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Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

11-Feb-2014

English - Or. English

**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE**

Working Party of Senior Budget Officials

ANNOTATED AGENDA

7th ANNUAL MEETING OF SENIOR PUBLIC-PRIVATE PARTNERSHIPS OFFICIALS

**OECD Conference Centre, Paris
17-18 February 2014**

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7th Annual Meeting of Senior PPP Officials
OECD Conference Centre, Paris
17-18 February 2014

ANNOTATED AGENDA

Chair: Mr. Gordon McKechnie

Monday 17 February 2014

9:30-9:45 Session 1: Introduction

Welcome by Chairman
Welcome by the OECD Secretariat
Self-introduction of delegates

9:45-11:00 Session 2: The current PPP market

This session will provide an overview of current trends and developments in the PPP market. The session will discuss the volume of PPP deals, the appetite for financing, how PPP debt is priced and assessed and what implications this will have for public sector PPP procurers in the year ahead.

Keynote Speakers:

- **Mr. Robin Burnett**, Director, Standard and Poor's: "*Fiscal risks, PPPs and the year ahead*" (10 minutes).
- **Mr. Guy Chetrit**, Principal Advisor, European PPP Expertise Centre (EPEC), European Investment Bank: "*The PPP market – European trends and developments*" (10 minutes).

OECD country panel on recent developments:

- **Mr. François Bergère**, Head of Concessions/PPP, Ministry of Finance, France (5 minutes).
- **Ms. Lisa Mitchell**, Director, Strategy and Policy, PPP Canada (5 minutes).

Discussion

11:00-11:30 *Coffee*

11:30-13:00 Session 3: What makes a PPP framework attractive?

A successful PPP program that delivers good projects requires strong private sector interest. Some countries are more successful than others in generating such interest. This session investigates what issues countries can specifically focus on if they seek to make themselves more attractive to the private side of the PPP. From the private sector side, a project sponsor, a lender and a transaction advisor will discuss what they see as the key determinants of the degree to which a country is 'open for PPP business' and what effects

this may have on the potential to strike good deals for the public sector. An intervention from the public sector will provide insight into efforts made by the government to provide a reliable, attractive PPP framework that addresses the private sector's needs and requirements.

Private Sector side:

- **Project sponsor: Ms. Laurence Dhomme**, Area Director for Europe, VINCI Concessions, France (15 minutes).
- **Project lender: Ms. Virginie Grand**, Head of Project Finance, Europe, HSBC (15 minutes).
- **Transaction advisor: Mr. Charles Lloyd**, Partner, PWC and former Head of PFI Policy at HM Treasury, UK (15 minutes).

Public Sector side:

- **Ms. Jo Fox**, Head of PPP Policy Policy, Infrastructure UK, HM Treasury (10 minutes).

Discussion

13:00-14:30 Lunch

14:30-16:00 Session 4: Instruments and incentives to attract Institutional investors in PPPs

The OECD's Institutional Investors and Long-Term Investment Project aims to facilitate long-term investment (LTI) by institutional investors such as pension funds, insurance companies, and sovereign wealth funds, addressing both potential regulatory obstacles and market failures (www.oecd.org/finance/lti). Following G20 request, research for the project has recently focused on financial instruments, models and regulatory and institutional conditions that can make infrastructure investment attractive for pension funds and insurers. Building on session 3 on what makes a PPP framework attractive, this session will draw on recent research undertaken for the LTI project and practical experiences by institutional investors in PPPs across the world.

Speakers:

- **Mr. Raffaele Della Croce**, Senior Project Manager, Financial Affairs Division, OECD Secretariat: "PPPs, new investment models for financing infrastructure and the potential role of institutional investors" (10 minutes).
- **Mr. Chris Barrett**, Ambassador and Permanent Representative, Australian Delegation to the OECD, Australia (5-10 minutes).

Panel:

- **Ms. Katrina Haley**, Head of Structured Bonds, EMEA, HSBC: "Developments in PPP debt instruments" (5 minutes).
- **Mr. Georg Grodzki**, Head of Credit Research, Legal and General Investment Management (5 minutes).
- **Ms. Julia Prescott**, Partner and Chief Strategy Officer, Meridiam Infrastructure (5 minutes).
- **Mr. Peter Johnston**, Executive Director, Hastings Funds Management (5 minutes).

Discussion

16:00-16:15 Coffee

16:15-17:45 **Session 5: Budgeting sustainably for PPPs and traditional capital projects in the medium and long term**

The session will focus on how to align PPP investment and traditional infrastructure investment in a medium/long term planning framework. Some key questions include how to ensure affordability, how to estimate the infrastructure gap, the fiscal space available and how to integrate the capital and current expenditure perspectives in budgeting and accounting terms. Is this an issue? What methods are being employed? How is this organized with other levels of government?

Panel:

- **Ms. Isabel Rial**, Senior Economist, IMF (10 minutes).
- **Dr. Gisela Lehmer-Kerkloh**, Project Partnerships Germany, Federal Ministry of Finance, Germany (10 minutes).
- **Mr. Christer Pettersson**, Deputy Director, Budget Division, Ministry of Finance, Sweden (10 minutes).

Discussion

18:00 *Cocktail hosted by the OECD Secretariat*

Tuesday 18 February 2014

9:30-11:00 Session 6: PPPs in Russia – an OECD snapshot

The OECD secretariat, assisted by peer reviewers from two OECD countries, have drafted an overview of the current PPP framework in Russia and the challenges that the new draft PPP law is trying to address. How does the current framework align with the OECD's Principles for Better Governance of PPPs and international best practice? Also, given the current focus on infrastructure investment in Russia, how well does it integrate the new G20/OECD Principles for long-term investors in infrastructure assets? What strengths can Russia capitalize on in order to establish an attractive and successful PPP framework that can deliver value for money in capital projects? What are the successes and challenges that it has experienced thus far?

Speakers:

- **Mr. Ian Hawkesworth**, Head, Capital Budgeting and PPPs, Budgeting and Public Expenditures Division, OECD Secretariat (10 minutes).
- **Ms. Maria Yarmalchuk**, Head of Section, Section of PPP Development, Department of Investment Policy and PPP Development, Ministry of Economic Development of the Russian Federation (10 minutes).

Peer Reviewer:

- **Mr. François Bergère**, Head of Concessions/PPP, Ministry of Finance, France (15 minutes).

Discussant:

- **Mr. Matthew Jordan-Tank**, Head, Infrastructure Policy, EBRD (10 minutes).

Discussion

11:00- 11:30 *Coffee*

11:30-13:00 Session 7: Maintaining value for money during the operational phase

Cost overruns and over-optimistic demand forecasts can derail a project's value for money. In principle, such risks should be borne by the private sector contractor. If the risks materialise, the sponsor's project company will generate lower returns or even face bankruptcy. The authority could compromise and assume some of the risks that were contractually allocated to the private side but this would give rise to moral hazard. Such issues can easily become political as well. Oftentimes the opposition will criticise the government if a contract starts to show signs of distress and solutions will be heavily scrutinised. This session will discuss how you maintain value for money in light of changing circumstances and possible approaches to meet such situations.

Speakers:

- **Mr. Michael Burnett**, PPP Expert, European Institute of Public Administration (EIPA) (15 minutes).
- **Mr. Greg Smith**, CFO and Vice President, Finance, Risk, & Administration, Director, PPP Canada (15 minutes).
- **Ms. Victoria Keilthy**, Director, National Audit Office, UK (15 minutes).

Discussant:

- **Mr. Carsten Greve**, Professor, Copenhagen Business School, Denmark (10 minutes).

Discussion

13:00-14:00 *Luncheon*

14:00-15:30 Session 8: Developing PPP frameworks – where do you begin?

As many countries are increasingly exploring PPPs as a way of financing viable infrastructure projects, the question arises as to where the low hanging fruits are to be harvested. In other words, where should you start when developing a PPP framework? Should administrative resources be spent developing a multi-institutional framework or does it make more sense to focus on shepherding selected projects through? Is a sophisticated public sector comparator necessary or is a competitive bidding process sufficient? What role should State Owned Enterprises play? How can a new PPP program help companies gradually transition from design build to the delivery of PPPs? What capacities need to be built up within the public sector and what capacities can comfortably be provided by outside consultants? The panellists in this session will draw on their senior experience as public sector procurers of PPPs and as Heads of PPP Units.

Keynote speaker:

- **Mr. Charles Lloyd**, Partner, PWC and former Head of PFI Policy at HM Treasury, UK (15 minutes).

Country Cases:

- **Mr. Fernando Crespo Diu**, Head of Unit, UTAP PPP Technical Unit, Ministry of Finance, Portugal (10 minutes).
- **Mr. Peter Livesey**, Head of Capital Finance, Central Capital Unit, Department of Education, UK (10 minutes).
- **Dr. Kangsoo Kim**, Executive Director, PIMAC, Korea (10 minutes).

Discussant:

- **Mr. Rui Monteiro**, Senior Public-Private Partnership Specialist, World Bank Institute (10 minutes).

Discussion

15:30-16:00 Session 9: Future work

This session will be focused on discussing what new work the OECD Secretariat in cooperation with the members should undertake. The Secretariat will also brief the members on the new South East Asian Network on PPPs and connectivity, which will be launched in Bali, Indonesia, 24-26 March 2014.

GENERAL MEETING INFORMATION

Meeting Location

The meeting will take place at the OECD Conference Centre which is located at 2 rue André-Pascal in the 16th *arrondissement* (district) of Paris. The closest metro station is “*La Muette*.”

Registration Form

All Delegates need to complete the attached registration form and return it to the Secretariat ahead of the meeting.

Security

Please be advised that OECD Headquarters is a secure complex. Entry passes can only be issued to registered Delegates, and a passport or national identity card needs to be presented in order to receive an entry pass. Delegates will also be required to clear an airport-style security checkpoint for entry. Please allow at least 15 minutes to complete these formalities.

Simultaneous Translation

Simultaneous translation between English and French, the OECD’s two official languages, will be available throughout the meeting.

Cocktail Reception

The OECD Secretariat invites all participants to a cocktail reception in the *Château de la Muette* at the conclusion of the first day of the meeting.

Wi-Fi Internet Access

The OECD Conference Centre features complimentary Wi-Fi Internet Access in all meeting rooms and throughout its facilities. The Conference Centre also has facilities offering complimentary desktop computers with stand and Microsoft Office software, Internet connections and printers.

ORGANISATION
FOR ECONOMIC
CO-OPERATION
AND DEVELOPMENT



ORGANISATION DE
COOPÉRATION ET
DE DÉVELOPPEMENT
ÉCONOMIQUES

7th ANNUAL MEETING OF SENIOR PPP OFFICIALS

OECD Conference Centre

Paris, 17-18 February 2014

REGISTRATION FORM

(TO BE COMPLETED FOR EACH PARTICIPANT)

Mr. [] Mrs. [] Ms. []

LAST NAME (in BLOCK letters) _____

First Name _____

JOB TITLE _____

ORGANISATION _____

MAILING
ADDRESS _____

COUNTRY _____

TELEPHONE _____

FACSIMILE _____

E-MAIL ADDRESS _____

Please return the completed form to Mrs. H el ene LECONTE-LUCAS

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