High-Level Expert Group Meeting on PPP
11-13 November 2012, Tehran

Role, structure and function of PPP Units

Transport Division, UN ESCAP
http://www.unescap.org/ttdw/ppp/index.html
Why a PPP Unit may be needed

Managing a successful PPP Programme/projects depends greatly on:

Capacity in specialized functions including to identify and develop projects; evaluate alternative financing options; optimal risk transfer; and negotiate contract and manage projects and contracts

However, necessary skills for such tasks is often lacking in the public sector
Response by Some Governments

Created dedicated PPP Units to consolidate necessary skills and bring forward portfolios of suitable projects across all sectors

Roles, organizational structures, functions, staffing and funding of such units however vary by country
PPP Units/ Programmes

- Public-Private Partnerships in India, Ministry of Finance
- Private Infrastructure Investment Management Center (PIMAC), ROK
- Public-Private Partnership Center (PPP Center), Philippines
- Directorate of Public-Private Partnership (PPP), Bappenas, Indonesia
- Infrastructure Investment Facilitation Centre (IIFC), Bangladesh
- Infrastructure Project Development Facility (IPDF), Pakistan
- PPP Unit, Board of Investment, Sri Lanka
- Gujarat Infrastructure Development Board (GIDB), Gujarat, India (also in many other states)
- Partnership Victoria (Australia; similar in other states)
Functions of PPP Units

- Advice on policy and programmes
- Project development and evaluation
- Marketing/promotion of projects
- Ensuring uniformity of policy standards,
- Quality control, standardization
- Technical assistance to government agencies
- Financial support for project
- Knowledge transfer, training, resource material
- Providing support in the procurement process
Organizational set-up and funding

Established under law or administrative decree

Location
- Within government
  - Cabinet
  - Senior Ministry and/or Sectoral Ministry
- Semi-autonomous/state-owned company
- Separate corporate entity

Funding
- Operational
  - Government budget/Department’s budget
  - Fee (from agencies and private sector)
  - Grant from donors
- Project development
  - Revolving fund, Fee, Government’s PDF support
Observations and conclusions from ESCAP EGMs

Organized EGMs to discuss issues in PPP including PPP units. Some observations and conclusions were:

Similarities in functions of PPP units

Structures are quite different – but largely a reflection of different systems of government

Funding was an issue (operational and project development)

Follow different approaches to achieve roughly similar objectives

As the system of government and its overall administrative structure vary by country, it is not possible to consider a common structure for PPP units
# Function of PPP Units

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Function</th>
<th>Policy formulation and coordination</th>
<th>Quality control</th>
<th>Technical assistance</th>
<th>Promote/ market PPPs</th>
<th>Standardization and dissemination</th>
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Key: √ = intended function, and effective; X = intended function, but ineffective; O = intended function, but effectiveness unclear; — = not an intended function

Source: World Bank, PPIAF Study; 2007
### PPP Units/Programmes

<table>
<thead>
<tr>
<th>None to Few Functions</th>
<th>Some Functions</th>
<th>Most to All Functions</th>
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<tbody>
<tr>
<td>Jamaica, Bangladesh</td>
<td>South Africa</td>
<td>Portugal, South Korea</td>
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Source: World Bank, PPIAF Study; 2007
Lessons from the World Bank-PPIAF Study

Countries with less effective PPP programmes tend to have less effective PPP Units.

A PPP Unit may not be very effective without high-level political support.

Relatively successful PPP Units directly target specific areas of deficiencies in government agencies.

The authority of a PPP Unit must match what it is expected to achieve.

The location in the government is among the most important design feature of a successful PPP Unit.
Purpose of this panel discussion

- Revisit the issue (and share experience)
  - Role, structure and function of PPP units
  - Staffing (skills, source etc)
  - Funding (operational and project development)
- Are there any mistakes/any lessons?
- Possibility of cooperation
- Advice / suggestions for countries that are considering new PPP units
Thank you