Media’s perception of PPP in Poland

Maciej Dobieszewski
March 2012
Structure of the presentation

1. Overview of the social and economic conditionings of PPP’s perception
2. General remarks on the specificity of media’s interest in PPP
3. Biggest PPP media news and topics of the last years
Social and economic conditionings of PPP’s perception

BEFORE 1990’s

- no procurement system – only state entities or state owned companies to carry out infrastructure development projects
- slight if any relationships between public and private sector

BETWEEN EARLY 1990’s and MIDDLE 2000’s

- development of modern legal system (forced i.a. by EU accession) with first public procurement law adopted in 1994
- very limited infrastructure investments
- first highway concession project started in 1997 - the A2 highway (first section opened in 2002; currently over 250 km stretch under operation)
Social and economic conditionings of PPP’s perception – big infrastructure development programs

- EU funds allocations in the 2007-2013 programming period of 67 billion EUR, more than half of which are devoted to the public infrastructure development
- 2012 European Football Championship hosted by Poland and Ukraine

Between 2007 (2009) and 2013
- 10 airports and over 70 railway station fully reconstructed and modernized,
- around 2000 km of highways and express roads constructed (tripled the existing network),
- 8 “elite” (cap. over 30 000) football stadiums (and about 15 new sport stadiums and arenas of the capacity between 10 000 and 30 000)
General remarks on the specificity of media’s interest in PPP

- Broad understanding of PPP (covering concessions and sometimes even traditional procurements)
- Focus on the project or focus on the model?
- Construction phase (“build under the PPP scheme” rather than “provide under the PPP scheme”) and the budgetary savings in the center of media’s attention
- Good news is no news
- Popular PPP bon-mots (“4th P”)
PPP media topics of the last years

- New Act on PPP of the 19th Dec 2008
- Failure of the highway concession projects (2009-2010)
- Katowice (Silesia Region) – Cracow concession highway: constant troublesome reconstruction and high tolls
- 2011/2012: Eurostat opinion on planned PPP/concession projects
New Act on PPP

- Big governmental information and promotion campaign
- Number of articles and releases in press and web portals
- Stark and informational releases in the mainstream press daily editions, but a lot of in-depth analysis in the specialized (legal, economic) supplements and magazines
Failure of the A1 and A2 highway concession projects

- All the procurement procedure milestones were noticed by most of the main medias
- The final phases of the negotiations between A1 concessionaire and financial institutions was day-by-day followed by TV news programs and leading newspapers
- On February 2010 it turned out that also the of the building project prepared by unrealized concessionaire was unacceptable and it was rejected by government – top news again
- A1 concession case very seriously undermined social reception of PPP in road building projects
Katowice (Silesia Region) – Cracow concession highway

- The 60 km stretch of A4 which connects two metropolitan areas of over 4 million inhabitants (ESPON) has been operated under concession regime since 2000.
- Users’ claims about the high tolls and ongoing reconstructions are the permanent media topic.
- 2009 – motorcycle driver refused to pay on the toll exit because due to the road works it took him an hour to drive 50 km. Later he wins the litigation against the concessionaire.
- On February 2012, after another raise of tolls, Minister of Transport says on the press conference, that the government will consider imposing the law allowing to terminate the concession contracts on the grounds of public interest.
Eurostat opinion on planned PPP projects

- After failure of the A1 Lodz-Katowice concession procedure in 2010, the government returned to the PPP concept for this stretch – but conditioned its decision on the Eurostat opinion on public debt issues.
- Ministry of Transport declared that the Eurostat position would be crucial also for another highway projects of ca. 2 bln EUR and railway projects of ca. 7 bln EUR, which could be run under a PPP model.
- Eurostat opinion was issued on December 2011. One of the headlines before: “A1 in the hands of Eurostat”. Headline after: “All because of the Eurostat”