

Basis

Approach

PPP in Action

# CDIA's "Quick Start" PPP Guide Changwon

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## What is a Public-Private Partnership (PPP)

- It is a PARTNERSHIP. Sharing risks and liabilities.
- Feasible.
- Public authority retains final responsibility.

## What is not a PPP?

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- PPP is not a simple outsourcing of functions or services.
- PPP is not a donation by a private party for a public good.
- PPP is not primarily a privatization or the divestiture of state assets and/or liabilities
- PPP is not the “commercialization” of a public function by the creation of a state-owned enterprise (SOE)
- PPP is not more borrowing by the local authorities.

## What are the advantages?

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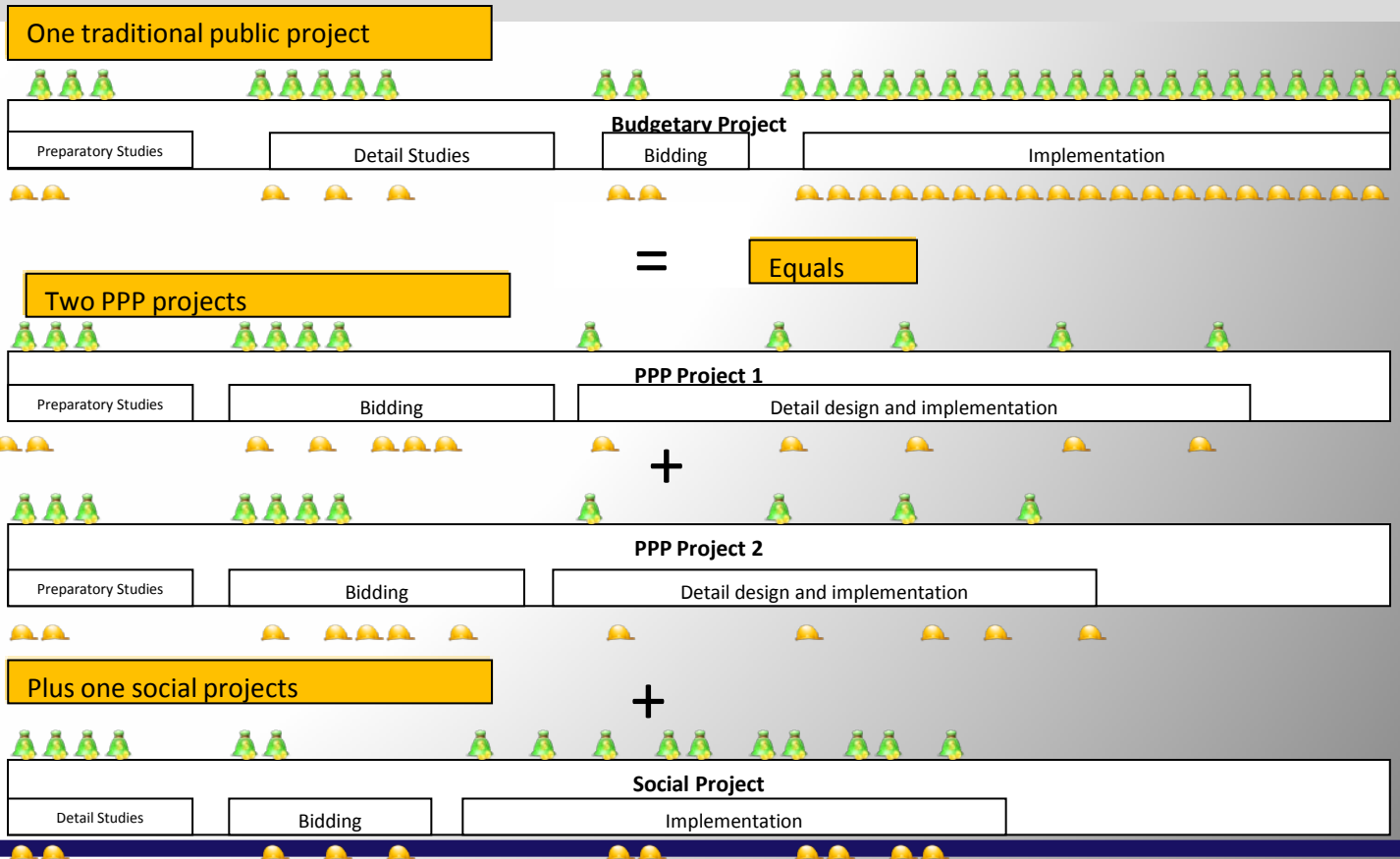
- Leveraging public funds.
- Faster project implementation
- More services.
- Better services.
- Enhanced *accountability*.

# What are the advantages?

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Figure

# What are the principles?

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PRIVATE PUBLIC

*Value for Money*

*Cost Recovery/Profitability*

*Public Service Facility*

*Operate under long-term  
Contract*

*Public beneficiary of enhanced  
assets*

*Financial Risks*

*Force Majeure/Land Acquisition  
Risks\**

*Construction Risks*

*Feasibility*

*Ownership &  
Operations*

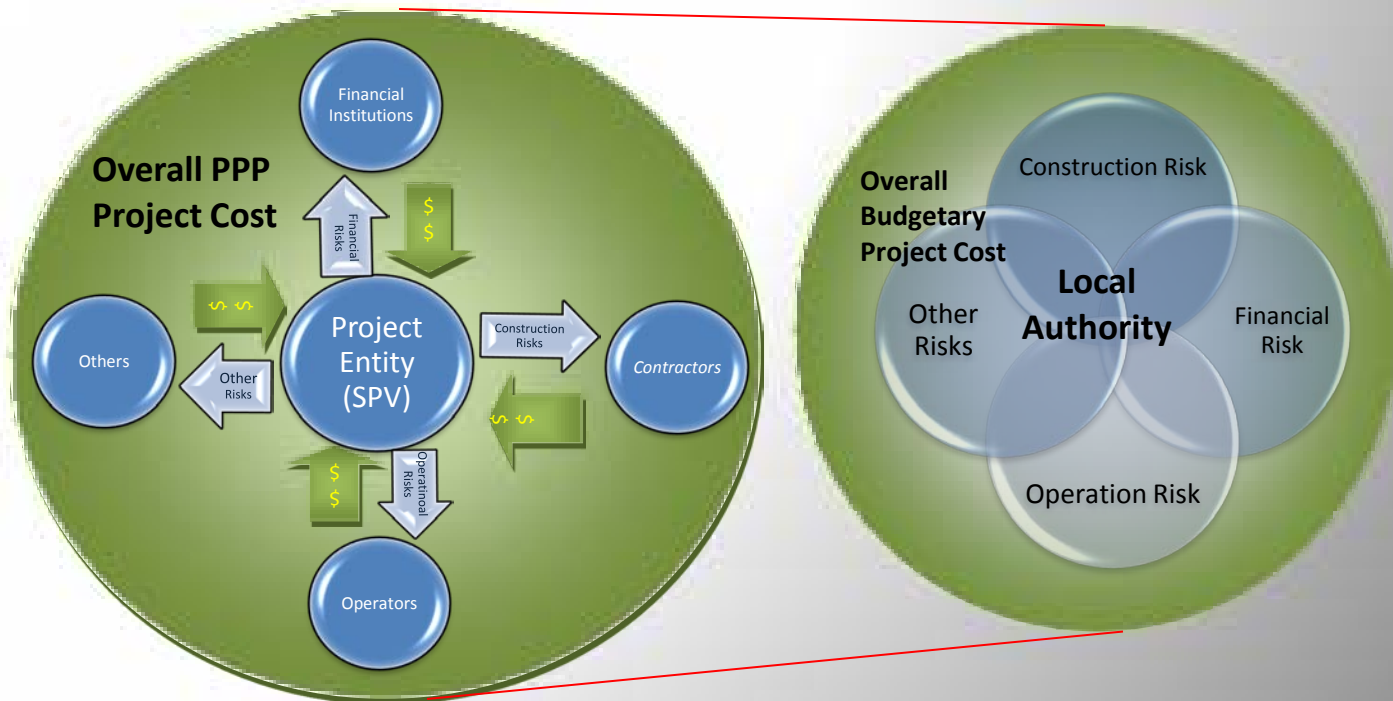
*Risk Allocation*

# What is the Value for Money Concept?

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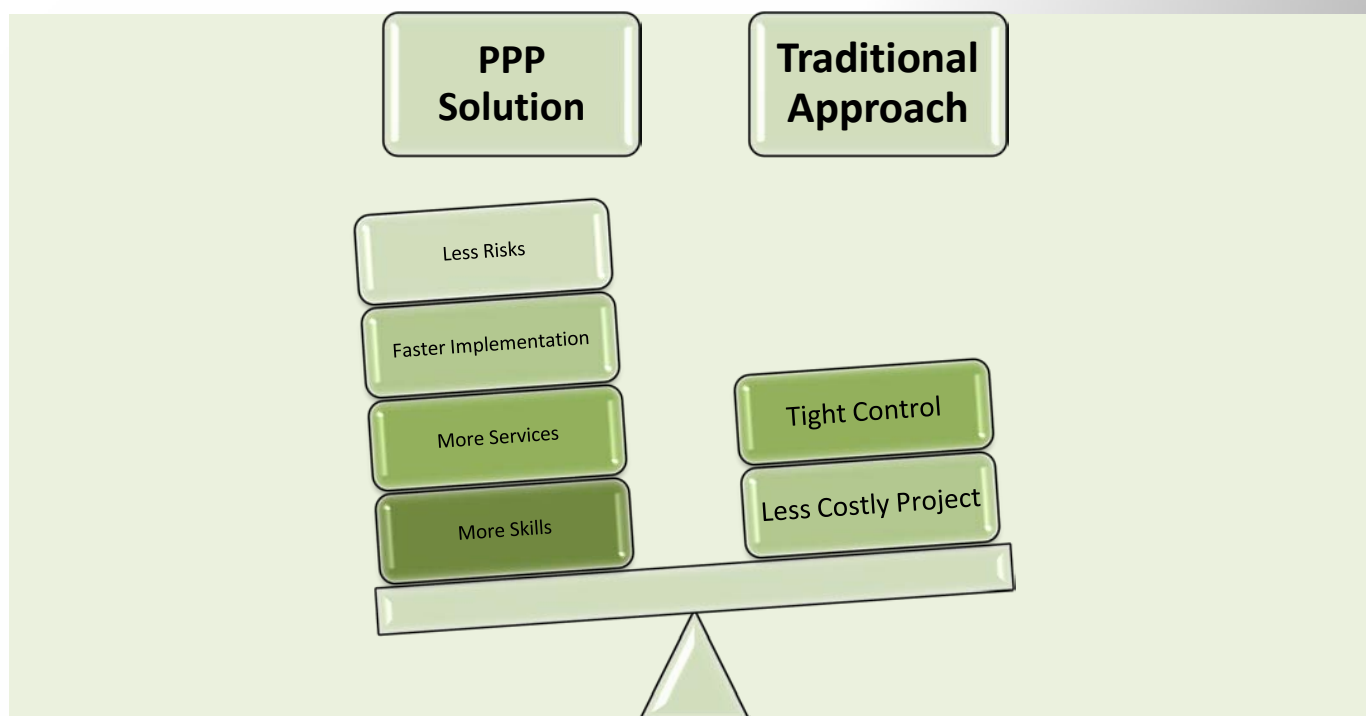


# What is the Value for Money Concept?

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# Which sectors are most suitable for PPP?

- Transportation
  - Roads & bridges
  - Passenger & freight railways, light rails systems
  - Metros & subways
  - Ferries
  - Bus lines
  - Transport hubs & terminals
  - Airports & ports
  - ...
- Utilities
  - Water treatment & distribution
  - Sewage systems & wastewater treatment
  - Solid waste treatment
  - Power generation & distribution
  - Central heating & cooling systems
  - ...
- Services
  - Hospitals & jails
  - City government offices
  - Sports facilities & auditoriums
  - Police & fire stations
  - Libraries
  - School & university dormitories

# What is required for a successful PPP?

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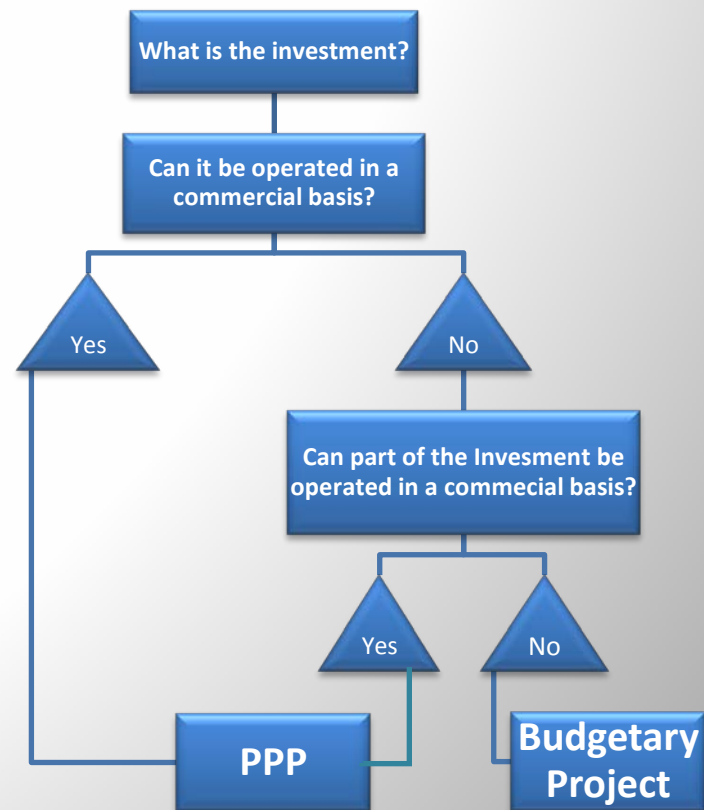


## How can we spot a good candidate for PPP project among our development plans?

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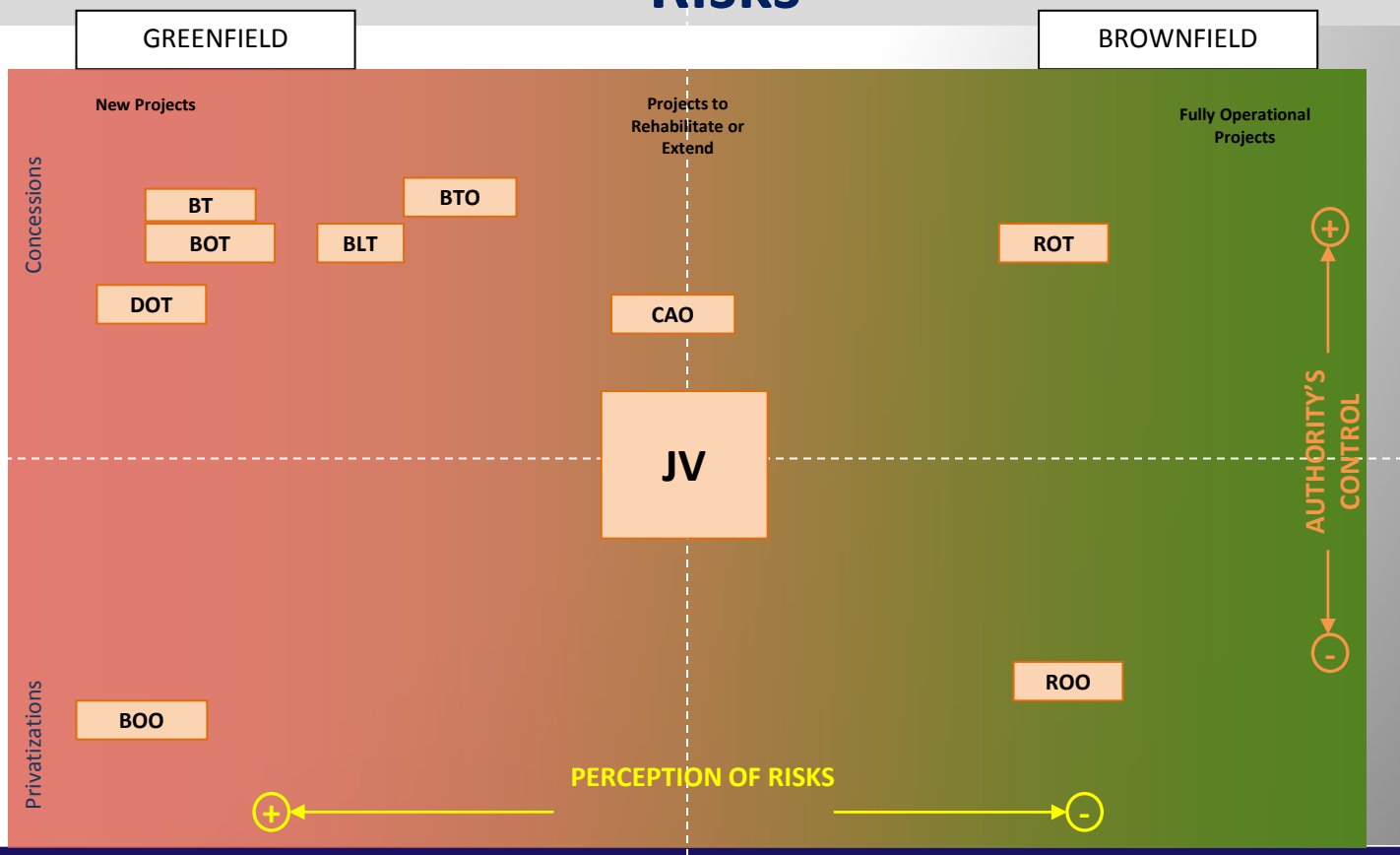


# Possible PPP Arrangements and Perception of Risks

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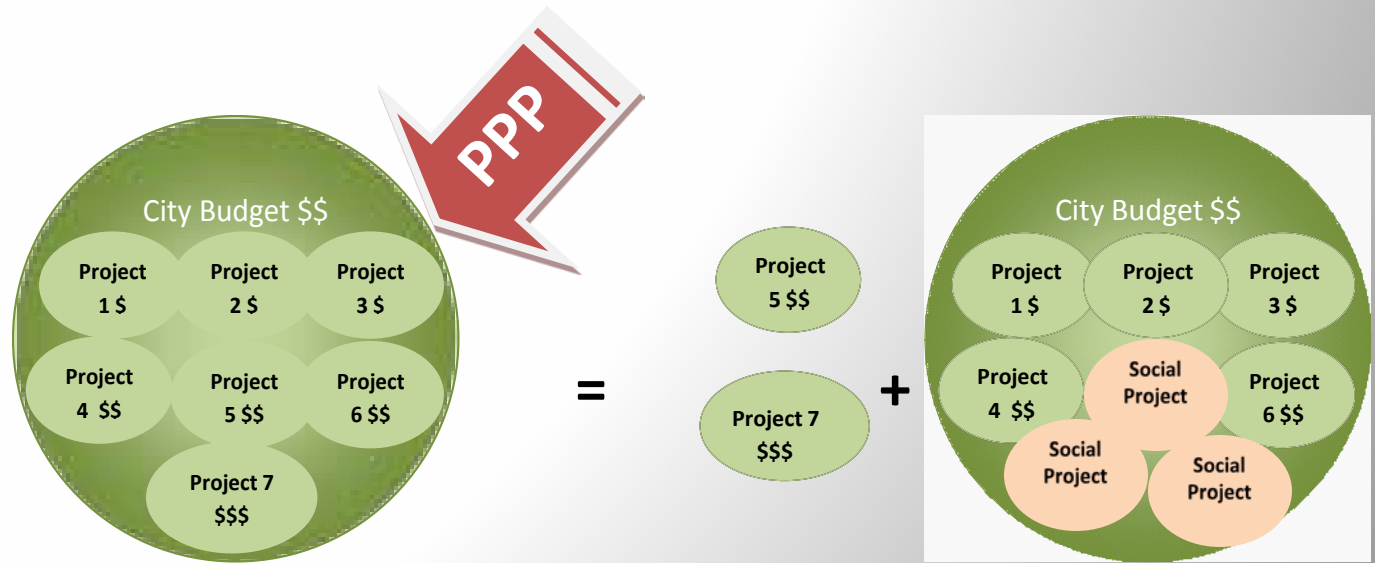


# Can PPP support our goals of poverty reduction and improved living standards?

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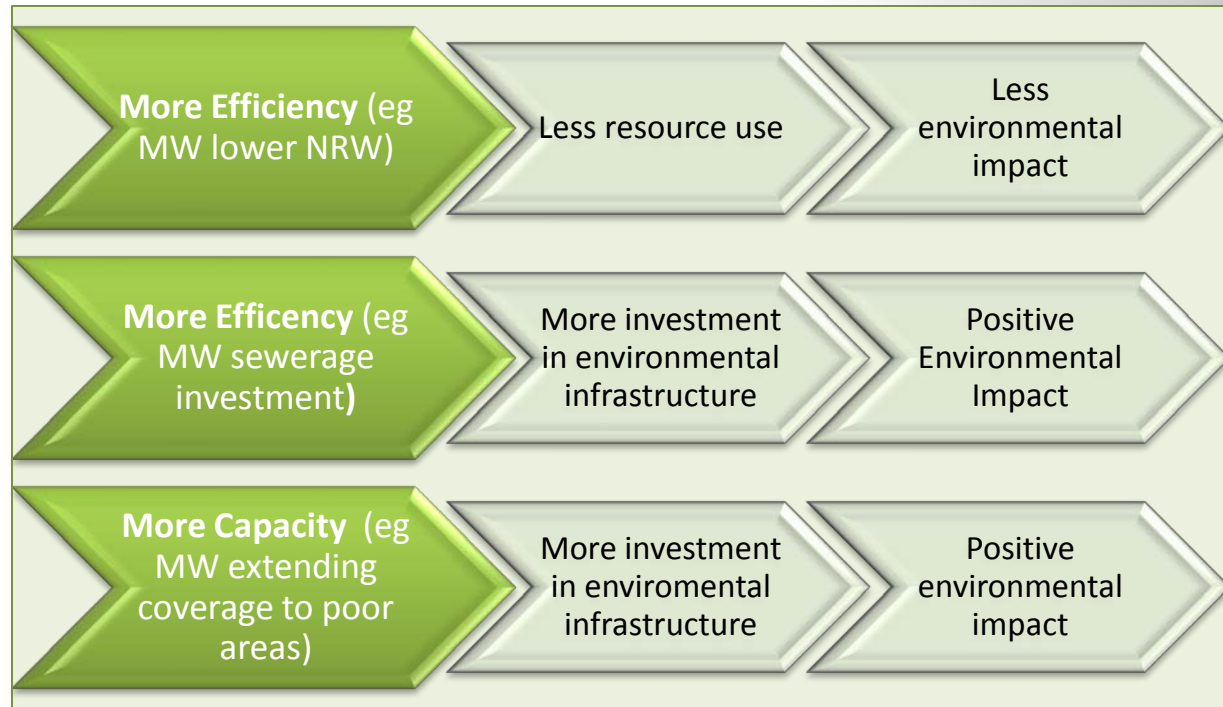


# What about the environment?

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# Who are the typical stakeholders in a PPP? How should they be involved and when?

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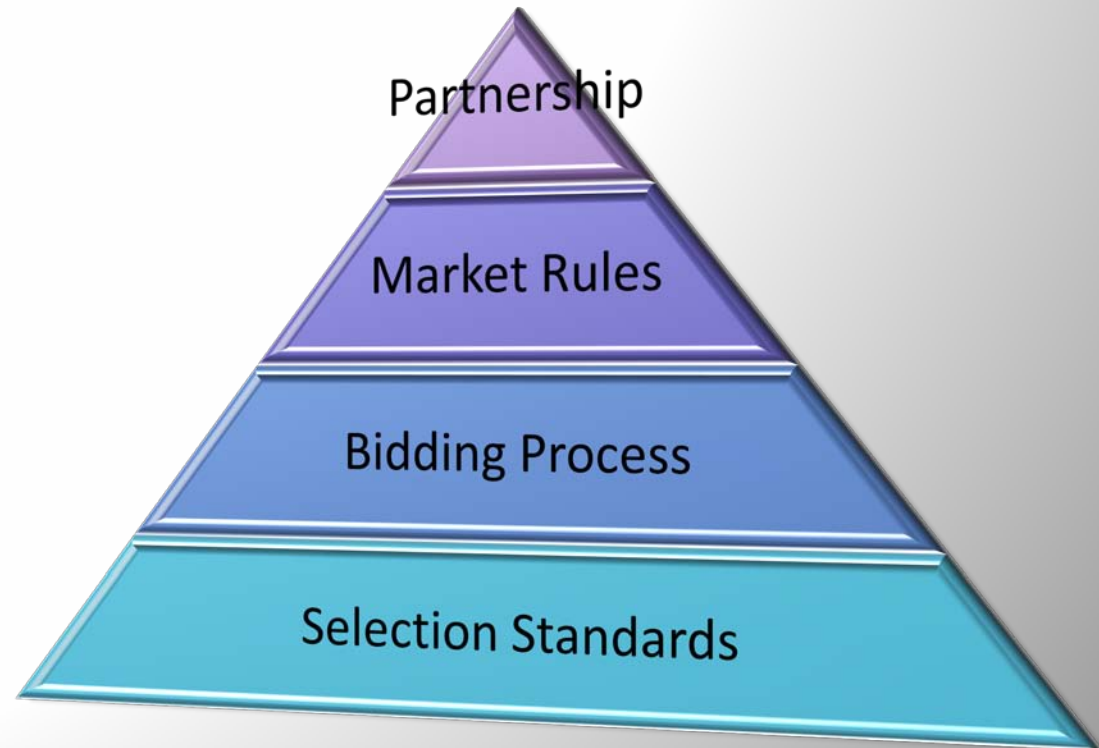


# What changes do we have to make to use this approach?

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## CDIA Implementing PPPs

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- Banda Aceh (Indonesia)
- Iloilo (Philippines)
- Faisalabad (Pakistan)

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# Banda Aceh (Indonesia)

## Keudah Bus Terminal

- Leveraging public assets.
- Implementing side projects.
- Improving environmental and social conditions.

# Iloilo (Philippines)

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## Ferry Terminal

- Accessing social problem.
- Facilitating mobility.
- Improving tourist facilities.
- Leveraging public assets.

# Faisalabad (Pakistan)

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- Stretching planning
- Improving economic development
- Catalyzing the involvement of the private sector.

**감사합니다**  
**Kahn Sah Ham Nida**  
**Thank You**