

**Comment 1 (GC)**

I feel the CEFACT project could add value to the body of knowledge and improve the understanding of PPP and its potential use for trade facilitation. However, (there is usually a ‘but’) I have some doubts about the current direction of the project. The amount of input from the legal profession might lead the group to become enmeshed in legal issues. ....The Group should not lose sight of the overall objective of the project, the ways PPP could be employed to introduce trade facilitation tools and techniques to enhance and improve trading performance of a country.

First, the Group should remember the reasons a PPP is usually selected. Among other factors, the main reason is that a country (usually developing or an economy in transition) does not have either the finance or skills (or often both!) to implement much needed trade facilitation measures. So it seeks a partner to overcome the deficiency. The partner does not have to come from the private sector, it is entirely possible that the collaboration could be with a (more advanced) trading partner country or with a donor organisation offering capacity building opportunities.

Second, within the scope of the project, PPP should not include infrastructure development such as building roads or railways, or constructing port facilities, or delivering ICT systems. Generally these are capital expenditure projects initiated by a country as part of a national modernisation programme. Such contracts have the country acting as the ‘Buyer’ or ‘Customer’ dictating the shape and structure of the final product. The terms and conditions of the contract are subject to strict delivery and performance criteria (with penalties if they are not met) and usually governed by demand or similar guarantees.

**Comment 2 (LT)**

"• We should concentrate on the pitfalls to avoid in TF-PPPs (and not just the positive points and organizational points)

Special consideration should be given to access of services by end-users (in the context of their economy). Will the final solution be affordable? Will operators equally be able to access it (financially & physically)? Etc.

Until now we have pointed out the need to plan ahead in the preparation of the project and the contract... But what are some of the results if this preparation has not been taken? (one-sided contract, no recourse for absence of service, etc.)

• As a practical recommendation, aiming to provide guidance, these “pitfalls to avoid” could help as much as the different steps to be taken.

**Comment 3 (MD)**

Under Trade Corridors Joint Border Posts /One Stop Border Posts are very topical and potentially offer PPP opportunities but come with significant issues that require attention which need to be addressed at the preliminary end of the cycle. These include; Legal/Regulatory Framework covering issues like cross border land ownership on which border facilities will be sited, as well as cross border jurisdictional powers, Institutional Structures i.e. ensuring inter agency operational collaboration both nationally and internationally across the border, Infrastructure and equipment ownership i.e. new build or re-design and refurbishment, ICT particularly cross border protocols for information and data exchange and last but definitely not least capacity building.

The best corridors do have a management authority which is a public body . There are however assets along a corridor e.g. road sections, border posts, ports, dry ports, which could be managed as discreet PPPs and even within ports/dry ports there are assets and activities that can be packaged as separate PPPs e.g. berths/wharves, scanner operations. the biggest question is always a suitable level of user charging that doesn’t of itself become a barrier to trade. When governments have invested in trade infrastructure and passed on the investment cost as a user charge e.g. New Zealand, the maximum ‘acceptable’ charge as advocated by the WTO has been no more than cost recovery.

C	Chapter Topic	Section number	Section	Comment
1	Contents	1.0	Definitions of PPP In general (Commercial/infrastructure, Developmental and Hybrid/Blended and triangular)	Sharing of risk but also retain balanced service delivery between public and private sector
		1.1	TF definition of PPP	
2	General health warning on suitability of PPP for TF	2.01	Barriers to trade	
		2.02	Generation of Super profits	
		2.03	Public Sector perceptions and concerns	Governance and monitoring and evaluation
		2.04	Cost to the public and the public purse	
			risk of PPP model!!!!	
3	Introduction	3.01	Infrastructure other than ICT	Turnover??? Biggest area of spend
		3.02	ICT infrastructure	EU Research ICT healthcare Agric etc
		3.03	Development PPPs (Capacity Building)	
		3.04	Hybrid	
4	Country Diagnostic	4	Business/economic/legal/institutional environment	Including availability of service providers and investors
	Business Cases	5	5 case model Feasibility study (independent) Procurement Process	Supra National legal umbrella of international contracts Need to mention Transparency in tender process open approach
4	Infrastructure other than ICT	6.01	PPP Definition as per UN	
		6.02	Introduction (including barriers to trade/entry)	
		6.03	Definition	
		6.04	Typical characteristics of PPP (Component Parts)	
		6.05	Best Practice Model – Build Manage Operate	
		6.06	Unitary Charge	
		6.07	Performance Models	
		6.08	Affordability	
		6.09	VFM	
		6.1	Contract Length	
		6.11	Asset Ownership (Public)	
		6.12	Communication and Integration with other ICT	

5	ICT Infrastructure	7.01	Introduction (including barriers to trade/entry)	
		7.02	Definition	
		7.03	Typical characteristics of PPP (Component Parts)	
		7.04	Best Practice Model – Build Finance Operate Transfer	
		7.05	Affordability	
		7.06	User charges	
		7.07	Element of Public Charging (availability and performance)	
		7.08	Performance Models	
		7.09	VFM	
		7.1	Contract Length	
		7.11	Asset Ownership (Public)	
		7.12	Communication and Integration with other ICT	
6	Development PPPs	8.1	Introduction (including barriers to trade/entry)	
			Definition (capacity building)	Private/Public and third sectors
		8.2	Typical characteristics of PPP (Component Parts)	
		8.3	Best Practice Model – Build Finance Manage Operate Transfer	
		8.4	User Charges	
		8.5	Performance Models	
		8.6	Contract Length	
		8.7	Asset Ownership	
		8.8	Communications and Integration with other ICT	
7	Hybrid/blended / triangular PPPs	9.0	Introduction	Private/public and Third Sector
		9.1	Definition	
		9.2	Typical Characteristics	
		9.3	Best Practice Models	
		9.4	Surpluses Generated	