water Recycle System

Hydro Power Plant PPP Proposal

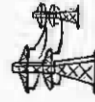
■ Project start:

- 2012~ New small Plant
(DB or BOT)
- 2025~ New middle-size Plant
& Rehabilitation of Old small Plant
(BOT)
- 2035~ Concession or Privatization



Hydro Power Plant PPP Project

- Kyrgyz's Advantage:
 - Kyrgyz can earn money by selling electricity to Kazakhstan, Uzbekistan,.....
 - Private Sector in Kyrgyz will acquire skills and know-how for a PPP Project.



Toyo Univ. Graduate PPP school
KURUU2040 Project

*The way to the future
which Kyrgyz Republic
should choose... Now!*

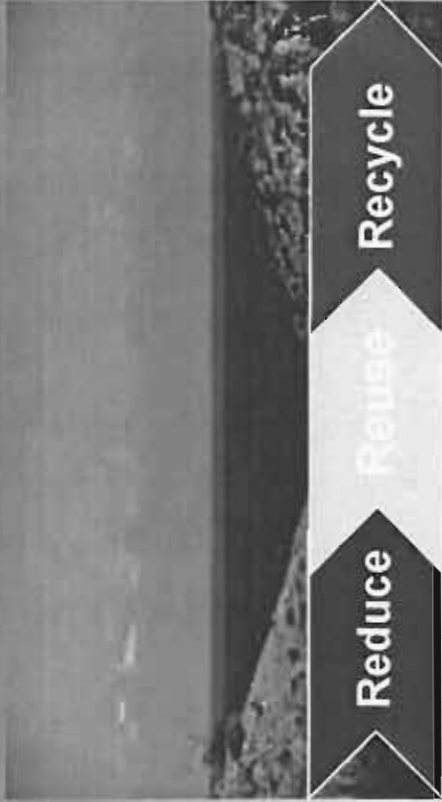
3R, and garbage Separation and recycling



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Why need your country 3R ?

Because...Required for Sustainable society



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2

What do you Think about?
You look at this Picture...



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3

For the Environment...
For the Next generation...
For Ourselves, Let's begin Now!!



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4

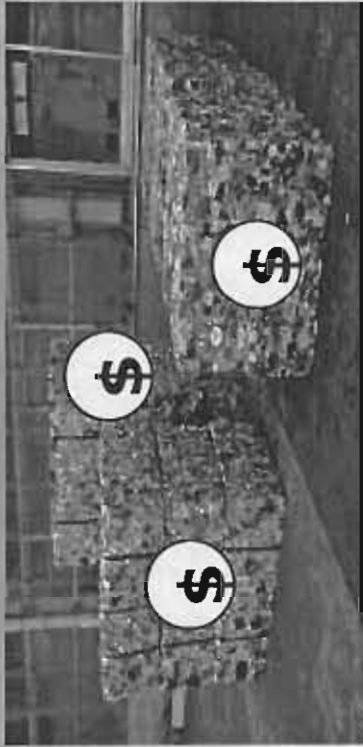
There is an idea for the solution.
It is... Reduce of discharge.
And, Gervage separation.
Recycling natural resources.



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5

You know...
Reduce 20% more solid waste for BGSS.
Make a profit from Recycling natural
resources.



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6

PPP is very strong tools for realization.



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7

PPP
makes a value for money.
makes a employment.
makes a competition.
keeping for natural resources.



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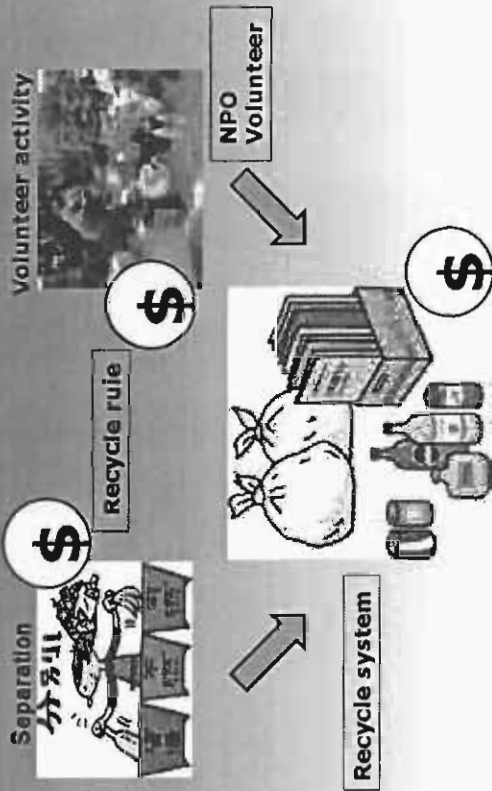
8

But
It is a only allopathic treatment
for short term.
We must to be future ...



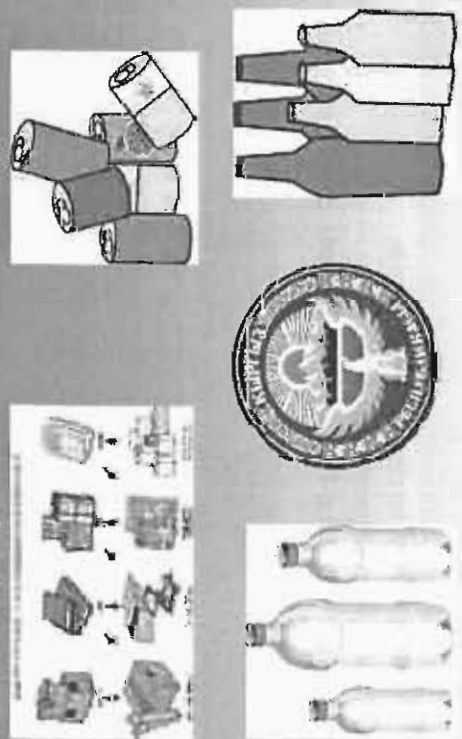
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Separation for Recycling by the people



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Make a Recycling system
National project...



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Solid waste for Landfill



Combustible Solid
waste
20% less more

If Kyrgyz Republic government think
seriousness about reduce of solid waste
and recycling natural resources.

Think a new way, and new law for
transaction of solid waist.

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At Last...

PPP is only tools for success.
Most important thing...
Vision for the future, and real performance.

We believe, Kyrgyz Republic will be
Blake through some hardships.



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Kyrgyzstan PPP Project 『PPP proposal for the Agricultural Sector』

PPP business for Kirgizstan

There are a lot of opportunity to do PPP business for infrastructure and old public assets.

To expand the PPP business

- Improving the capacity for the public payment
⇒ Improving the tax revenue ⇒ Improving the income
- Improving the income of the Kirgizstan
⇒ PPP business scheme for the usage fee

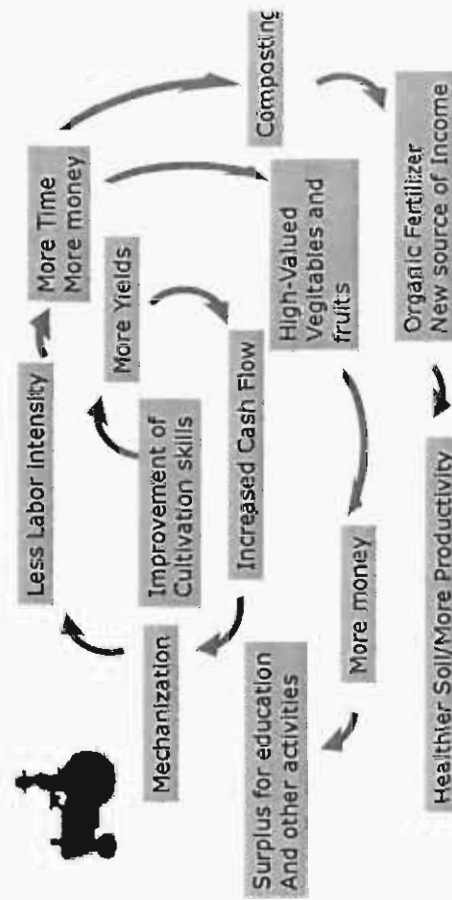
If the farmer(30% of GDP) improve the income, National income and tax improve.

Issues in Agriculture in Kyrgyz Republic

- 70% of Agricultural products are sold in raw shape. Only 30% are processed
⇒ Cotton and wool are exported and textiles and yarns are imported ← → growing sewing industry
- ⇒ Lack of marketing to meet consumers' needs
- Low productivity and efficiency in cultivation
- Lack of quality and quantity control

These issues are key to improve economic strength of farmers in the rural areas. It may also improve the issue of illegal settlement in Bishkek

Improvement of productivity



Adding values:

1(primary)+2(secondary)+3(tertiary)

- A key word in Japanese agriculture/fishery industries—6th industry (1+2+3).
- Products produced in agriculture (primary industry) are processed to final products (secondary industry) within the area and sold (tertiary industry)

Strategic cooperation with NGOs

- There are many NGOs from many countries are working separately in Kyrgyz Republic: Lack of networks and communication among organizations
- NGOs are critical human and technical resources in Kyrgyzstan
- Kyrgyz government should strategically support NGOs' activities on Human resource development (transfer of skills) and management

Commercial Logistic Center (Plan of Ministry of Agriculture)

- Min. of Agriculture plans to develop 5 commercial logistic centers in 3 states (Issykkul, Naryn, and Chui)
- Proposed functions of logistic center
 - Collection, separation, packaging, analysis, transfer

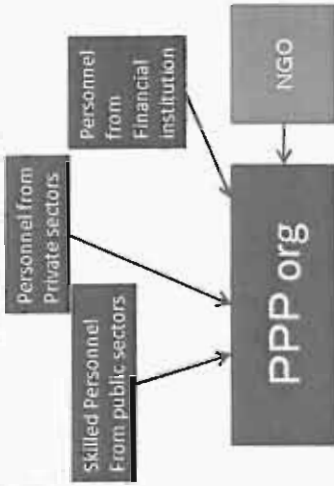
These functions are essential for the improvement Of productivity and quality of lives of farmers

What logistic centers do?

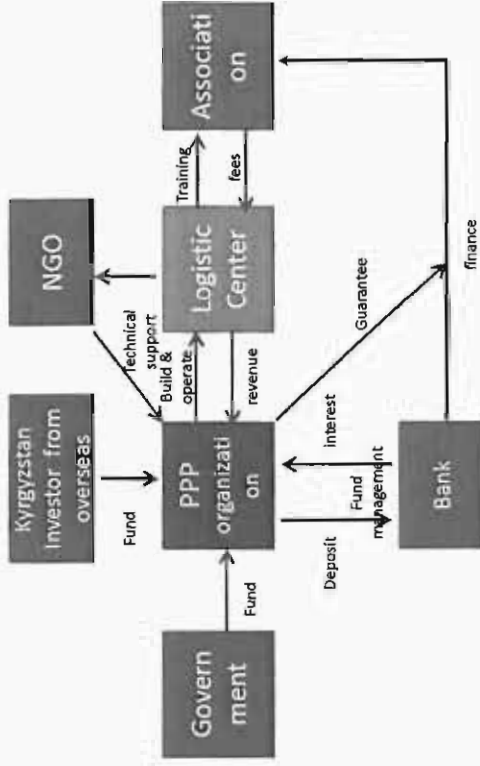
- Establishing a supply chain within a community and region: collection, packaging, transfer, packaging, storage
- ⇒ Storage with snow or non-electrical refrigerators
- Lab (Food inspection, plant breeding, quality control)
 - Education (empowering farmers to do better cultivation, breeding, and planting)
 - Marketing
 - Rent agricultural machinaries

PPP organization that has practical skills to execute projects

- Personnel from both public and private sectors
- Accept personnel from financial institutions to help farmers manage their monetary resources
- NGOs take part in training of skills



PPP organization in Agriculture

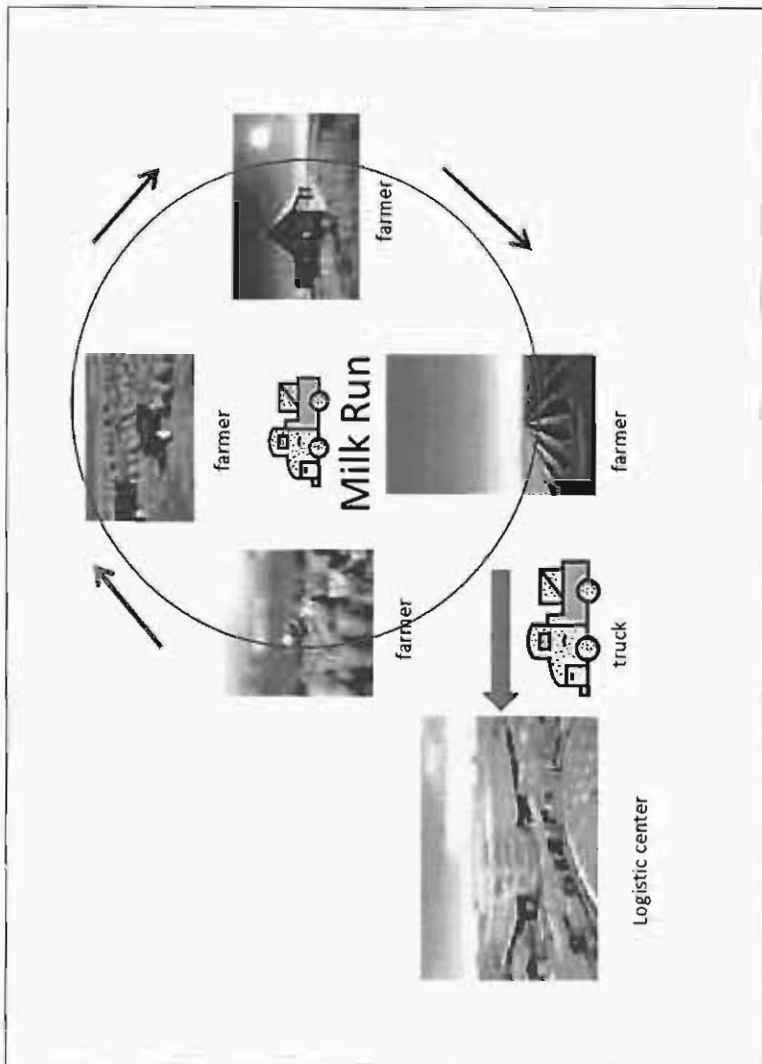


“Associations”

- “Associations” will become recipient of supports from PPP Organization
- Help individual farmers to transport products to the logistic center by collecting products at each farm—“milk run”
- Provide trainings on improvement of cultivation skills: generation of organic fertilizer, planting, harvesting
- Provide education on marketing and processing
- According the PPP organization’s plan, adjust production—volume, type etc

“Milk run” to collect products

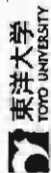
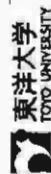
- Trucks run through farmers in an area and collect their products
- Reduces the burden on farmers to transport products to a market
- Farmers can concentrate on production
- Better time management and productivity





PPP Possibilities for the Future of Mandaue City

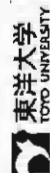
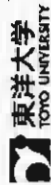
Toyo University PPP Graduate School
Mandaue Project Team September 22, 2012



1. Greeting

Presentation Agenda

1. Greeting
2. Member Introduction
3. History, Why we are here?
4. What is PPP?
5. Schedule for our 5-days visit
6. Our Responses to the Assigned Issues
7. How PPP can be Applied for the Future of Mandaue Economy
8. Future Schedule & Implementation



2. Member Introduction

Member Introduction

Faculty Member

Mr. Sam Tabuchi, Professor

Research Partner/ Graduate Student

Mr. Toshiki Chida

Mr. Satoshi Kato

Mr. Shikan Kin

Ms. Reiko Masui

Mr. Tetsunori Okamoto

Mr. Masayuki Oura

Mr. Hiroataka Sekine

Mr. Motohide Takano

Mr. Takuya Tsuruzono

University Staff

Mr. Hideaki Fujiki

Why are we here?

Introduction

Toyo University PPP Graduate School since 2006

* PPP Research Center in 2008

* Asia PPP Institute in 2011

* UN PPP recognition as PPP hub in Asia since 2011

Program

Area Revitalization Program with PPP Possibilities

* Domestic Studies 16

* Overseas Studies 3 Butuan, Kyrgyz and Mandaue

Why PPP Globally?

* Asia needs \$8.3 trillion

* \$0.5 tri. by UN, WB, ADB & Asian countries

3. History Why we are here ?

City of Mandaue Invitation

Mar.'12 Visited Mandaue and met Mayor Cortes
MOU Signed

Introduced by San Jose Recoletos Univ.

Apr – Aug Class Studies of Mandaue

Sept. 10 Video Meeting

Sept. 14 First team arrived

Sept. 16 Group arrived

Sept. 22 Oral Presentation in Mandaue

Nov. 15 Final Presentation in Tokyo

What is PPP?

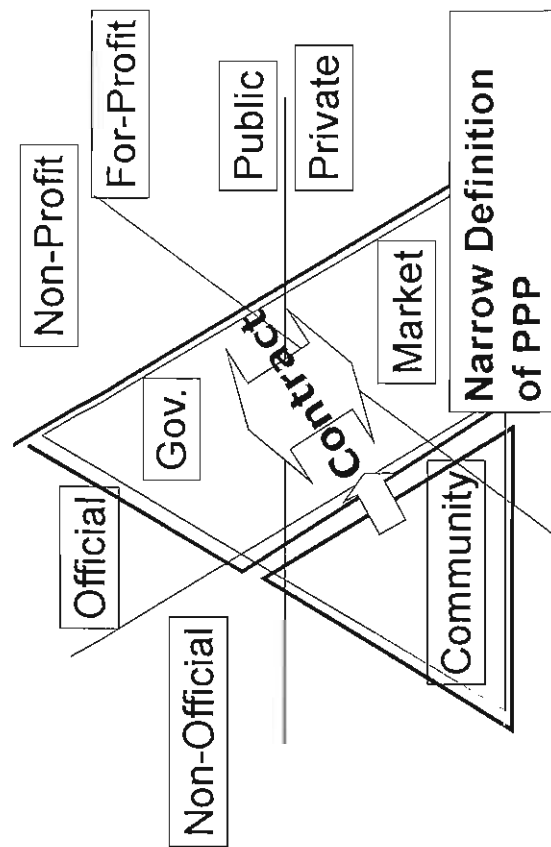
Classification of Japanese PPPs

: Role Sharing by Public and Private Sectors

	PARTNERSHIPS			PURE PRIVATE	
	PURE PUBLIC	PUBLIC SERVICE	PUBLIC ASSETS		REGULATION AND DEREGULATION
ASSETS (Land and Buildings)	PUBLIC	PUBLIC	PUBLIC	PRIVATE	PRIVATE
SERVICES (Public or Private)	PUBLIC	PUBLIC	PRIVATE	PRIVATE	PRIVATE

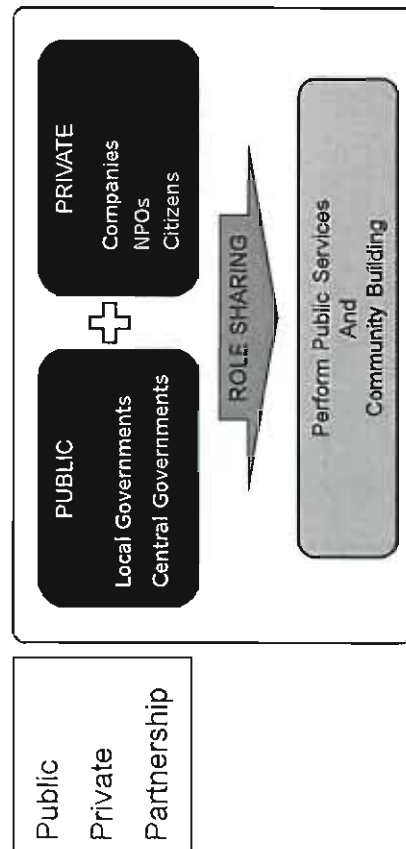
4. What is PPP?

PPP's Pyramid



What is PPP?

Concept of Public / Private Partnership



5. Schedule for our 5-days visit

Where we visited

- 2nd day
 - Sanitary Land Fill
 - Material Recovery Facilities (3 sites)
 - Pro Food Corp.
 - MGBEA (Mines Geosciences Bureau)
 - Department of Chemistry
 - CICC (Cebu International Convention Center)
 - Housing Project (2 sites)
 - School building PPP Project (2 schools)
 - City College Technological & Entrepreneurial Skill Training Center
 - Mandaue Chamber of Commerce and Industry

Where we visited

- 1st day
 - Mayor's Office
 - City Administrator
 - Treasury Office
 - NEDA
 - Cansaga Bay
 - Port (Shipping Yard etc.)
 - PEZA Candidate site
 - New Public Market

Where we visited

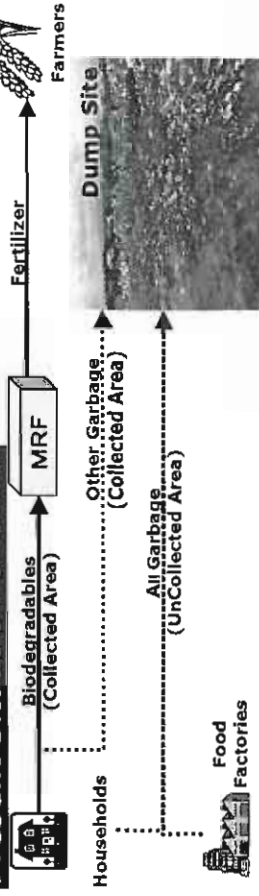
- 3rd day
 - DPWH (Department of Public Works and Highways)
 - TESDA (Technical Education and Skills Development Agency) Cebu Provincial Office
 - Furniture Manufacturing Factory
 - Cebu Doctor's College, College of Nursing
 - Cebu Doctor's University
 - University of Cebu

Where we visited

- 4th day
 - San Jose Recoletos University
 - Department of Education
 - Accounting Office
 - Cultural & Sports Complex
 - J-Mall
 - Souvenir Shop
 - RAFI
- 5th day
 - Tsuneishi Shipping

1. PPP for Solid Waste Management Issues

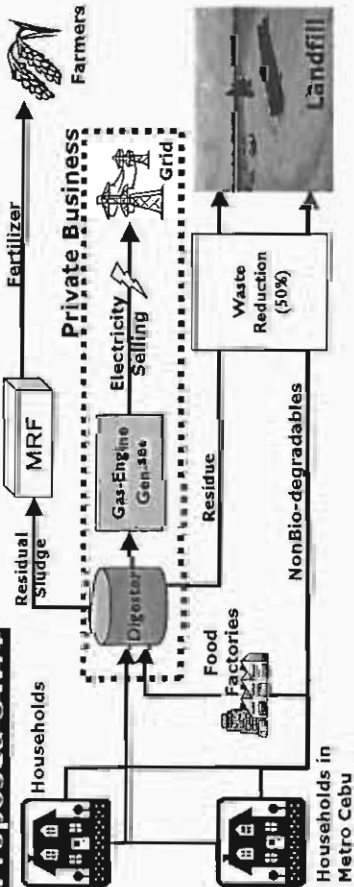
Present Situation of SWM



- Doesn't have enough capacity
 - 1ha @ 1st Phase
 - Garbage should be reduced
 - Incineration will be accepted in near future...
- ➔
- But now it's impossible/difficult

6. Responses to the Assigned Issues

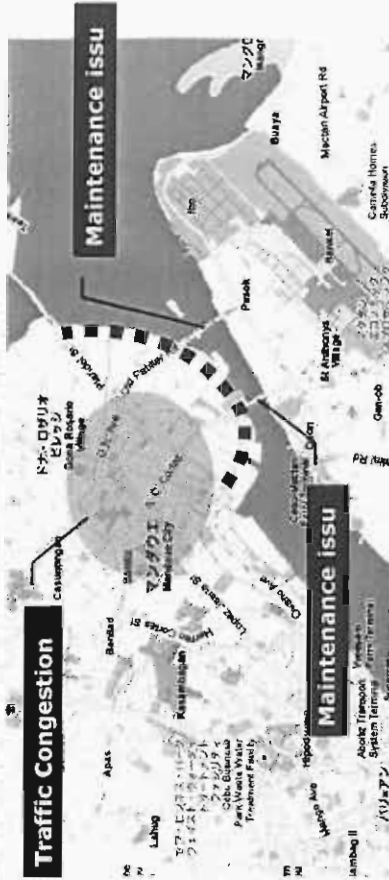
Proposed SWM



- Mandaue does not have enough volume of garbage for private business.
- Partnership between Public sector is essential in the field of SWM ("no segregation, no collection")
- Waste Reduction makes the landfill lifetime longer.
- If incineration is accepted, we can get more power

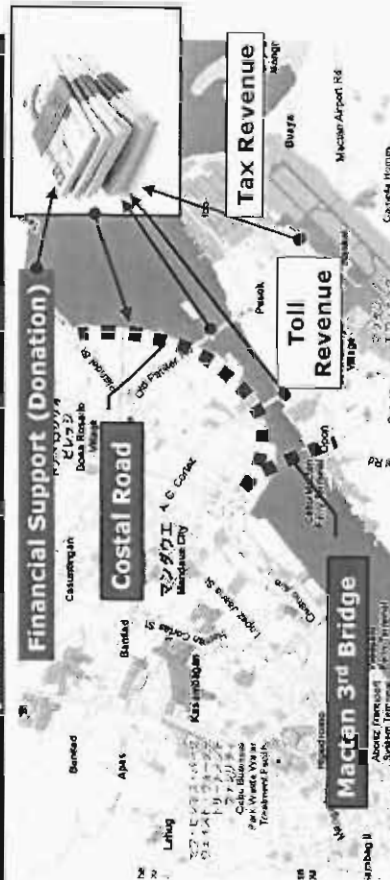
2. PPP for Traffic Issues

Challenges in Road Transportation



- Serious Traffic Congestion in center of Mandaue.
- Maintenance of 2 Mactan Bridges become big issue.
- Lack of budget for Transport Project.
- BRT project will be applied (but will be too late)
- Metro Cebu have also serious problem.

Relationship for Road Construction & Maintenance



- Additional revenue should be created for the improvement project of transportation network.
- Donation / National Budget is essential.
- Operation & Maintenance Work can be private biz.
- Costal Road should be classified as national road.

Initial Stage:

Aim to Optimize a Steady Flow of Traffic and Identify Existing Problems

- In terms of helping to solve Mandaue City's traffic problems, it is entirely possible that nobody knows where work should begin and that the citizens themselves are unaware that such problems even exist.
- In an attempt to match needs and seeds, we will provide infrastructure that will become standard, education regarding rules and regulations, and an improved traffic awareness. Existing problems will be identified based on data and the needs of citizens.



● Adding traffic lights around town

- Standalone controls (initial stage)
- Sensor controls (initial stage: narrow roads)
- System controls (final stage)

● Collecting data on traffic volume/flow

- Vehicle sensors
- CCTV cameras
- Data collection probes

Coastal Toll Road PPP Approach

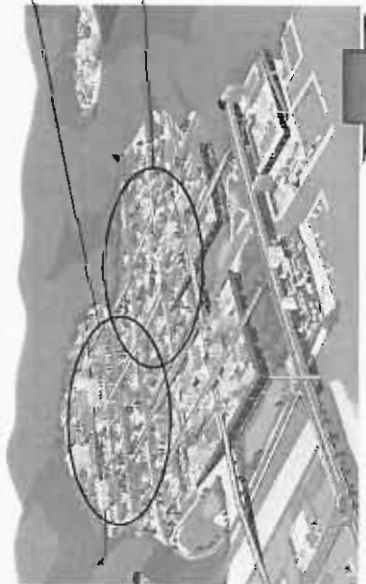
Assumptions:

- Length: 8 km
- Width: 24 meters 4 lanes
- Traffic: 15,000 cars/trucks
- Toll: Cars= 50 pesos (7,500)
Trucks= 100 pesos (7,500)
- Ave. Annual Revenues=400 million pesos
- 10 yr. Total = 4 billion pesos 20 yr = 8 billion pesos
- Annual maintenance=100 million pesos
- 10 yr. Total=1 billion pesos 20 yr = 2 billion pesos
- Can you build 8 km road for 4 billion pesos 20 yr. contract or 500 million pesos per 1 km?

Problem Solving Stage:

Solve by Introducing ITS Tools/Traffic Improvement Tools

- We will attempt to introduce tools/systems able to solve the problems that emerge from the data we collect.
- However, because everything is closely related to the economic activity, economic strength, road transport policies, and public awareness of the region (country) of introduction, we will use PDCA cycle for repeated evaluation as we attempt to make progress.



● Automobile traffic dispersal policies

- Provide road traffic information
- DRCS (Dynamic Route Guidance System)

● Modal shift policies

- EV car sharing
- BRT introduction
- Optimize routes, ensure punctuality

Final Stage (draft). Aiming for a smart city with zero emissions, all systems and tools will be managed in an integrated manner taking into consideration the characteristics of each respective local area. The end goal will be a smart city that is under complete control.

3. PPP for Drainage Issues

Drainage In Mandaua

General Observation of Water Management

- Water management: water, waste water, storm water, river flow, etc. must be solved from regional basin. Water has no city limit
- Water basin must be managed not by 1 city.
- Concept of water management concept required
- Comprehensive master plan to be completed.
- Each city completes its role in the region
- Topography, pipe size, erosion, pump station, separations of waste water, storm water, etc.

AMAMIZU Skywater Tank

- Merits
 - reduce the drainage
ex. 4.4t tank x 500 = 2,200t
 - 4.4t tank x 1,000 = 4,400t
 - clean water

If there is three tanks It is the amount of water in the dry season when the water runs out of family savings during the rainy season

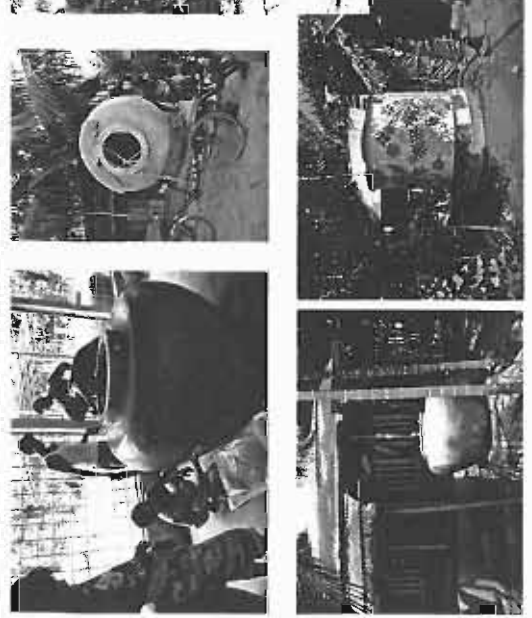


AMAMIZU Skywater Tank

- Catch points
 - Simple
 - solid
 - long life
 - low cost
 - easy maintenance
 - local production
 - local specification
 - Create new employment

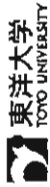
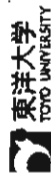


Case study (Bangladesh)



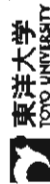
AMAMIZU
Innovation Sky
Water Harvesting

7. How PPP can be Applied for the Future of Mandaue Economy



PPP in School Construction

- 47 Classrooms built by RAFI, WB, JSDF
- PPP in Education Cases
 - James Oyster School Washington, DC
 - Yotoku Gakusha Tokyo
 - London Isleworth School London
 - Shiwa Dev. Iwate, Japan



Education issue in Mandaue

Especially in elementary school

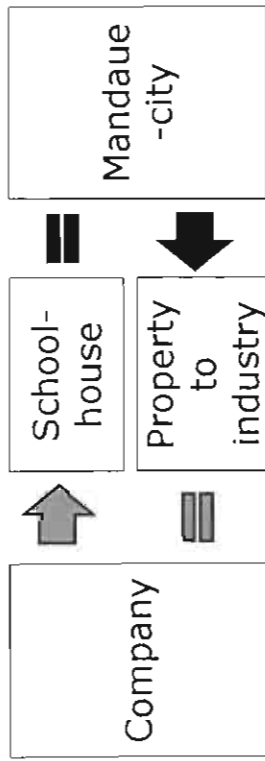
- Suffering from the amount of classroom.
- Classroom is small.
- Schoolhouses become too old for use.
- Not enough school houses.



School houses need to be Build and Repaired

1. PPP for Education

Plan 1 of PPP solution



- : Company contribute money for building or repairing.
- ←: Mandaue-city supplies the property.
- ≡: Advantage to Mandaue-city.
- ≡: Advantage to company contributing money.

2. PPP for Finance

Plan 2 of PPP solution



- : Company contribute money for building or repairing.
- ←: Mandaue city reduce or take 0% Mandaue's regional tax.
- ≡: Advantage to Mandaue-city.
- ≡: Advantage to company contributing money.

The financial outlook of the Mandaue city

present condition

City finances are comparatively healthy

1. The expended budget is planned within the limits of an income.
2. Sufficient cash
3. There are few debts.

But, there are many city subjects.
(example: traffic, flood, education)



future directivity

1. The city should formulate a medium-to-long term plan.
2. The city should formulate the budget planning interlocked with the medium-to-long term plan.
3. The city should inquire assignment of the budget which attached the priority by short-range planning.

The proposal of collection-of-taxes outsourcing

present condition

The city rate of the collection of taxes is less than 50% in general.

A bad influence to city finances.

1. Reduction of budgetary appropriation by financial deficit
2. Pressure to financial situation



future directivity

1. Outsourcing collection-of-taxes of the city
2. Conclusion of a commission contractor and an incentive fee contract
3. Commission payment in 20% of the amount of recovery of an one-year or more stay tax claim

Introduction of "Accommodation Tax" as a fund source for promoting tourism in Mandaue

- In Tokyo Metropolitan government introduced "Accommodation Tax" in Oct 2002 as a "local government tax".
- Tax revenue through this tax is to be spent only for such policies as to promote tourism in Tokyo - "Special Purpose Tax".
- Any persons staying at hotels in Tokyo, of which the accommodation fare is above JPY 10,000, are to pay applicable tax amount.

Accommodation Fare	Tax Amount
JPY 10,000 to JPY 15,000	JPY 100
Above 15,000	JPY 200

This kind of tax could be considered to be introduced...

Assumption for Tax Calculation

- (1) Foreign Tourist in Cebu area: 200 k/yr
 - (2) % of Tourist applicable to pay tax: 50%
 - (3) No of average days to stay per tourist: days
 - (4) Tax Amount: PHP 100
- In Mandaue...
PHP 10,000,000/yr

Newly expected tax revenue

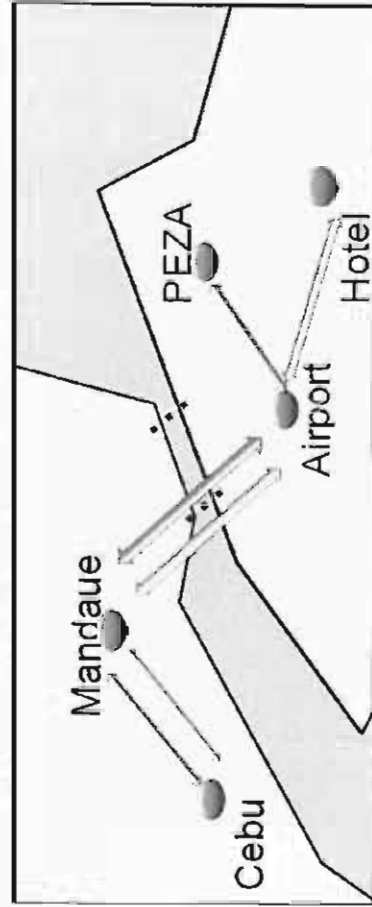
PHP 50,000,000/yr

In Mandaue...

PHP 10,000,000/yr

3. PPP for City Promotion

Easy Access to Mandaue

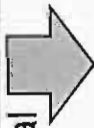


- a. Airport Bus for tourist, Business
- b. Workers Bus for PEZA

Airport Bus



Move individual



Move by Bus!



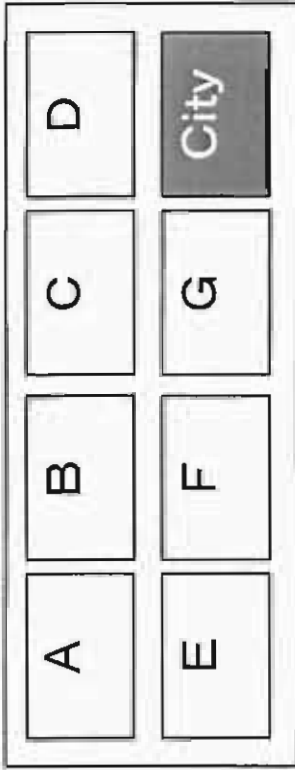
Check in counter in city



Bus terminal

Museum of Technology & Science

Contents Image



-Supported by Enterprise
-City

-Hands on Exhibits
-Workshop

Museum of Technology & Science

- Promotion
 - City Advantage Technology Industry
 - New Concept for the future "Mix Use"
 - From receiving To sending
 - To the world !

Children's of Mandaue are free!!

- For Children & Tourist
 - Experience new technology and various occupation
 - Idea for Innovation
 - local eco museum
 - And just have Fun !



Case Study (The Tech)



Experience new technology



Case study("Kizania" Tokyo & Mexico)



Experience various occupations!



Promote tourism and business



Information Office

Tourist

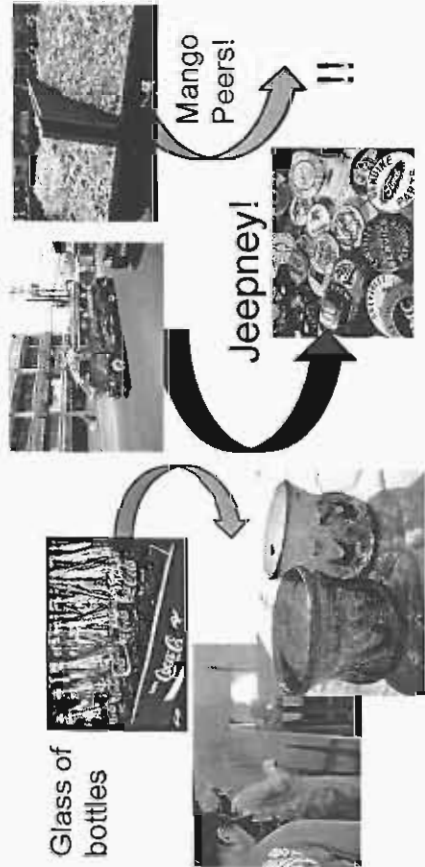


Business

- Information
- Products display
- Merchandise exhibition
- Sale of souvenirs
- Toilet

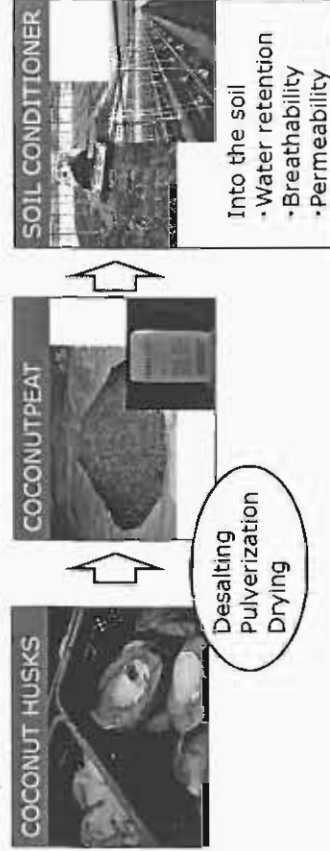
- Foreigners visiting Cebu is also a tourist, it is also a businessman.
- Know the Mandaue City
- Connected to the business
- City plays a mediator of foreign companies and companies in the city.

New Products for Souvenir



Profit-Share for Public Purpose

A possibility that waste becomes a commodity



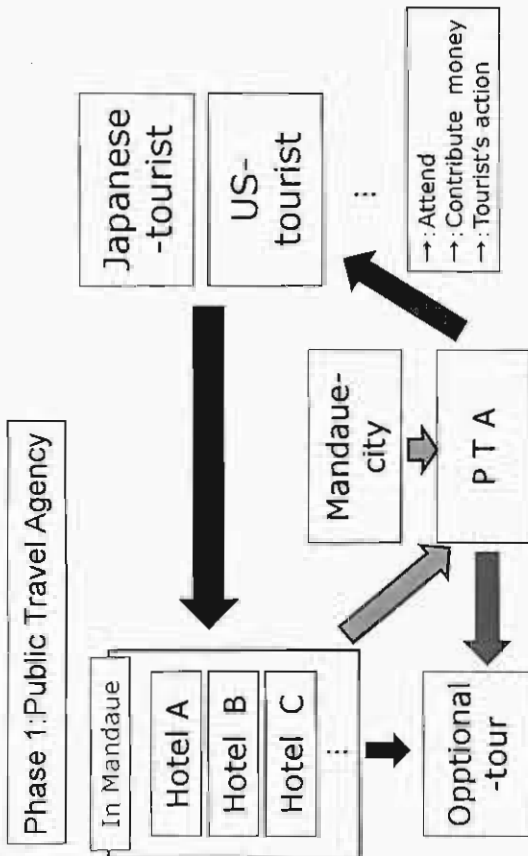
Using technology in the city of Mandaue

Furniture manufacturing technology

- Metal processing
- Wood processing

Technical skills certainly make a good souvenir of Mandaue City!

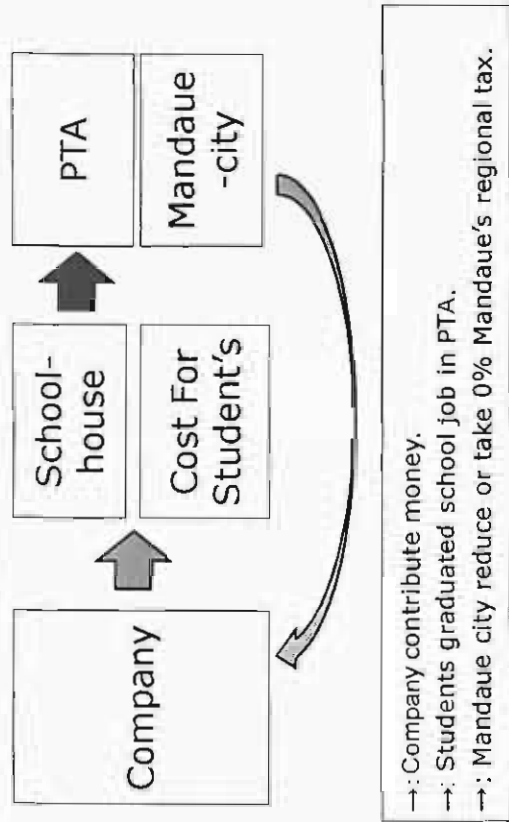
Combination Of Education And Visit



4. Other Possibilities

1) Utilization of CICC – Cebu International Convention Center

Phase 2: Vocational School for PTA



Utilization of CICC

- We thought that CICC have more potentials
 - Occupancy is very low
 - Need more activities for proper maintenance
- Need to share Long-term strategic vision for CICC with the Province.
- Possible Conversion options
 - Call center
 - Short-Stay English Study from Abroad
 - Other English related business opportunities
 - Business Incubation center



4. Other Possibilities

2) “Outlet Mall” & Retirement Community

Business concept of “Outlet mall”

- Location & shops of outlet mall
 - Suburban area around a big city or tourist spot, that is far from the brand shops in the central city.
 - You need a lot of brand shops in the outlet mall, so that various costumers will come.
- Merit
 - Brand shops can clear their stock.
 - Consumers can get them cheaper.
 - Consumers go many outlet shops at once.

Mitsui Fudosan in Asia

- Condominium for sale in Singapore
- Premium Hotel (St. Regis) in Singapore
- Big condominium (900units) for sale in Tianjin of China (under construction)
- Big condominium (1,900units) for sale in Dalian of China(under construction)
- Outlet mall in Ningbo near Shanghai

Possibility of outlet mall in Mandaue

Option 1

Customer(target)

- Many tourists (4million/year at Mactan airport) who most likely want to go shopping.
- Middle class living in Metro Cebu (3million) wants brand goods at cheaper price even if the mall is not near.

Possibility of outlet mall in Mandaue

Option 2

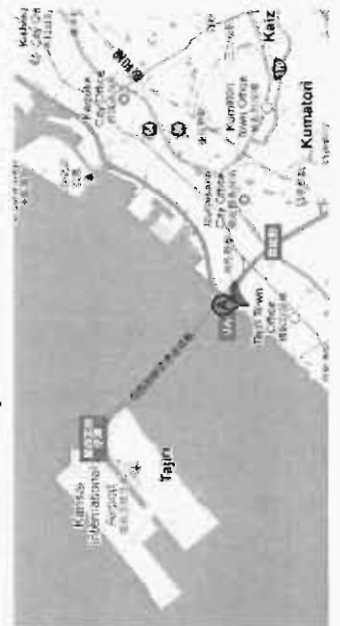
- Location
 - There are brand shops in Cebu city, so the east side of Mandaue, there is an possibility to built a outlet mall on the land owned by Mandaue city.
- Vision
 - There are no big outlet mall in south east Asia yet. We need to watch an actual outlet mall case in some big city in southeast Asia.

Retirement Community in Philippines for Japanese

- Merit
 - 4.5hours flight.
 - Able to communicate in English.
 - Beach, golf & easy living
- Demerit
 - Malaysia receiving many Japanese for their retirement life.
 - Retirement to foreign country is still very minor for Japanese.
 - Cebu possible?

Possibility of outlet mall in Mandaue

- Example of Japanese outlet mall
 - Rinkuu Town Outlet Mall(=A) is located near the bridge to Kansai international airport like Mandaue city.



5. Mandaue PEZA Possibilities

PEZA by Mandaue Port

- PEZA in Lapu Lapu Access to airport
- PEZA in Mandaue Access to seaport
- Similar Port Zones in Asia
 - Busan, Korea
 - Kaohsiung, Taiwan
 - Shanghai/Chintao/HK, China
 - Singapore, Yokohama, Kobe, etc.

Lemon to Lemonade & How the Philippines should position in Asian economic order

- Lemon - Manufacturing Base in the Region
 - Mandaue/Lapu Lapu/Cebu – Metro Cebu
 - Second largest economy in the country
- Lemonade – Automobile industry to be established
 - Japan – Korea – China – India – Malaysia
 - National Economic Development PPP Program
 - Malaysia – Dr. Mahathir PPP programs
 - Malaysia Inc. (Japan Inc.), Look East Policy
 - Petron with Mitsubishi, Petronas Oil, etc.
 - PPP Dev. N-S Hwy, Putrajaya, Cyberjaya, etc.

6. Car-Manufacturing Possibilities in Mandaue/Cebu

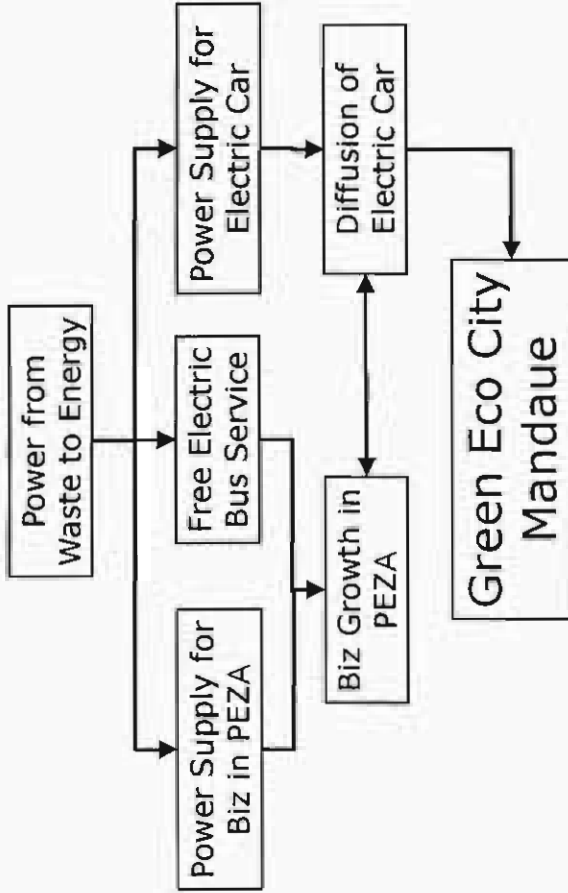
Positioning in Region

- First: Japan, China, Korea & Singapore
- Up & Coming: Malaysia, India & Thailand
- Third: Indonesia, Vietnam & Philippines
- Fourth: Cambodia, Myanmar & Laos

Automobile – Eco cars

Hybrid, Electric & Fuel Cell

Project Synergy Strategy



7. Filipino Nurses to Japan?

Philippines Nurses Japan

Surplus of nurses in Philippines

Filipino nurse market closing in US/Europe

Great Needs of nurses/senior care takers in Japan

Aging population require big number of nurses/care takers

Treaty by 2 nations require Japanese testing

Toyo PPP/APPPI work with Saitama Prefecture & Gov.

Ueda to coordinate Filipino nurses to Saitama

Work with Philippines academic institutions to teach Japanese before depart

8. Future Schedule & Implementation

Future and Implementation

Nov. 15 Final Presentation
Meet Japanese interests

After Nov. 15 City evaluation: mayor, council,
citizen, NPO, NGO, others

Implementation:

PPP Org: plan, schedule, staff, process, etc.

Go Mandaue

THANK YOU !!!

TOYO University
PPP School

Mandaue Project Team
September 22, 2012



**UNITED NATIONS ECONOMIC COMMISSION FOR
EUROPE**

D R A F T
Discussion Paper

**Exploring PPP Options to Renovate Buildings:
A Review of PPP Models & Their Applicability for the
Renovation of the *Palais des Nations***

December 2012

Note by the Secretariat

This paper is prepared by the Secretariat for the initial discussion at the Special Session on Exploring PPP Options to Renovate Buildings: A Review of Best Practices and their Applicability for the *Palais des Nations* that will take place on December 6, 2012. The paper will be revised following the discussions during the event and finalized by the end of January 2013. The member States are invited to provide their comments to the Secretariat at ppp@unece.org. It is proposed that a further seminar to review relevant issues in more detail be held at the fifth Session of UNECE Team of Specialists on PPPs on 5-6 February 2012, where a more detailed discussion paper can be presented on specific issues related to the renovation of the *Palais des Nations*.

ACKNOWLEDGEMENTS

The Secretariat wishes to thank the following people for their excellent comments and contributions to this draft discussion paper, namely Anthony Smith, Arthur Smith, Bruno de Cazalet, David Dombkins, Jean-Yves Gacon, Leo McKenna, Mark Owers, Olivier Lachambre, and Richard Ornitz. The Secretariat also wishes to thank Meerim Kachkynbaeva, who acted as a consultant to the Secretariat in the preparation of the discussion paper.

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1. PROVISIONAL RECOMMENDATIONS BY UNECE TEAM OF SPECIALISTS ON PPPs TO UNOG AND MEMBER STATES IN USING PPP MODELS IN THE RENOVATION OF THE *PALAIS DES NATIONS*

The underlying premise

The basic premise is that the PPP model, when procured effectively, may be the more efficient way to renovate the *Palais des Nations* than the traditional forms of procurement. The evidence from the recent case studies in Europe and in the United States presented in this discussion paper suggests that PPP is an important model to consider in the renovation of public buildings. The presented case studies in this paper have been selected for their similarities to the *Palais des Nations*, and they clearly demonstrate that PPP is a viable option in carrying out the Strategic Heritage Plan (SHP) for the *Palais des Nations*. The reasons for this position are as follows:

1. Value for Money and Efficiency;
2. Flexibility and likelihood of achieving core objectives of the SHP;
3. Certainty of outcomes: the ability to ensure that the private partner provides a high quality product on time and within budget;
4. Innovation in a most sustainable way possible; and
5. A guaranteed high level maintenance and upkeep of the building.

However, not all PPPs lead to such desirable outcomes. The objective going forward is to secure the highest value for money during the life cycle of the project, bearing in mind the critical importance of keeping the aesthetic appearance of the *Palais des Nations* intact. At the same time ensuring that the contract is suitably flexible to ensure that technological changes can be easily incorporated into the outcomes specified in the contract. To ensure this desirable outcome, there is a need to emphasize in particular the following five aspects:

1. Models
2. Financing
3. Procurement
4. Implementation
5. Alignment of interests

1. Models

The model selected needs to provide flexibility, the ability to obtain external finance, and contractual compliance to guarantee performance. None of the models that transfer ownership to the private sector, even for a short period of time, are acceptable. There is a clear distinction between facilities, renovation and management of the building, and transfer of ownership.

2. Financing

The main concern of member States is that the amount of money being earmarked for the refurbishment of the *Palais des Nations* is excessive and that there is a high probability that there would be cost overruns and delays, as evidenced in similar large scale traditional procurement projects.

PPP shows that the refurbishment of the *Palais des Nations* can be done in a cost effective way with contractual commitments and in-built mechanisms that ensure that the project is delivered on time and within the budget. This is the minimum that can be expected from the PPP approach.

Furthermore, the financing of a PPP is flexible enough to accommodate various sources of financing, including donor grants.

With respect to the financing however the following point should be emphasised as it will demonstrate why the PPP model may be the most attractive in the context of financing the renovation of the *Palais des Nations*. This is namely the fact that financiers will see in this project some very critically important benefits, namely demand certainty, associational benefits, and extreme low risk. Under such circumstance, the most favourable terms for raising finance including rate, duration and conditions for this project can be attained.

3. Procurement

It is not well known but it is critically important that cost savings through the PPP approach can be considerably enhanced through the right choice of procurement strategy. It is recommended in this respect the interactive tender process that is being highlighted in a number of countries. Under this approach, a dialogue is opened up between a number of shortlisted bidders (typically three) and the contracting authority. One form of this approach is referred to as 'Competitive Dialogue'. The basic principle in this approach leads to:

- lower bid cost;
- reduced bid time;
- higher quality outcomes; and
- the selection of the best possible partner.

This is in part because of the high cost to the private sector to bid in such projects and the give and take in an interactive process versus a more remote technical paper process. In an interactive process the principle objectives of UNOG can be fully conveyed, understood and sincerely endorsed.

4. Implementation

It is essential that business continuity be maintained throughout the renovation process. The procurement process is structured to present the UNOG's outcomes in terms of output specifications without defining 'How'. A key aspect of the tender process will be the private sector putting forward their understanding of the UNOG outcomes and detailing 'How they will deliver those outcomes'.

The interactive tender process will greatly reduce UNOG's risk to business continuity during refurbishment and establish a clearly defined process for changing the schedule to fit with emerging UNOG requirements.

5. Alignment of interests

Private and public interests have different priorities and motivations. A key underlying critical success factor in most successful alternative finance projects over the last thirty years has been a balanced allocation of risk and reward and a resulting proper alignment of interests.

Concluding comments

In summing up, PPPs can contribute in the three stages of the renovation of the *Palais des Nations*:

- (a) Delivery of the asset;
- (b) Efficiency in the servicing of the asset; and
- (c) Financing

Next steps

The UNECE is ready to continue this dialogue, providing independent neutral advice to UNOG and member States. It is, therefore, proposed that first of all, the comments that were made during the session on 6 December 2012 will be addressed at a further event under its auspices, namely the next session of the Team of Specialists on PPPs on 5-6 February 2013. As a way to continue this dialogue, the UNECE will organise an interactive platform whereby comments and suggestions can be provided from various stakeholders, including the private sector.

Finally, the UNECE is pleased to confirm that the Team of Specialists is willing to undertake a comprehensive pre-feasibility study of using the PPP approach as an option to renovate the *Palais des Nations*. This study is being generously funded by Toyo University of Japan.

2. INTRODUCTION

Background

The United Nations Office in Geneva (UNOG) represented by the United Nations administration and in cooperation with other departments within the United Nations has been given the task to develop the Strategic Heritage Plan (SHP) of the *Palais des Nations*, Geneva. The latter is in need of substantial funds for its renovation. The member States have asked the UNOG Project Team to investigate alternative funding mechanisms, including Public Private Partnerships (PPPs).

The United Nations Economic Commission for Europe (UNECE) has a resident expertise in PPP, a strong network of experts with PPP experience including on procuring buildings through PPPs and a mandate to undertake PPP capacity-building. The UNECE has also established a few years ago an intergovernmental body, a Team of Specialists on PPPs (TOS PPP). The UNECE member States recently approved the creation of the International PPP Centre of Excellence, which will develop and disseminate best practice in PPPs in various sectors.

As a result, UNOG and UNECE have agreed to cooperate on this task, and specifically in the preparations of a report and recommendations on alternative funding mechanisms for the SHP to the General Assembly in New York in 2013. The report will be prepared and the advice of the members of the TOS PPP will be considered in this context. As part of this cooperation, the UNECE has proposed to hold a seminar during the substantive segment of the seventh session of the Committee on Economic Cooperation and Integration (CECI) and draft this current discussion paper to explore key PPP models and case studies on the renovation of government buildings and their applicability in the renovation of the *Palais des Nations*¹.

Strategic Heritage Plan: overview and objectives²

The *Palais des Nations* is one of Europe's most impressive and well known buildings and unquestionably the city of Geneva's most important landmark. It has come to symbolize the common heritage of the international community. UNOG holds this unique heritage in trust.

Today, the *Palais des Nations* complex covers 157,348 m² (38 acres). This includes 34 conference rooms and 2,800 offices. Over 4,000 people work at the *Palais des Nations* complex every day. Almost 4,000 staff from permanent missions and over 1,000 representatives of non-governmental organizations (NGOs) have longer term ground passes, while another 70,000 delegates (from capitals and NGOs, without permanent access) are registered for conferences on an annual basis. Over 200 correspondents are accredited to the United Nations in Geneva and work at the *Palais*.

¹ UNOG's consideration of the PPP option for the renovation of the *Palais des Nations* should not come as any surprise. In fact, what we see is but a microcosm of what Governments are doing all over the world, namely, exploring PPP options on large projects that previously had been done through traditional public procurement. Buildings is a sector now which has a proven track record and indeed there are around 400 large buildings that have been undertaken as PPP in Europe and North America and from such a 'critical mass' it is possible to extrapolate what might be termed 'best practice'.

² Information in this section on the *Palais des Nations* and the Strategic Heritage Plan was taken from the UNOG website and the Report of the Secretary-General on the Strategic heritage plan of the United Nations Office at Geneva dated 8 August 2011.

However, the extensive and diverse use, coupled with the age of the buildings, presents UNOG with a range of urgent maintenance challenges for the upkeep of the *Palais des Nations*. According to a preliminary study of infrastructural challenges of the Palais, which was conducted in 2009, the *Palais des Nations* and its annexes have undergone only the minimal maintenance since the date of its construction, which was 70 years ago for the *Palais des Nations* and 40 years ago for Building E, which currently houses a number of large conference rooms and UNCTAD, among other. The progressively dilapidated buildings of the *Palais des Nations* undermine the ability of UNOG to provide an important service to member States and other users in an adequate, safe and cost-effective manner.

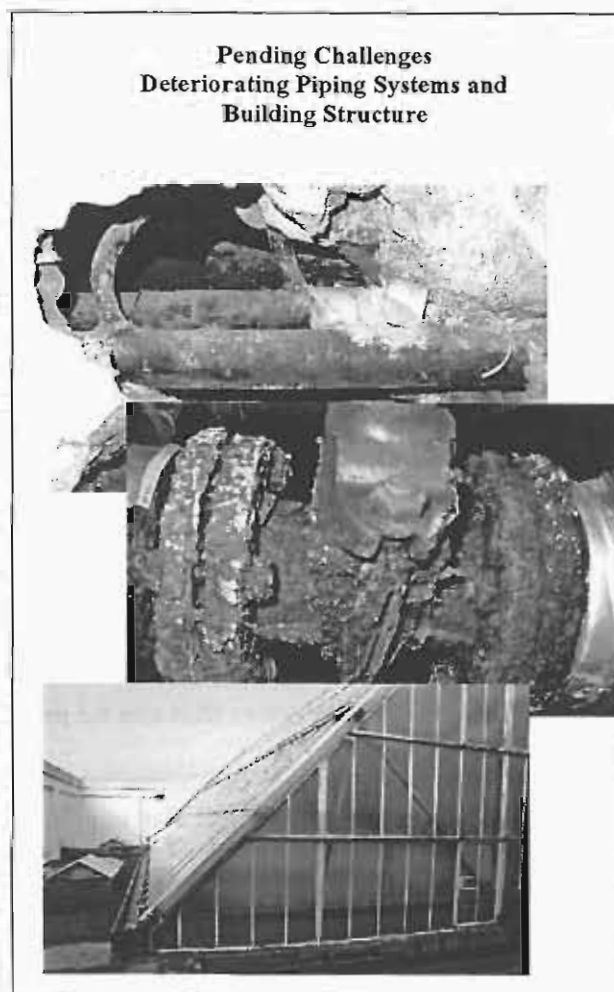
Accordingly the scope and complexity of the structural problems necessitate a complete renovation and refurbishment. Such an initial investment would pay long-term dividends in savings on maintenance and running costs, and it is essential to safeguarding the heritage of the *Palais des Nations*. Therefore, the Director-General has made the development of a Strategic Heritage Plan for the *Palais des Nations* a key priority and is working closely with member States and relevant parts of the Secretariat in this regard.

The applicability of PPP for the renovation of the *Palais des Nations*

Public-Private Partnership (PPP) is a method of procurement with the aim of financing, designing, implementing, maintaining, operating, and periodically refreshing public sector facilities and services by bringing the strengths of both public and private sectors together. PPPs offer alternative options to attract new sources of private financing and management while maintaining a public presence in ownership.

Generally PPPs have the following characteristics:

- (a) A long term contract (from 25 up to 30 years) between a public contracting authority and a private sector company based on the procurement of services;
- (b) The transfer of appropriate project and operation risks to the private sector;
- (c) The private sector company takes custodial responsibility;
- (d) A focus on the specification of project outputs/outcomes rather than project inputs as under traditional procurement;
- (e) Application of private financing in most instances, and
- (f) Payments to the private sector which reflect the services delivered.



The motivation of the public sector partner is driven by the aim to deliver services more efficiently, to optimise life cycle costs and to secure a transfer of know-how. To date, projects undertaken as PPPs provide considerable benefits, which are, among other:

- (a) Certainty of outcomes: on time delivery of projects and within budget delivery;
- (b) Radical energy saving costs that can be used to offset the costs of the renovation;
- (c) Innovation that can achieve excellence in design and construction; and
- (d) Ongoing asset management of the *Palais des Nations* over the term of the contract (up to 30 years).

On the other side of the balance are the following:

- (a) Public building owners or users often lack the technical backgrounds and expertise on PPP methodologies, leading to fear of losing control of the building;
- (b) Complexity of contracts that are needed to satisfy both the lenders and the users;
- (c) Far greater time and money required in the initial project development phase;
- (d) Focus on the construction of the physical asset and separation from innovation in service delivery;
- (e) Transfer of facilities, maintenance and asset management responsibility to the private sector; and
- (f) Challenge to introduce flexibility in order to meet changing service needs.

Possible non-core services that can be provided by the private sector in the *Palais des Nations*

In addition to designing, delivering, and maintaining the refurbished *Palais des Nations* the contractor can provide additional non-core services to the United Nations and assist the United Nations to focus its scarce resources on core activities and to improve the service to staff and delegates at the *Palais des Nations* over the life cycle of the project.

3. PPP Models and Illustrative Relevant Case Studies in Renovation of Building

In the matter of renovating buildings through PPPs, it is worth considering the following few options/models:

1. Private Finance Initiative (PFI)
2. Design, Build, Finance and Maintain (DBFM)
3. Design, Build, Finance, Maintain and Operate (DBFMO)
4. Lease-Leaseback

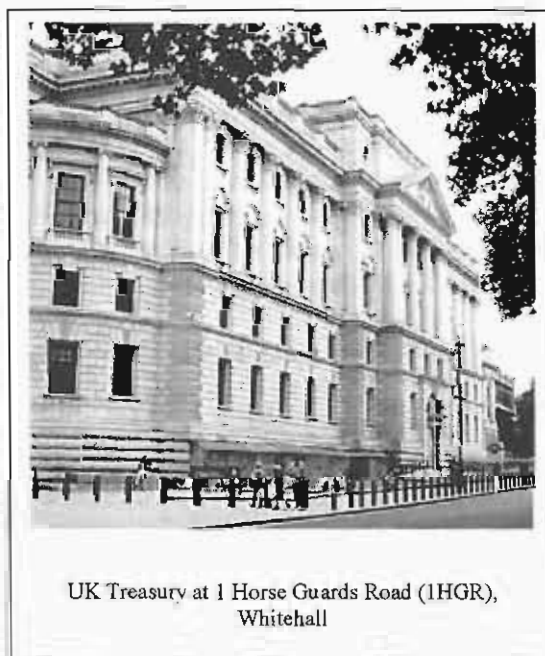
1. The PFI model: The case study of the Ministry of Finance in the UK (Treasury Building Project)

Description of the PFI model

The private finance initiative (PFI) is a procurement method under which the private sector designs, builds³, finances and operates facilities based on the 'output' specifications defined by the public sector. The public sector pays the PFI contractor a stream of committed payments for the use of the facilities over the contact period on a "no service no fee" performance basis. PFI contracts are typically made for 25–30 years. The PFI contracts provide better value for money by transferring risk, achieving lower construction costs, lower operating costs and more efficient maintenance in the long term⁴.

Description of the case study of the Treasury Building Project

The Government Offices, Great George Street, were designed at the end of the 19th century and completed between 1908 and 1917, and have been home to HM Treasury since 1940. At the beginning of the 1990s, it became evident that extensive renovation was required, in particular as only essential maintenance had been undertaken for many years. In 1996, the Treasury ran a competition for a PPP as a PFI (Private Finance Initiative) scheme for the half of the building it occupies, and selected Exchequer Partnership, a consortium, as its preferred bidder. Following the change of government in 1997, the deal was reviewed and a separate competition was run for the scheme's funding, whereas the initial competition included the design, building, financing and management of the building. The project was approved in 2000 and completed in 2002. Exchequer Partnership will maintain the building and deliver services for 35 years in total.



UK Treasury at 1 Horse Guards Road (1HGR), Whitehall

³The word 'Build' is synonymous to 'Renovation'.

⁴Ibid.

The Treasury had operational as well as policy objectives for its building's PFI, in order to increase the prevalence and value for money of other PFI projects. In particular, it wanted to:

- demonstrate the viability and benefits of separate funding competitions for PPPs;
- develop standard terms and conditions for PFI contracts.

Impact: pros and cons



In operational terms, the PFI is an evident success. The building was delivered on time and on budget and the facilities are well managed. The National Audit Office estimated that the running of a separate funding competition led to a £13m of savings over the course of the contract (the net present costs of the deal was £170m at the time it was signed). Finally, the contract proved flexible enough to allow the Treasury to re-design the layout of its offices and share space with other government departments to save costs.

However, as with all PFIs, the private funding obtained through the PFI is more expensive than government funding. This is compensated by the fact that the project was on time and on budget, unlike most projects previously managed directly by the public sector in the UK. However, the absence of a well-defined counterfactual makes benefits difficult to compare to costs.

Applicability of the case study for the Palais

The Treasury building shares some characteristics with the *Palais des Nations*: it was 80-90 year old by the time of its renovation, a comparable age to the *Palais des Nations* today, and has similar use. However, the *Palais des Nations* is much larger than the Treasury building, which might bring a set of operational, as well as financial, challenges. Another limit to the replicability of the Treasury building PFI is that it was executed in a tested environment, as the British Government had started PFIs in the 1990s. In that sense, a PPP model for the *Palais des Nations* might be more innovative than the Treasury building PFI.

2. The DBFM Model: The case study of the Ministry of Defence in the UK

Description of the DBFM model

Under the Design-Build-Finance-Maintain (DBFM) model the private sector designs, builds and finances an asset and provides hard facility management or maintenance services. Under this model the United Nations would pay an availability fee that covers the cost of the refurbishment and additional services provided by the contractor (the reward design would include pain/gain provisions to drive services quality outcomes). A DBFM is a long-term contract, typically 25 - 30 years from construction to completion, under which the public sector will undertake a competitive process to engage a private company to design, build and/or renovate a facility. In addition, the private sector will procure debt and equity funding to finance construction, as well as undertake maintenance for the facility over an extended operating period.

The DBFM model has an excellent track record of achieving on time and on budget delivery when compared with traditional procurement models. The private sector entity is only entitled to commence receiving payments upon asset availability. This provides a powerful incentive to achieve construction deadline.

Description of the case study of the Ministry of Defence

The headquarters of the Ministry of Defence (known as Main Building) was built between 1939 and 1959 on the site of the old Whitehall Palace, which is today one of London's historical landmarks and a Grade I listed² building. However, by mid-1990s it was clear that the building's 80-year-old design required a major renewal to ensure MOD's improved business efficiency. Heating and power were inefficient, and the building (with labyrinthine corridors connecting hundreds of offices) was increasingly expensive to maintain.



The challenge was to increase the Main Building's capacity, ensure the safety of staff and to transact business in a secure, modern environment. In addition, the new design was to comply with the requirements of the Disability Discrimination Act (DDA) 2004, to support more open and collaborative working, and at the same time introduce a new state-of-the-art IT infrastructure.

The Main Building Redevelopment project was approved in 1996 and in May 2000 the MOD signed the PFI contract to redevelop and service the accommodation over a 30 year period. The scale of the redevelopment included new facilities such as a café, restaurant, gym, information centre, conference suite and business suite. Following a three year intense refurbishment period, despite the magnitude of the redevelopment, the project was completed on budget and two months ahead of schedule.

The price of the 30-year deal as contracted with a private company, Modus, was £746.1 million at 2000 price levels in comparison to estimated costs of a conventionally procured project ranging from £690 million to £807 million. The MOD concluded that the deal would cost a similar amount to a conventional procurement; however, given the uncertainties inherent in comparing 30-year forecasts of project costs taking into account other factors, it considered favoured the PFI deal over conventional procurement.



²In the United Kingdom, the term listed buildings, refers to a building or other structure officially designated as being of special architectural, historical or cultural significance. Grade I structures are those considered to be "buildings of exceptional interest". A listed building may not be demolished, extended, or altered without special permission from the local planning authority (which typically consults the relevant central government agency, particularly for significant alterations to the more notable listed buildings).

Impact: pros and cons

The Main Building refurbishment provided the Ministry of Defence with a new approach to workplace utilization. The design of the building considered the whole-life management of the building, whereas the stakeholders worked effectively together to engineer a cost effective design solution, which has been essential to the project's success. In addition, the historic features of the building were sympathetically adapted.

Careful consideration by the original design team of modern construction and maintenance techniques has resulted in many innovations being successfully employed. The design selected by the private contractor contributed to the Ministry's Main Building refurbishment, and was given a very high energy rating.

However, it was a large and complex project, which involved moving over 3000 staff into other central London accommodation, disposing surplus properties and then moving staff back into the Main Building.

Applicability of the case study for the Palais

The project of refurbishment of MOD is very similar to the *Palais des Nations* in terms of the scope of the project, the challenges faced by these buildings and the urgency of renovation works. It is believed that if properly analyzed the case study of MOD can be replicated if not in full, but at least partially. However taking into account that UNOG might not be able to relocate its entire staff to another venue at one-go, it is advised that this issue, among other points, is clearly explained in the output specifications and is considered in the pre-feasibility study.

The DBFMO Model: The case study of the Ministry of Finance of the NetherlandsDescription of the DBFMO model

Ministry of Finance of the Netherlands
(*Ministerie van Financiën*)

Under the Design-Build-Finance-Maintain-Operate (DBFMO) model the private sector designs, builds and finances an asset, provides hard and/or soft facility management services as well as operations under a long-term agreement. The DBFMO model covers the entire process, from the production of a design to a fully operational building with all the associated services.

DBFMO contracts constitute the most comprehensive 'service package' which covers the construction of the building as well as financing, facility services, operation and maintenance. Integrated building contracts are assumed to result in lower costs, better performance and more innovative solutions as a result of a collaborative environment, output specifications and long-time commitment. Life cycle costs can be reduced when investment and exploitation costs are brought in line with one another.

Description of the case study of the Ministry of Finance

DBFMO is the standard PPP model applicable to all main infrastructural agreements in the Netherlands. This model has a tried and tested track record. The DBFMO contract was modified for the refurbishment of the building of the Ministry of Finance, which was old, in bad shape and did not fit within the aesthetic of The Hague.

Impact: pros and cons

The standard procedure within the Government of the Netherlands (as in many other countries) is undertaking a Public Private Comparator (PPC) which calculates the Value for Money of around 5%. The actual decision was not only based on VfM, but also the government's intention to provide a better service to its visitors, a better and professionally equipped conference and meeting areas and a longer service timeslot than was possible under the previously existing conditions. The output specification to invest and maintain its ICT environment and a proactive approach of the concessionaire was anticipated to be of value to the users of the building.



Applicability of the case study for the Palais des Nations

The Ministry of Finance building is in the centre of The Hague and an eye-catching. The renovation should not only improve standards within the building, but also respect its surroundings and the historical centre of the city. As the Ministry is at the heart of all major political decisions, a higher standard of service for both the staff and its visitors/guests was needed. The PPP approach proved that this service could be reached within the budget due to a PPP/Life Cycle Approach.

The private sector's experience with the relocation of staff, documents and facilities and the availability payment principle (pay when ready) provided more incentive for the private sector to complete the whole renovation within the agreed budget and three months earlier than scheduled. The fact that project delivered within budget and on time, and provided modern and up-to-date services to staff and visitors made the DBFMO model the most suitable for the Government of the Netherlands. These aspects are equally applicable for the renovation of the *Palais de Nations*.

The DBFMO Model: The case study of French Ministry of Defence on the site of «Balard» in Paris

Description of the case study of the Ministry of Defence Building

The project "Balard" brings together defence headquarters and central services of the Ministry of Defence (MinDef), which are currently dispersed over a dozen sites in south west of Paris. This site, which already hosts several departments of the Ministry, is owned by the French Government. It covers an area of 16.5 hectares and includes buildings to be restored (some of which are classified as architectural heritage protection) as well as buildings to be erected after demolition of old buildings.

The PPP was signed on May 30th, 2011 between Opale (Bouygues, Thales, Sodexo, Dalkia, FIDEPPP, SEIEF) and the French State to gather the central administration and the various branches of the Ministry of Defence in Balard (south of Paris). One of the main objectives of the project is to accommodate 9300 people on a single site (including 135,000 m² of renovated buildings and 145,000 m² of new buildings). The investment costs amount to EUR 720 million.

The project also included, in addition to services, the command centre staffs and numerous meeting rooms and auditoriums, numerous services including:

- 2 catering unites;
- a center hosting 900 rooms;
- 3 nurseries;
- A fitness center and a swimming pool open to local residents.

This type of contract is the equivalent of a DBFMO contract; investment and provision of operations and maintenance are paid by the State to the private partner in the form of annual fees.

Impact: pros and cons

The advantage of the project is that it is an integrated contract combining efficiency targets, reasonable risk transfer, expected compliance with predicted cost and timeframe, and quality of the maintenance in the long term. On the other hand the complexity of the procedure, cost and availability of private financing should be thoroughly analysed before proceeding with similar projects.



Applicability of the case study for the Palais des Nations

Taking into account the similar features of the *Palais des Nations* and the French Ministry of Defence project, the *Palais des Nations* could be a good candidate for DBFMO contract, with the emphasize being put on respect for the architectural quality, energy efficiency (one of the potential strong points of such contracts), and global management of the building.

The Lease-Leaseback model: The case study of US Government Buildings

Description of the Lease-Leaseback model

Under the Lease-Leaseback model a government entity owns an asset and seeks to raise capital by 'selling' an asset to an investor and entering into a lease to lease the asset from the investor. However it allows the government agency to retain complete ownership of the asset whereas the investor only maintains a leasehold interest in the asset. The government agency pays rent to the investor under the Lease-leaseback structure and benefits from the lump sum funds made available from the investor or from the investor funding construction costs.

Impact: pros and cons

Major advantages of the Lease-Leaseback model to traditional PPPs are as follows:

- Provides 100% of project costs

- Capital costs are lower than traditional procurement
- Transaction can be completed quickly
- Provides long term fixed rate capital up to 30 years
- Government retains 100% control over operations with no interference from investor
- Long term proven model over decades in both government and corporate sectors
- Institutional funds available for leasing even in light of Economic Crisis
- Government can control design and construction using private capital
- Flexible and customizable lease terms and structures to meet needs
- Government can retain all asset appreciation and upside by owning asset at end of lease or via lease-leaseback

Applicability of the case study for the Palais des Nations

The US Government's General Services Administration (GSA) currently leases approximately 7,100 assets and properties worldwide that are privately financed, including FBI Buildings, Social Security Offices, Veteran Affairs Hospitals and Post Office Buildings generally on 20 year leases to the Federal government. Large multinational corporations also commonly use this form of long term real estate leasing for their corporate real estate including corporations such as Wal-Mart, Home Depot, Bank of America and Walgreens.

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Economic Commission for Europe

Committee on Economic Cooperation and Integration

Team of Specialists on Public-Private Partnerships**Fifth session**

Geneva, 5-6 February 2013

Report of the Team of Specialists on Public-Private Partnerships on its fifth session*Summary*

The Team of Specialists on Public-Private Partnerships (PPP) held its fifth session on 5-6 February 2013 with participants from 38 countries, 15 intergovernmental organizations, and over 100 private sector companies.

The Substantive segment of the fifth session of the Team was devoted to the activities of the UNECE International PPP Centre of Excellence - a coordinating hub based at UNECE in Geneva - and of its affiliated specialist centres responsible for preparation of sectoral guides on best practice in PPPs. Among the issues that the Substantive segment discussed was the role of PPPs in the renovation of public buildings, with a special emphasis on the renovation of the Palais des Nations.

At its fifth session, the Team of Specialists:

- (i) Elected three new Vice-Chairpersons;
- (ii) Agreed that it would use the feasibility study jointly conducted with Toyo University to report to UNOG on the feasibility of using the PPP option for the renovation of the Palais des Nations;
- (iii) Reviewed the work done since the fourth session in February 2012, including the setting up of the first specialist centre on PPPs in health in the Philippines, and the policy advisory work related to the PPP readiness assessments in Belarus, Moldova, Kyrgyzstan and Tajikistan;
- (iv) Reviewed the progress in setting up specialist centres in Azerbaijan, France, Germany, Republic of Korea, the Netherlands, the Russian Federation and Qatar, and agreed that the secretariat organizes a meeting of the specialist centres in 2013;
- (v) Took note of the funding strategy for the UNECE International PPP Centre of Excellence and called on the secretariat to organize a pledging meeting in the first half of 2013; and
- (vi) Agreed on the implementation plan for 2013.

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I. Attendance

1. The Team of Specialists on Public-Private Partnerships (TOS PPP) held its fifth session on 5-6 February 2013. Representatives of the following countries participated in the session: Azerbaijan, Belarus, Belgium, Canada, Colombia, Croatia, Czech Republic, Egypt, France, Germany, Ghana, Greece, India, Italy, Japan, Kazakhstan, Kyrgyzstan, Libya, Lithuania, Mexico, Morocco, Netherlands, Nigeria, Oman, Poland, Republic of Korea, Qatar, Republic of Moldova, Russian Federation, Slovakia, Switzerland, Tajikistan, Tunisia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America, and Uruguay.

2. In attendance were representatives from the following United Nations organizations and specialized agencies: United Nations Conference on Trade and Development (UNCTAD), United Nations Commission on International Trade Law (UNCITRAL), United Nations Industrial Development Organization (UNIDO), United Nations Economic Commission for Western Asia (ESCWA), International Organization for Migration (IOM), World Health Organization (WHO).

3. The following intergovernmental organizations also participated: African Legal Support Facility (ALSF), Asian Development Bank (ADB), Council of Europe, Economic Research Institute for ASEAN and East Asia (ERIA), European PPP Expertise Centre (EPEC), Inter-American Development Bank (IADB), European Bank for Reconstruction and Development (EBRD), International Finance Corporation, a member of the World Bank Group (IFC), and the World Bank.

4. The following non-governmental organizations, academic institutions, experts and private companies took part in the session: ADAMAS (France), Advisory Group Investment Services (Netherlands), Allen and Avery (Netherlands), Alliance for Health Promotion (Switzerland), Andrade Gutierrez (Brazil), AON (Netherlands), Association PPP Switzerland, AquaFed – The International Federation of Private Water Operators (France), Babcock International Group (United Kingdom), Baker & McKenzie (Italy), BAM Deutschland AG (Germany), Bank Nederlandse Gemeenten (Netherlands), Bessarab and Partners Attorneys at Law (Ukraine), Bundesverband Public Private Partnership (Germany), CREAM Europe PPP Alliance (Spain), Camara Argentina de la Construccion (Argentina), Carlara International (France), Catalyst Lond Lease (United Kingdom), CICA (France), Cite de la Solidarite Internationale (France), Club des Partenariats Public-Privé (France), Conseil Santé – SOFRECO (France), Construction Industry Development Council (India), Createurs Immobiliers SA (Switzerland), Deloitte Consulting LLC (United States of America), Deutsche Bank AG (United Kingdom), Dewast & Ass (United Kingdom), DFPPP e.V. German Financing & PPP Advisory (Germany), Dr Alister W Coutts & Partners LLP (United Kingdom), Euro-Mediterranean Center for Climate Change (Italy), Fachhochschule Frankfurt (Germany), Filet & Associés (France), Ghandour-Medical Center (France), Gide Loyrette Nouel (France), Hogan Lovells International LLP (United Kingdom), India Infrastructure Finance Company Limited (India), Institute for Public-Private Partnerships (Slovenia), Interhealth Canada Limited (United Arab Emirates), International Institute for Sustainable Development (IISD), International Investment Center (Russian Federation), International Law Institute at Georgetown University (United States of America), International PPP Platform Turkey, John Laing (United Kingdom), KAPI Consult (Togo), La Compagnie Benjamin de Rothschild (Switzerland), Landesbank Baden-Wuerttemberg (Switzerland), Law firm "Gide Loyrette Nouel" (Russian Federation), Losinger Marazzi SA (Switzerland), Louis Berger (United Kingdom), LYCIAR (United Kingdom), Marketing Research Foundation (Russian Federation), Masianday Peace Foundation (Gambia), McBains Cooper (United Kingdom), MEDAFSCO Consulting

(Algeria), MIBAG Property and Facility Management (Switzerland), Patton Boggs LLP (United States of America), PwC (United Kingdom), Project Management and Finance (United Arab Emirates), Republican Confederation of Entrepreneurship (Belarus), Respubleco (Switzerland), Robert Brown Associates (United Kingdom), RuDanEnerg (Russian Federation), Russian Industrial Investment Fund (Russian Federation), Public Services International (PSI), Samsung C&T (Republic of Korea), Societe Generale Corporate and Investment Bank (Hong Kong), Sate University - High School of Economics (Russian Federation), Strategic Investment Board Limited (United Kingdom), Sustainable Outreach (Switzerland), The Economist Group (United Kingdom), Timmermans & Simons International Business Lawyers (Netherlands), Transproekt LLC (Russian Federation), Trinity International LLP (United Kingdom), Toyo University (Japan), Turkish Road Association (Turkey), UAB Peritus spremdimai (Lithuania), University of Geneva (Switzerland), VandenBroek Consulting (the Netherlands), Vinci Construction (France), Warnowquerung GmbH (Germany), Zeughaus PPP AG (Switzerland).

II. Adoption of the agenda (Agenda item 1)

5. Documentation: Annotated provisional agenda for the fifth session (ECE/CECI/PPP/2013/1)
6. The Team adopted the provisional agenda as proposed by the secretariat.

III. Substantive segment: the activities of the UNECE International PPP Centre of Excellence (Agenda item 2)

7. In opening the Substantive segment, Mr. Sven Alkalaj, Executive Secretary of UNECE, said “we are honoured to join hands with the United Nations Office at Geneva (UNOG) to explore the full potential of PPPs as a procurement mechanism for the renovation of the Palais des Nations, and to provide member States and the General Assembly with neutral advice on the advantages and disadvantages of PPPs vis-à-vis traditional procurement”.

8. Mr. Clemens Adams, Director, Division of Administration, speaking on behalf of Mr. Kassym-Jomart Tokayev, Director-General of the United Nations Office at Geneva, welcomed the participants and expressed the Director-General’s appreciation to the Executive Secretary of UNECE and his team for the strong collaborative effort and for their participation in exploring the PPP option to renovate the Palais des Nations.

Renovation of the Palais des Nations

9. The Director of the UNOG Division of Administration gave an overview of the intent of the United Nations to repair and renovate the Palais des Nations. He emphasised that UNOG is currently looking at various innovative ways including PPP option, where they are looking for advice from the Team on the framework that needs to be established in order to conclude a successful PPP in the context of the renovation of the Palais des Nations.

10. The secretariat presented initial findings of the Team of Specialists on the Strategic Heritage Plan of the Palais des Nations based on a number of case studies of PPP projects presented during the seventh session of the UNECE Committee on Economic Cooperation and Integration held on 6 December 2012. It also presented the feedback that was received from member States related to the length of preparation and complexity of PPP, how to scale and scope the project, and what the impact on the UN brand will be.

11. The Vice-Chairperson of the Team introduced the concept and a preliminary timeline of a prefeasibility study that will be jointly conducted by Toyo University and the TOS PPP in order to consider the applicability of the PPP model for the renovation of the Palais des Nations. The study under the framework of TOS PPP will be conducted in two phases and is expected to be realized by October 2013.

12. In summing up the discussion on the PPP options for renovating the Palais des Nations, the secretariat thanked all experts participating in the discussion.

13. The Team agreed that the TOS PPP would use the study mentioned above to report to UNOG on the feasibility of using the PPP option for the renovation of the Palais des Nations.

International PPP Centre of Excellence and the specialist centres

14. The Chairperson responsible for the UNECE International PPP Centre of Excellence stressed the importance of having a Centre of Excellence that promotes the very best in PPPs to enhance peoples' lives and addresses the world's major challenges.

15. Speaking on the objectives of the Centre of Excellence, the Chairperson reiterated that the key goals are to:

- (a) Identify international PPP best practices;
- (b) Assist governments to implement best practices successfully; and
- (c) Encourage shared learning especially between countries new to PPPs and those with mature PPP programmes.

16. In order to achieve these objectives, the Chairperson presented the vision and objectives of the Centre of Excellence and remarked that the Centre of Excellence needs adequate financing and human resources.

17. In introducing Conference Room Paper 1 on "Financing the UNECE International PPP Centre of Excellence", the secretariat provided details on the three-pronged funding strategy targeting:

- (a) Donor community made up of international organizations, international financial institutions and governments;
- (b) Private sector; and
- (c) Hosts of specialist centres.

18. A number of international partners, including the Asian Development Bank, the European Bank for Reconstruction and Development, and Vnesheconombank of the Russian Federation expressed their support to the vision and objectives of the Centre of Excellence and their readiness to cooperate with the Centre of Excellence and its affiliated specialist centres.

19. The Team heard status reports from the representatives of Azerbaijan, France, Germany, Republic of Korea, the Netherlands, the Russian Federation and Qatar on their plans to establish specialist centres in the coming months. A detailed status table on the specialist centres (established, in the pipeline and/or under consideration) is contained in the Annex.

20. The Team also heard from the representatives of the UNECE Sustainable Energy Division about the plans of the UNECE Ad Hoc Group of Experts on Coal Mine Methane (CMM) - a subsidiary body of the UNECE Committee on Sustainable Energy - to establish a Centre of Excellence on Coal Mine Methane in one of the UNECE member States.

IV. Election of officers (Agenda item 3)

21. The Team elected Mr. Hafiz Salikhov (Russian Federation), Mr. Mark Romoff (Canada), and Mr. Ahmet Kesli (Turkey) as Vice-Chairpersons of the Team.

22. The Team also thanked the outgoing Vice-chairpersons, Mr. Alexander Bazhenov (Russian Federation) and Mr. Jay-Hyung Kim (Republic of Korea), for their active participation and support to the Team.

V. Review of the work done since the fourth session on 24 February 2012 (Agenda item 4)

A. Status report on the UNECE PPP Initiative: the UNECE International PPP Centre of Excellence and the UNECE PPP Toolkit

23. The secretariat introduced the three Conference Room Papers prepared for this agenda item, namely:

(i) Financing the UNECE International PPP Centre of Excellence (Conference Room Paper 1);

(ii) The Role of the Specialist Centres in the UNECE International PPP Centre of Excellence (Conference Room Paper 2); and

(iii) Governance procedures and practices of the UNECE International PPP Centre of Excellence (Conference Room Paper 3).

24. The Team took note with appreciation of the status provided by the secretariat on the funding strategy and called on the secretariat to organize a pledging meeting in the first half of 2013 in Geneva.

25. The Team also took note with appreciation of the first Specialist Centre on PPPs in Health established in Manila, the Philippines, and of the progress reports from countries and organizations interested in establishing specialist centres affiliated with the International PPP Centre of Excellence, including the CMM initiative to establish a centre of excellence on coal mine methane.

26. The Team agreed that the secretariat will organize a meeting of the prospective specialist centres in 2013 in order to accomplish the following objectives:

(a) To present the methodology and criteria identified by each specialist centre to determine the best practice in their respective sectors, with a view to exploring a common set of criteria for best practice that can be used by all specialist centres; and

(b) To explore ways and means under which international financial institutions support the specialist centres.

27. The Team thanked the key donors for the generous contributions which enabled the UNECE International PPP Centre of Excellence to become operational.

28. The Team also took note with appreciation of the governance procedures and practices of the UNECE International PPP Centre of Excellence and thanked the Bureau and the secretariat for this compilation, and encouraged the Bureau and the secretariat to keep the document updated.

B. Policy advisory missions and capacity-building activities

29. The secretariat provided detailed information on the policy advisory missions in relation to the national PPP readiness assessments in countries with economies in transition, namely Belarus, Moldova, Kyrgyzstan and Tajikistan.
30. Fact-finding missions were organized in the following countries:
- (i) Belarus (19 to 23 March 2012);
 - (ii) Kyrgyzstan (10 to 14 September 2012); and
 - (iii) Tajikistan (24 to 28 September 2012).
31. Follow-up workshops to the national PPP readiness assessments were also organized in the following countries:
- (i) Belarus (9 to 10 July 2012); and
 - (ii) Moldova (9 to 10 October 2012).
32. The secretariat informed the Team that the readiness assessments were being coordinated with other international partners, including the European Union, UNDP, USAID and the Asian Development Bank, with a view to exploring synergies and donor support to implement some of the key recommendations, most notably the need for capacity-building and training.
33. The secretariat also informed the Team of an activity in Kyrgyzstan in the context of the United Nations Development Account project on "Building the capacity of SPECA countries to adopt and apply innovative green technologies for climate change adaptation". The capacity-building activity took place in Bishkek from 7 to 9 November 2012 and practical aspects of green infrastructure projects were presented on the basis of the preliminary results of the readiness assessments in Kyrgyzstan and Tajikistan.
34. National representatives from Belarus, Moldova, Kyrgyzstan and Tajikistan thanked the secretariat and the Team for the work carried out on the national PPP readiness assessments. They also reported on the status of the assessments and the next steps in completing them or in following-up with capacity-building and further policy advice.
35. The representative from Belarus referred to a major capacity-building and training project financed by the European Union and based on the Team's recommendations to Belarus as part of the readiness assessment. In cooperation with the European Union and UNDP, the Team is expected to provide substantive support in the delivery of this project in Belarus over the coming years.
36. The representative from Belarus also made reference to comments provided by international PPP legal experts of the Team on the draft PPP law of Belarus. Thanking the experts and the secretariat for these comments, the representative informed the Team that most of these comments were incorporated in the new improved draft PPP law.
37. The secretariat also informed the Team of four other major capacity-building activities organized since the fourth session. The meetings took place in the following venues:
- (a) Podgorica, Montenegro (18-19 September 2012);
 - (b) Riva del Garda, Italy (4 October 2012);
 - (c) Manila, the Philippines (23-25 October 2012); and
 - (d) Moscow, Russian Federation (10-11 December 2012).

38. The Conference on PPPs in Health in Manila, the Philippines on 23-25 October 2012 launched the first Specialist Centre on Health affiliated with the UNECE International PPP Centre of Excellence. The Specialist Centre was officially inaugurated on 22 November 2012 with the signing of an agreement between UNECE and the Department of Health of the Philippines.

39. The capacity-building activity in Moscow, the Russian Federation in December 2012 was organized as a Master Class on PPP programmes in the Commonwealth of Independent States. This activity was undertaken in line with the Cooperation agreement between the UNECE and Vnesheconombank of the Russian Federation.

40. The Chairperson expressed his gratitude to the PPP experts participating in these activities, especially those who did so on a *pro bono* basis, and to the secretariat for organizing and servicing these activities on behalf of the Team.

41. The Team took note of the policy advisory missions and capacity-building activities carried out since the fourth session in February 2012, and in particular the work carried out on the readiness assessment in Belarus which led to a major capacity-building project financed by the European Union with the substantive support of UNECE.

42. The Team also expressed its appreciation to all experts who took part in these activities for their contribution to ensure that the Team's policy advisory missions and capacity-building activities were successful.

C. Fundraising

43. The Team expressed its gratitude to the Governments of the Netherlands, the Russian Federation and Switzerland, and Vnesheconombank of the Russian Federation, the European Union, the Eurasian Development Bank and Toyo University for their financial and in-kind contribution towards the work and initiatives of the UNECE Team of Specialists on Public-Private Partnerships and the UNECE International PPP Centre of Excellence.

44. The Team urged member States and other stakeholders to follow the footsteps of existing donors and support the work of the UNECE International PPP Centre of Excellence with extrabudgetary resources and in-kind contribution.

VI. Implementation plan for the rest of 2013 and proposals for the programme of work in the next biennium 2014-2015 (Agenda item 5)

45. The secretariat introduced Conference Room Paper 4 (Policy advisory opportunities in 2013 and beyond) and informed the Team that the purpose of this Conference Room Paper was to provide advanced information on PPP policy advisory opportunities in 2013 and beyond, and to invite experts who wished to be involved in the Team's activities to bring this to the attention of the secretariat.

46. The secretariat also elicited the policy advice and normative work expected from the Team throughout 2013 and beyond as part of the CECI programme of work, namely, to:

- (a) Continue its work on best practice guides;
- (b) Update the Comparative Review of Public-Private Partnerships legal provisions in Central Asian and other CIS countries;

- (c) Develop an interactive website of the UNECE International PPP Centre of Excellence;
- (d) Carry out PPP assessments in Azerbaijan, Kazakhstan and Turkmenistan;
- (e) Develop training materials in the area of PPPs; and
- (f) Prepare periodic eNewsletters on the activities of the UNECE International PPP Centre of Excellence.

47. The secretariat informed the Team of the capacity-building activities planned for the coming months:

(a) National seminars on the promotion and financing of innovative green technologies in the context of the United Nations Development Account project "Building the capacity of SPECA countries to adopt and apply innovative green technologies for climate change adaptation" in:

- (i) Ashgabat, Turkmenistan (15-17 May 2013); and
- (ii) Astana, Kazakhstan (September/October 2013).

(b) Follow-up workshops to the national PPP readiness assessments in Kyrgyzstan and Tajikistan; and

(c) Subject to the necessary approval by the UNECE Executive Committee of the extrabudgetary capacity-building and training project in Belarus, organization of a number of activities in Belarus.

48. The secretariat pointed out that currently, only two regular posts are devoted to the work on PPPs, and that member States have decided to make further cuts in the UN budget. The secretariat explained that it is not yet clear how these cuts will impact UNECE and its programme on economic cooperation and integration, of which the work on PPP is a part. The activities foreseen for the remainder of 2013 and for 2014 will be subject to the availability of sufficient resources. In this regard, the secretariat repeated its call on participating member States and other potential donors to support the work on PPPs with extrabudgetary and in-kind contributions.

49. The Team also heard presentations from the representatives of UNCITRAL and Uruguay. The representative of UNCITRAL reported that it is considering the development of a PPP model law, as well as updating its PPP guidelines, and invited the Team to contribute to this normative work.

50. The Team took note of the schedule of policy advisory missions and capacity-building activities that it is mandated to undertake in the coming months, and called on participants to assist the secretariat in this work, and to undertake specific tasks under the guidance of the Bureau and the secretariat. The Team asked the secretariat to consider additional requests for such activities subject to funding availability.

51. The Team also took note of the legislative mandate of UNCITRAL, in particular the proposal made before that body to provide a model legislative framework for PPPs, and asked the secretariat to cooperate with UNCITRAL and mobilize experts within the Team to contribute in the development of such a framework.

VII. Other business (Agenda item 6)

A. Dates of the next session

52. The Team agreed that its next meeting be held in the first half of 2014, possibly in June 2014, and that the secretariat will fix the dates depending on conference room availability at the Palais des Nations in consultation with the Bureau.

B. Adoption of the report

53. The Team agreed that the secretariat will prepare a draft report on the fifth session and circulate it to the Chairpersons and other members of the Bureau for approval on behalf of the Team no later than 10 working days following the session.

Annex

PPP Specialist Centres

Centre	Location and Host Organization
Specialist Centres established	
PPP in health	Philippines, Department of Health
Specialist Centres in the pipeline	
PPP in renewable energy	Morocco, Agence Nationale pour le Développement des Energies Renouvelables et de l'Efficacité Energétique
Green PPP	Korea, Korea Development Institute
PPP legislation	France
Regional development	Russian Federation, National Research University – Higher School of Economics
ICT/ broadband	Azerbaijan, Ministry of Communications and Information
Specialist Centres under initial consideration	
Schools	Germany
Water management	Netherlands
Sector to be identified	Qatar

UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE
COMMITTEE ON ECONOMIC COOPERATION AND INTEGRATION

Team of Specialists on Public-Private Partnerships
Fifth session

5-6 February 2013, Geneva, Switzerland
Room XIX (5 February); Room XXIII (6 February)

Programme

The Team of Specialists on Public-Private Partnerships (TOS PPP) is an intergovernmental body established in 2007 that comprises over 2000 experts coming from the public and private sector, which meets annually in Geneva. On 5-6 February 2013 the TOS PPP will hold its fifth session, which will focus on the activities of the UNECE International PPP Centre of Excellence - a coordinating hub based at UNECE in Geneva – and of its affiliated specialist centres responsible for preparation of sectoral guides on best practice in PPPs. Among the issues that the session will discuss is the role of PPPs in the renovation of public buildings, with a special emphasis on the renovation of the *Palais des Nations*.

Day 1 | Tuesday, 5 February 2013 (Room XIX)

10:00-10:10 **Opening of TOS PPP and adoption of agenda**

10:10-10:30 **Substantive Segment: the activities of the UNECE International PPP Centre of Excellence**

Opening remarks

- *Sven Alkalaj*, Executive Secretary, United Nations Economic Commission for Europe
- *Clemens Adams*, Director, Division of Administration at UNOG on behalf of *Kassym-Jomart Tokayev*, Director-General, United Nations Office at Geneva

Session 1: PPPs in the Renovation of the *Palais des Nations*

The session will be devoted to the role of PPPs in the renovation of the *Palais des Nations*. The United Nations Office in Geneva (UNOG) is currently reviewing various PPP options and their applicability for the *Palais des Nations*.

10:30-11:20 **A. Current infrastructural challenges in the Palais des Nations and initial feedback from UN member States**

Moderator: *Art Smith*, Chairman, UNECE TOS PPP

Speakers

- *Clemens Adams*, Director, Division of Administration, UNOG
- *Geoffrey Hamilton*, Chief, Cooperation and Partnerships Section, UNECE
- *Sam Tabuchi*, vice-Chairman, TOS PPP

Q&A

11:20-12:10 **B. Financing models in PPPs**

Moderator: *David MacGray*, PwC

Speakers

Investment Banks perspective

- *Edwin van Veenhuizen*, Business Manager, Bank of Dutch Municipalities (BNG)
- *Gavin Munro*, Head of Infrastructure Finance, Societe Generale
- *Mike Redican*, Managing Director, Global Credit Structuring, Deutsche Bank AG

Institutional Investors (pension funds and insurances) perspective

- *Jaap Veenbos*, AON

Q&A

12:10-13:00 C. *Procurement issues in PPPs*

Moderator: *Jan van Schoonhoven*, UNECE

Key Issues in a Typical PPP Procurement Process: the Public and Private Sector perspective

Speakers

- *Pedro Neves*, Structured Business Director, Andrade Gutierrez
- *Richard Stolbach*, Partner, Patton Boggs
- *Ghislain Lorthiois*, Head of PPP, Samsung
- *Frans Deeleman*, Ministry of Housing, the Netherlands
- *Touraj Etezady*, Managing Director, Marti Invest AG

Q&A

13:00-15:00 **Lunch break**

15:00-15:50 D. *Legal and institutional challenges*

Moderator: *Tony Bonnici*, UNECE

Speakers

UN legal and institutional challenges to PPP

- *Markus Schmidt*, Senior Legal Counsel, UNOG

Legal Best Practices for a Successful PPP Project

- *Bruno de Cazalet*, Partner, Gide Loyrette Nouel
- *Alexei Zverev*, Senior Counsel, EBRD

Q&A

15:50-16:40 E. *Labour/Staffing issues in PPPs*

Moderator: *Bernhard Mueller*, vice-Chairman, UNECE TOS PPP

Speakers

Private Sector perspective

- *Mark Romoff*, President & CEO, The Canadian Council for PPPs
- *Karan Mangroo*, General Manager for HM Treasury and HM Revenue and Customs PFI Projects, Lend Lease

Trade Union perspective

- *David Boys*, Public Services International

Public Sector perspective

- *Jean-Yves Gacon*, Project Director, PPP Unit, Ministry of Economy, France

Q&A

16:40-17:00 F. *Reporting and Next Steps*

Speakers

- *Geoffrey Hamilton*, UNECE
- *Speaker from UNOG*

17:00-18:00 **Session2: UNECE International PPP Centre of Excellence**

Moderator

Tony Bonnici, UNECE

The vision and objectives of the UNECE International PPP Centre of Excellence

- *Leo McKenna*, Chairman TOS PPP (responsible for the International PPP Centre of Excellence)

Funding strategy of the UNECE International PPP Centre of Excellence (Conference Room Paper 1)

- *Jan van Schoonhoven*, UNECE

18:00-19:30 **Cocktail reception hosted by the Federal Department of Foreign Affairs of Switzerland** *Restaurant des Délégués, 8th floor*

Day 2 | Wednesday, 6 February 2013 (Room XXIII)

10:00-10:30 **Session2: UNECE International PPP Centre of Excellence (cont'd)**

Moderator

Tony Bonnici, UNECE

Support and cooperation with the international partners

- *Alexander Bazhenov*, Vnesheconombank
- *Filip Drapok*, International Finance Corporation
- *Trevor Lewis*, Asian Development Bank
- *Toshiaki Sakatsume*, Senior Economist, EBRD

Q&A

10:30-11:00 **Session 3: PPP Specialist Centres and the Advisory Board**

Moderator (Conference Room Paper 2)

Geoffrey Hamilton, UNECE

The role and functions of the Advisory Board

- *Polina Tarshis*, UNECE

The role of the 'Community of Practice' in PPP sectors

- *Jill Jamieson*, Senior PPP Expert, Deloitte Consulting LLP

11:00-12:00 A. *Specialist Centre on PPPs in Health*

Report on the Specialist Centre in Health

- *Celso Manangan*, Specialist Centre in Health, Manila, the Philippines

Support and comments by stakeholders

- *Nasser Massoud*, Interhealthcanada
- *Alberto Germani*, PPP Advisor at Department of Transport of the Emirate of Abu Dhabi
- *Peter Ward*, Director of Healthcare Projects at John Laing

12:00-13:00 B. *The PPP Specialist Centres in the pipeline*

Moderator: *Jan van Schoonhoven*, UNECE

PPPs legislation and institutions

- *Marc Frilet*, Managing Partner, Frilet & Associates

PPPs in renewable energy

- *Sonia Mezzour*, Secretary General, Agency for the Development of Renewable Energy, Morocco

PPPs in ICT/broadband

- *Nariman Hajiyev*, Ministry of Communication and Information Technology, Azerbaijan

PPPs in schools

- *Bernhard Mueller*, Ministry of Finance, Germany

PPPs in water management

- *Marhijn Visser*, Permanent Mission of the Netherlands

Green PPPs

- *Jongyeon Lee*, Korea Development Institution, Republic of Korea

PPPs and Regional Development

- *Vladimir Korolev*, National Research University – Higher School of Economics, the Russian Federation

PPPs in a sector to be identified

- *Amer Al Adhadh*, Ministry of Business and Trade, Qatar

Q&A

13:00-15:00 **Lunchtime consultation with the private sector and guided tour of the *Palais des Nations*** (Room XXVII)

15:00-18:00 **TOS PPP (cont'd)** (Room XXIII)

Review of the work done since the fourth session on 24 February 2012

Governance procedures and practices of the UNECE International PPP Centre of Excellence

- Introduction by the secretariat of Conference Room Paper 3

UNECE PPP Readiness Assessments: Belarus as an example of a country undertaking a comprehensive PPP capacity-building project with the UNECE International PPP Centre of Excellence

- *Tony Bonnici*, UNECE
- *Dmitry Berezovski*, Belarus
- *Ion Potlog*, Moldova
- *Gulnara Kalikova*, Kyrgyzstan
- *Matluba Uljabaeva*, Tajikistan

An overview of policy advisory services and capacity-building activities in 2012

- *Tony Bonnici*, UNECE

Implementation plan for the rest of 2013 and proposals for the programme of work in the next biennium 2014-2015

PPP Task Force: policy advisory opportunities in 2013 and beyond

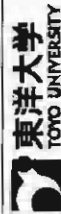
- Introduction by the secretariat of Conference Room Paper 4

(under this agenda item, concrete projects of interest to Member States and Task Force members will be presented in details, with a request for expression of interests from PPP experts wishing to be involved in the delivery of this work)

Preliminary Option Studies on the Renovation of the Buildings at The Palais Des Nations



Sam Tabuchi
Toyo University PPP Graduate School
Vice Chairman of UNECE TOS PPP
5th February, 2013



Who are we?

- Toyo University
 - 125th Anniversary (2012)
 - More than 30,000 students body (10 Departments, 44 centers)
 - Chancellor Dr. Shiokawa, former Ministers; finance, internal affairs, education science
- PPP Graduate School (Master's Degree)
 - About 100 Graduates in professional fields
 - More than 20 PPP Applicability Studies (3 overseas studies)
 - Only Graduate School specializes in PPP globally



Preliminary Option Studies: Phase 1 Study 1

- Project delivery methods

	UN's Merits	UN's Demerits
Privatization (Land-sales etc.) Traditional Procurement DB, DBOBOT, BTO, etc. PFI Concession DBFOMT Others		



Preliminary Option Studies: Phase 1 Study 2

- UN Project obligations

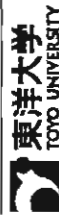
	UN's Obligations	UN's Benefits
Privatization (Land-sales etc.) Traditional Procurement DB, DBO, BOT, BTO, etc. PFI Concession DBFOMT Others		



Preliminary Option Studies: Phase 1

Study 3

- UN Financial Liabilities
- | UN's Risks | UN's Benefits |
|--|---------------|
| Privatization (Land-sales etc.)
Traditional Procurement
DB, DBO, BOT, BTO, etc.
PFI
Concession
DBFOMT
Others | |

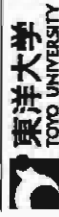


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Preliminary Option Studies: Phase 1

Study 4

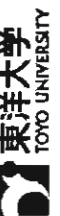
- UN Consequences
- Privatization (Land-sales etc.)
 Traditional Procurement
 DB, DBO, BOT, BTO, etc.
 PFI
 Concession
 DBFOMT
 Others



Preliminary Option Studies: Phase 1

Study 5

- UNOG Strategic Heritage Plan
- Other UN requirements
- Swiss regulations and requirements (Federal/Regional/Local)
- UN: Member States, UN General Assembly, UNOG, UNECE (TOS PPP)
- Market demand study
- PPP applicability study



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Preliminary Options Studies: Phase 2

The list of items to be studied

- Project conceptualization, objectives, vision
- Development plan (land, buildings and infrastructures)
- Development and Finance Options
- Legal Issues Surrounding the Projects
- Develop Land, Building, and Infrastructure Program
- Complete Urban Design, Architectural Concepts and Design Guideline
- Prepare Total Development Budget and Schedule
- Complete a Cash flow Analysis of the Project
- Develop Phasing Plan
- Develop Alternative Public Private Finance Plans
- Alternative Ownership, Investment, Development and Facility Management Scenarios for Public Private Partners
- Prepare the PPP Financing Structure



Preliminary Option Study Schedules

- Preliminary Option Studies Phase 1
 - March through May 2013
 - Submitted to the UN by May 2013
- Preliminary Option Studies Phase 2
 - July through October 2013
 - Submitted to the UN by October 2013

