

Public-Private Partnerships in the Kyrgyz Republic

Bishkek, Kyrgyz Republic

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The Key Factors in Attracting Investment in PPPs

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Completed PPP Projects (U.S.)



Union Station, Washington, DC



JFK International Terminal 4, New York



Las Vegas Monorail, Nevada



Port of Galveston, Texas

Completed PPP Projects (U.S.) cont.



James F. Oyster School, Washington, DC



Hancock Geriatric Treatment Center, Williamsburg, VA



Fredericksburg, VA Parking Lot



Tolt Water Plant, Seattle, WA

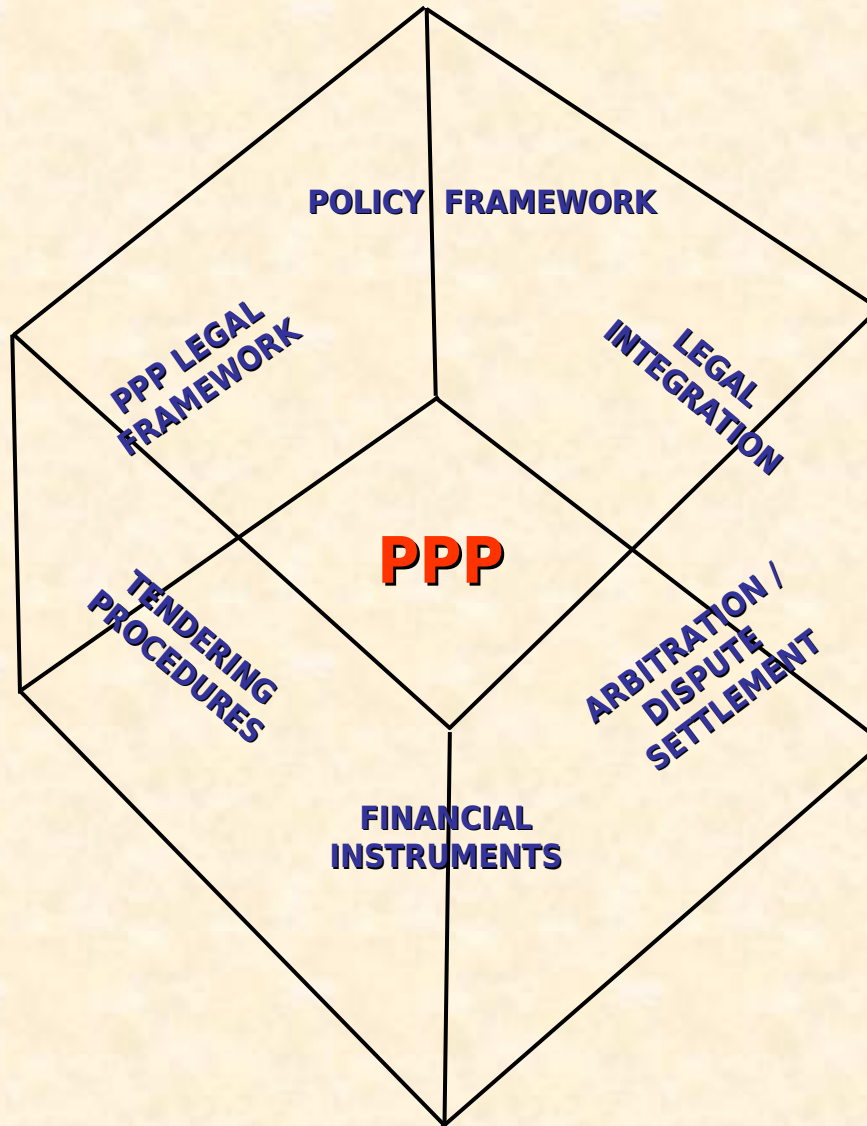
Attracting Private Sector Investment

- The private sector chooses which projects to participate in from amongst many investment alternatives. Investors seek investment opportunities where they may reasonably anticipate a fair return on their investments.
- The first key: a sound project with a solid business case.
 - Even better, a visible stream of bankable projects.

Beyond the Business Case

- Transparent and predictable policies attract investors and reduce the need for sovereign guarantees.
- “I can finance risk, but I can’t finance uncertainty.”
A major banking firm’s investment representative, 2008

The PPP Enabling Environment



Policy Framework

- High-level Government Support
- Clear Policy Statement
- Central PPP Unit
 - PPP Centrum (Cz), Partnerships UK, Irish Central PPP Policy Unit, Kenniscentrum, Republic of Korea, KDI

PPP Legal Framework

- Create sound legislative basis for PPPs
- Provide clear definitions and applicability
- Provide stable legal framework
- Provide fairness and transparency

Legal Integration

- Establishment of a strong PPP framework does not provide the full legal structure necessary for successful PPPs.
- A holistic approach is required, in which statutes related to property rights, procurement, domestic and foreign investment, etc. are integrated with the PPP law.
- Consistent and objective judicial enforcement is required.

Tendering Procedures

- Public advertisement of PPP opportunities, in a recognized (standard) source or sources, with provision of international exposure
- Clear, detailed Requests for Tender, with full disclosure of all known risks
- Opportunity for bidder comment on Request for Tender
- Clear, detailed tender evaluation procedures, known to all parties, and providing a level playing field
- Clearly stated project goals and objectives

Tendering Procedures *(cont'd)*

- Clearly stated performance standards for assessing project performance
- Open participation in tender process, to include foreign-owned firms
- Qualified tender evaluation board, with subject matter expertise and no conflicts of interest
- Objective, documented evaluation and negotiations process, consonant with the published evaluation factors
- Public notice of award, with debriefing opportunity for unsuccessful bidders

Arbitration / Dispute Settlement

- Inclusion of dispute resolution procedures, to include third-party arbitration and/or choice of forum (access to international arbiters or bodies)

Financial Instruments

- Creation of financial structures which will facilitate generation of project capital
- Availability to security instruments on the assets and cash flow of PPP projects, to include “step in” rights

For More Information

See the UNECE PPP Alliance's

"Governance in Public Private Partnerships for Infrastructure Development"

at

http://www.unece.org/ceci/publications/ppp_r.pdf (Russian)

Or

<http://www.unece.org/ceci/publications/ppp.pdf> (English)