


UNITED NATIONS  
**ESCAP**  
Economic and Social Commission for Asia and the Pacific



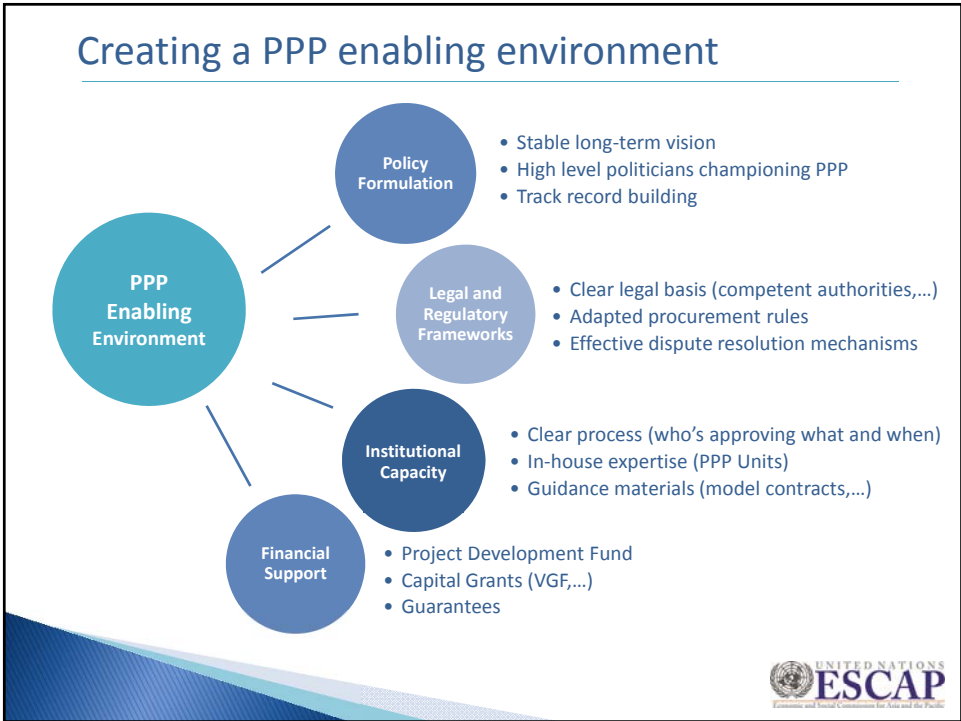
Forum on Public Private Partnership (PPP) Policy Frameworks for Myanmar  
co-organized with the Ministry of National Planning and Economic Development

17 March 2017

*Introducing the Draft PPP Policy and  
the Policy Formulated*

Mr Mathieu Verougstraete

UNESCAP Transport Division



## A Clear Vision for PPP in Myanmar

*A PPP Policy Document for Myanmar*

- What are the objectives of the PPP programme?
- Which sectors are targeted? What size of projects?
- What types of PPP are envisioned?
- How does the government plan to implement its strategy?
  - ✓ *Legal and Regulatory Reforms*
  - ✓ *Institutional Arrangements*
  - ✓ *Procedural Guidance*
  - ✓ *Financial Support Mechanisms*



## Objectives of the PPP programme

*A PPP Policy Document for Myanmar*

- Improving the level and the **quality** of economic and social infrastructure **services** across the country
- Seeking to develop a substantive role for **Public Private Partnership (PPPs) ...**  
  
... as a means for promoting **private sector** participation in the provision of **public infrastructure** and public **services**.



## Definition

### *A PPP Policy Document for Myanmar*

- A Public-Private Partnership (PPP) is a **contract** between a public entity and a private partner according to which the private partner delivers a **public asset** and/or a public **service** in accordance with the following features:
  - ✓ *Output specifications;*
  - ✓ *Performance-based payments;*
  - ✓ *User charges, where applied, are specified in the PPP contract or subject to credible regulation;*
  - ✓ *Risks transfer to the private sector;*
  - ✓ *Private partner selected through open, transparent and competitive procurement procedures – Unsolicited proposals subject to strict conditions ;*



## Scope of PPPs in Myanmar

### *A PPP Policy Document for Myanmar*

*Both **productive** and **socio-economic** services sectors including, but not limited to the following: ...*

- The suggested text remains flexible intentionally
- The line ministries will ultimately be the one implementing the policy

*A capital investment requirement of greater than the local currency equivalent of [...]*

- You might want to limit PPP to project of a certain value (transaction costs / applicable procedures)

*A contract duration of longer than 5 years*

- PPP are long-term contracts



## Principles (1)

### *A PPP Policy Document for Myanmar*

- Value-for-Money
  - ✓ *Bringing private innovation, expertise and management*
  - ✓ *Better project management, including project delivery on-time and on-budget*
  - ✓ *Optimized (lifecycle) project design, investment, maintenance and operations*
  - ✓ *Better customer orientation*
  - ✓ *Better realization of commercial potential of infrastructure*
  - ✓ *More efficient and cost-effective management of certain risks (such as construction risks)*



## Principles (2)

### *A PPP Policy Document for Myanmar*

- The budget implications of PPP projects should be carefully managed to ensure:
  - ✓ the **sustainability of public finance**;
  - ✓ the capacity of the Government to fulfil its long-term commitments;
- The interests of the end users, project affected persons, private and public sector entities and other stakeholders should be protected.



## Models

### *A PPP Policy Document for Myanmar*

- **User fee based PPP:**

where a Private Partner builds and/or renovates a public asset by using its own funds or funds it has raised, operates it within the period specified in the PPP contract and ***collects fees from users of the public asset or service***, and transfers the asset upon the expiration of the PPP Contract to the public entity in accordance with the conditions specified in the contract

- **Availability based PPP**

*.... receives regular performance-based payments from the public partner*  
at regular intervals... ;

- **Operating concessions:**

whereby the Private Partner has to operate a public asset and carry out maintenance at its own risk, depending on revenue from users - but the public entity remains the owner of the public asset, and is responsible for investment in it



## Means of Implementation

### *Defining a Roadmap*

- Legal and Regulatory Frameworks
- Institutional Arrangements
- Government Support Mechanisms
- Guidance Materials and Capacity Building

➤ *Objectives – Actions - Timeframe*





*Th@nk you*

website: [www.unescap.org/our-work/transport](http://www.unescap.org/our-work/transport)

Info.: [escap-ttd@un.org](mailto:escap-ttd@un.org)

