

**Recommendations by the UNECE PPP Business Advisory Board to the
Government of the Republic of Belarus
Minsk, 24-25 September 2015**

Following a number of high level consultations with senior officials in Belarus on 24-25 September 2015, the UNECE PPP Business Advisory Board (BAB)* is pleased to make the following recommendations to the Government of Belarus for its consideration:

1. Improving the draft PPP law

While the draft PPP law is a big step in improving the legal framework, four challenges needed to be addressed, namely:

- i. Remove the conflict with Concession and Investment legislation;
- ii. Improve the project selection process;
- iii. Include provisions on direct agreements; and
- iv. Add a reference to the institutional framework (PPP unit).

Expected outcome

Incorporating these recommendations will ensure that the PPP law in Belarus is fully compatible with international PPP legal best practices, including the model PPP law.

2. Seven Priority Projects

Out of the seven projects identified as pilot projects, the following five projects were ready for the next phase (pre-feasibility/business case):

- i. M 10 toll road;
- ii. Healthcare facilities in Grodno;
- iii. Hydroelectric power station in Vitebsk region;
- iv. Preschool institutions in Minsk region; and
- v. Road project in Gomel.

Additional work however may be needed on the following two projects in order to get them 'PPP ready':

- i. Incineration plant in Mogilev region; and
- ii. The "Brest Hero Fortress" project.

The main issue with the incineration plant in Mogilev region was the complexity of the tariff structure, more specifically how to combine the tariff for the collection of solid waste with the feed in tariff. Waste-to-energy projects are very complex to implement and indeed might not be suitable as pilot projects.

The project in Brest might be better implemented as a joint venture rather than as a PPP, where the hotel could be operated by the private sector while an infrastructure upgrade in the fortress itself is funded by the government.

Expected outcome

Better prioritisation and sequencing in PPP delivery and more attractive project pipeline for prospective investors.

3. PPP unit

International best practices dictate that a strong PPP unit was necessary to act as a “one stop shop” for investors and to kick start the PPP process in a country getting started. Experience from around the world shows that the better performing countries have their PPP units at the office of the president or prime minister, ministry of finance or ministry of economy. It is understood that there is currently an internal political debate going on in Belarus on where the PPP Unit should be located, and these best practices should be followed to ensure that PPPs are introduced successfully in Belarus.

Expected outcome

A more fully resourced and well positioned PPP unit within the Government steering the country in the direction of a dynamic and successful PPP programme.

25 September 2015

* The delegation consisted of the following persons: of Mr. James Stewart (BAB Chairman), Mr. Bruno de Cazalet, Ms. Julie de Brux, Mr. Vitaly Maximov, Mr. Geoffrey Hamilton, Mr. Tony Bonnici, Ms. Tetiana Bessarab and Mr Rumen Dobrinsky.