



Public-Private Partnership Agencies: A Global Perspective

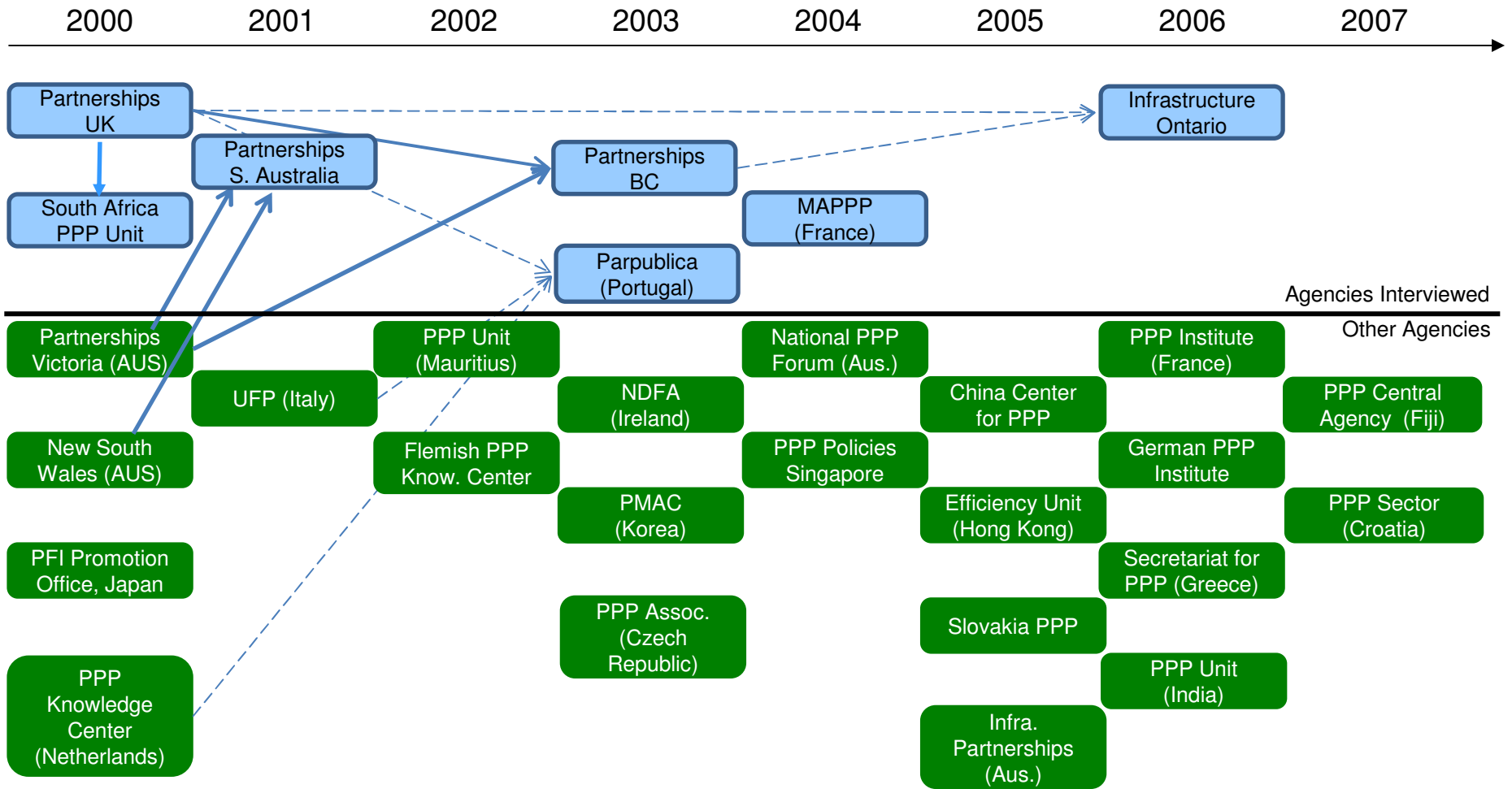
Christine Farrugia



Overview

- More than 25 state and national governments around the world have established PPP Agencies since 2000
- We conducted an exploratory analysis of the evolution, function and business models of eight agencies including:
 - ❖ Highways Agency (UK)
 - ❖ Infrastructure Ontario
 - ❖ MAPPP (France)
 - ❖ Parpublica PPP (Portugal)
 - ❖ Partnerships BC
 - ❖ Partnerships South Australia
 - ❖ Partnerships UK
 - ❖ South Africa PPP Unit
- This presentation will give an overview the key decision points that a new agency will face in its design and implementation.

Evolution - Universe of Agencies



Legend:

- Dotted line – Consulted with Agency
- Solid line – Modeled after Agency

Consultations – Starting a New Agency

- Start-up agencies often consult other agencies on structure and strategy to avoid ‘re-inventing the wheel’
 - ❖ Partnerships UK, Partnerships Victoria and Partnerships BC are the most frequently consulted
 - ❖ PUK has established a consulting service to assist other governments
- Modeling a new agency directly after an existing one is not recommended
 - ❖ Agencies should be structured in a way that fits with their individual bureaucratic structure, legal and political environment and host country conditions and conventions
 - ❖ Structure should also maximize ability to attract top talent
 - ❖ For example, PUK is an arms-length public private partnership, Partnerships BC is a crown corporation and MAPPP sits within the ministry of finance.

Agency Roles and Responsibilities

- Two major categories of agencies:
 - ❖ Review Bodies – primarily responsible for reviewing project plans, providing recommendations to decision making bodies
 - ❖ Full Service Agencies – Review Bodies that also provide consulting to service agencies, develop the PPP market in their jurisdiction and sometimes offer capital or additional services

PPP Development Stage	Review Bodies	Full Service Agencies
Business Planning	Oversight	Direct
Procurement Process	Oversight	Oversight or Direct
Project Implementation	n/a	Direct
Market Development	n/a	Direct

Legend

O: Oversight – review documents/decisions, but not involved in day-to-day work
 D: Direct – involved in the day-to-day work alongside the advisor or service agency

Structural Considerations

- Location of agency
 - ❖ Most Review Bodies are housed within the government (typically as a division within Treasury) while most Full Service Agencies operate at an arms-length (joint venture, crown corporation, etc)
- Sector focus
 - ❖ Majority of agencies do not have a particular sector focus
 - ❖ However, deal flow tends to be focused on a few sectors in each country (i.e., Ontario – health care, BC – Health care and transportation, S. Australia – Education)
- Business model
 - ❖ All agencies interviewed receive some or all of their funding through budget allocations for administrative costs and project review activities
 - ❖ Full service agencies interviewed also receive fee on a per diem basis for the consulting services offered
- Business development
 - ❖ Does the agency bring potential PPP projects to approval bodies, or does the government assign projects to the agency

Conclusion

- There is no archetypical model for a successful PPP model

- Ultimately, the formation, function and structure of the agency should be determined by the needs of the jurisdiction's PPP program.
 - ❖ More comprehensive PPP programs, with complex projects, may require a full service agency to build and maintain the program
 - ❖ Often the agency is formed at the same time as the PPP program so that the two can meet the needs of each other