Institutional Arrangements for the Effective Delivery of PPP

Martin Darcy

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What do you need to create a good quality PPP Programme?

- Political Support
- Clear legal framework and guidance
- Institutional co-ordination
- New skills and new mindset
- Projects that have:
  - Clear objectives
  - Clear boundaries
  - Clear links to stated policy objectives
  - Clearly defined and understood risk strategy
- Previous experience – what will/won't work

What can a Central Body Achieve?

- Promotes Credibility with the Market
- Promotes Projects to the Market
- Co-ordination of public bodies
- Can be the promoter of initiatives eg legal guidance documentation
- Can bring in new skills, mindset and experience
- Can check proposed projects for errors
- Advice and support to project sponsors

Essential Attributes of a Central Body

- Direct route to cabinet level minister
- Outside Civil Service Structure
- Governance structure drawn from public and private sectors
- Clear mandate / legislative direction
- Sufficient budget to support activities
- External expertise
- Policy and practice separated
- Mission: 'Market making and working with the market'
- BUT!…must understand that PPP is not an end in itself

Examples of bodies

- Treasury Taskforce UK
- Partnerships UK
- Strategic Investment Board NI
- National Development Finance Agency IE
- PPP Centrum CZ
- Keniscentrum NL
- PPP Taskforce IT

Delivery Bodies for Specific Programmes or Projects

- Key Issues:
  - Clear lines of authority – governance and management
  - Advisory Boards NOT Executive Boards
  - Single senior official 'ownership' of the project with direct communication route to minister
  - An empowered Programme or Project Director reporting directly to the 'Owner'
  - Programme/Project Director MUST have previous experience – therefore likely to be from outside the Civil Service. Strong leadership skills required.
  - Project Office – common identity / common destiny
  - Must obtain the necessary skills and pay market rates for those skills.

Why is it important to get this right?

- Good projects:
  - create economic benefits and growth
  - create confidence in a country's economy
  - create value for money solutions thus minimising tax-take
- Bad projects:
  - create ongoing liabilities for many years
  - big projects = big risks
  - failure is often high profile: nationally and internationally
  - can undermine investor confidence in the country
  - can make the good projects unaffordable

Thank You!!