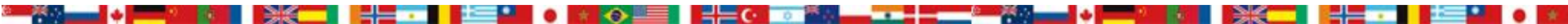


# Public-Private Partnership

UN/CEFACT 21<sup>st</sup> Forum, Geneva, CH

Thursday, April 18<sup>th</sup> 2013

Meeting Room: Salle XXIII



# PPP & Trade Facilitation

## Context of ITPD and UN/CEFACT

Johan PONTÉN  
ITPD Coordinator



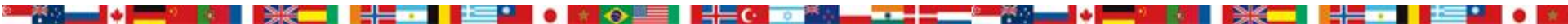
## Trade Facilitation - why bother?

- Additional day of delay in shipping reduces trade by 1 percent. Equivalent to a country getting 70 km further away. (Djankov, Freund and Pham, 2006)
- Studies show that 1 day delay is equivalent to 0,5% tariff
- The Number of signatures and documents needed for a trade transaction correlates with number of days spent at the border (OECD)
- Trade transactions costs due to trade procedures : between 1 and 15 % of import value (OECD)
- If Sub-Saharan Africa were to reduce number of signatures to world average it would mean cutting signatures by 82,5 %, but would also theoretically mean an increase in trade flows by 81,5 % (OECD Trade Policy Working paper no. 42, Wilson, 2005)
- Every extra day needed to ready goods for export and import reduces trade by around 4%. ... the impact of an extra day that goods spend at the border has a greater negative impact on trade flows than an extra day spent at sea delivering a container of goods. (OECD Trade Policy Working Paper no. 108, Korinek, Sourdin, 2011)

# Public-Private Partnership General Overview

UN/CEFACT 21<sup>st</sup> Forum, Geneva, CH  
Thursday, April 18<sup>th</sup> 2013  
Meeting Room: Salle XXIII

Dr. Lance THOMPSON, Conex



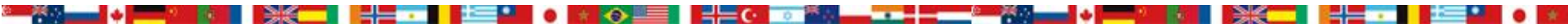
# Proposed Agenda

- Part 1: Establishing the context
  - General Introduction
    - Mr. Johan PONTÉN, UN/CEFACT & Swedish Board of Trade
    - Mr. Lance THOMPSON, UN/CEFACT & Conex
  - UNECE PPP Team of Specialists
    - Tony BONNICI, UNECE
  - UNCITRAL current work on Procurement, PFIP and probable future work on PPP
    - Jae Sung LEE, UNCITRAL
- Return on experience of implementing PPP in Trade Facilitation
  - Michael KNOX, SGS
  - Maurice DIAMOND, Crown Agents



# Proposed Agenda

- Part 2: ITPD PPP Recommendation Project Pertinence Study
  - Q&A with the presenters
  - Group discussion to establish the pertinence of a PPP Recommendation Project
  - What would be the recommendation to be promoted?
  - First attempt at setting down key elements for themes to be addressed in such a recommendation



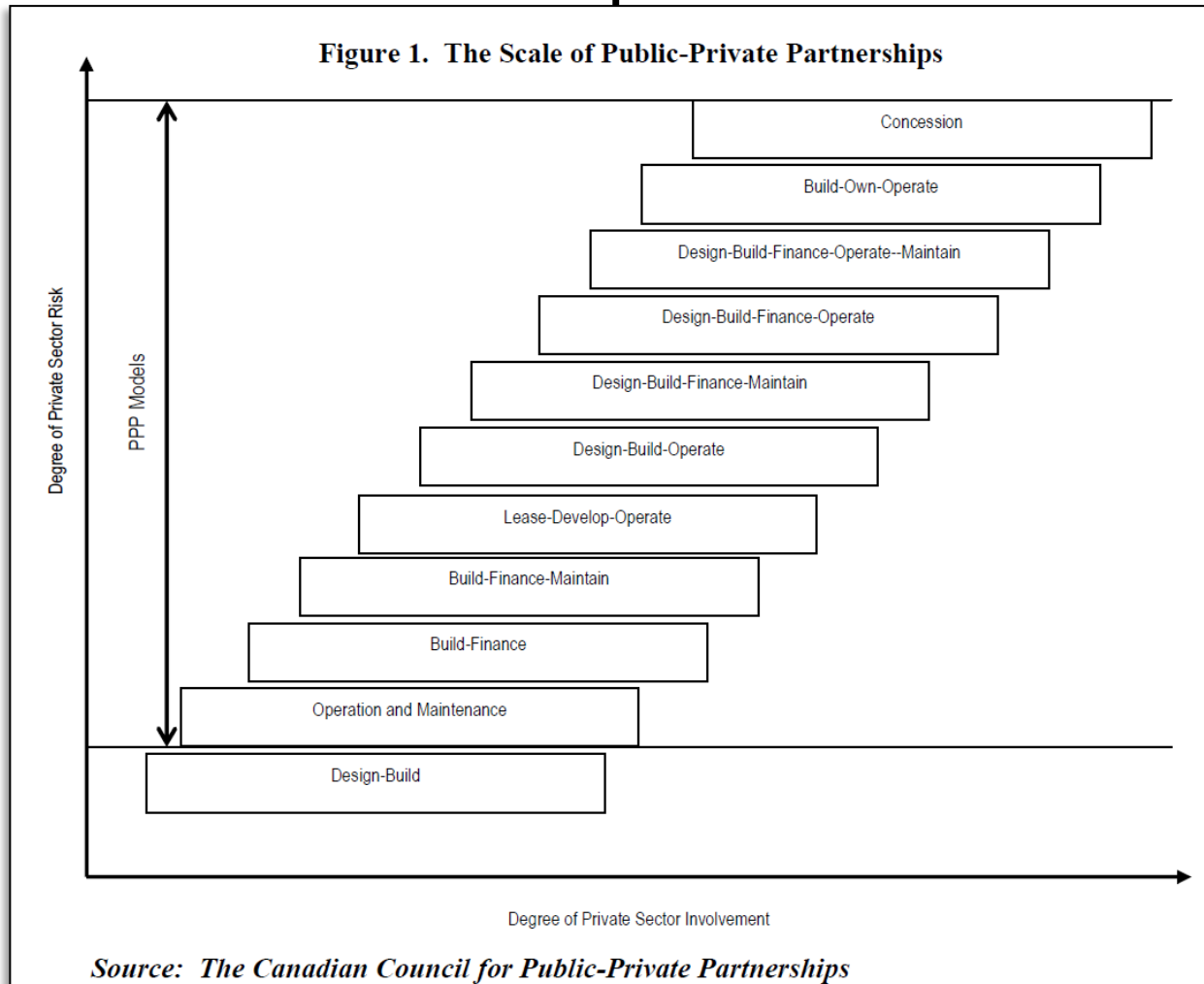
# PPP General Presentation

- Public-Private Partnerships (PPPs) aim at financing, designing, implementing and operating public sector **facilities and services.**
- Two types of PPP:
  - Joint venture
  - Contractual (includes concessions)



# PPP General Presentation

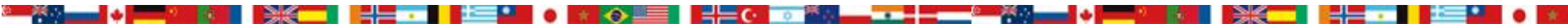
- Various models of responsibilities & risk:





# PPP General Presentation

- PPP is not privatization
- PPP is not public procurement
  - Often the selection of PPP private partner is conducted through a procurement process
- PPP can often be a **source of innovation**



# PPP General Presentation

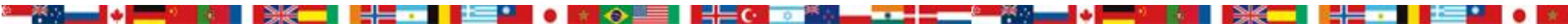
**Table 1. Three stages of PPPs development**

Stage One	Stage Two	Stage Three
<ul style="list-style-type: none"> <li>• Define policy framework</li> <li>• Test legal viability</li> <li>• Identify project pipeline</li> <li>• Develop foundation concepts (PSCs etc)</li> <li>• Apply lessons from earliest deals to other sectors</li> <li>• Start to build marketplace</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce legislative reform</li> <li>• Publish policy and practice guidelines</li> <li>• Establish dedicated PPP units</li> <li>• Refine PPP delivery models</li> <li>• Continue to foster marketplace</li> <li>• Expand project pipeline and extend to new sectors</li> <li>• Leverage new sources of funds</li> </ul>	<ul style="list-style-type: none"> <li>• Fully defined, comprehensive “system” established</li> <li>• Legal impediments removed</li> <li>• PPP models refined and reproduced</li> <li>• Sophisticated risk allocation</li> <li>• Committed deal flow</li> <li>• Long-term political consensus</li> <li>• Use of full-range of funding sources</li> <li>• Thriving infrastructure investment market involving pension funds and private equity funds</li> <li>• Well-trained civil service utilises PPP experiences</li> </ul>



# PPP General Presentation

- The role of public governance in PPP in seven key principles:
  - A coherent PPP policy
  - Strong enabling institutions
  - Legal framework « fewer, better, simpler »
  - Cooperative risk sharing and mutual support
  - Transparency in procurement process
  - Putting people first
  - Achieving sustainable development



# UN/CEFACT ITPD & PPP

- PPP are often used to create key infrastructure:
  - Transport Projects (e.g. roads), Hospitals, Water Treatment, Social Housing, Energy...
  
- The area of activity of ITPD is “Trade Facilitation”
  - Therefore, the only PPP that we should be concentrating on are those which have a direct impact on Trade Facilitation. These may include:
    - Electronic systems (for customs clearance, single window...)
    - Outsourced border controls
    - Trade – Transit Corridors



# UN/CEFACT ITPD & PPP

- Some factors that ITPD would most likely want to concentrate on:
  - Cost of solutions resulting from PPP (ensure that it does not create an unreasonable financial barrier for operators)
  - The public agency in charge (ensure that it is an actor on the supply chain that is involved in international trade)
  - Reference to best practices



# PPP – Some Key Actors

- UNECE
  - <http://www.unece.org/ceci/ppp.html>
  - UNECE PPP ICoE (International PPP Centre of Excellence)
    - <http://www.unece.org/ceci/ppp.html>
- UNCITRAL
  - Model Law on Public Procurement
    - [http://www.uncitral.org/uncitral/en/uncitral\\_texts/procurement\\_infrastructure/2011Model.html](http://www.uncitral.org/uncitral/en/uncitral_texts/procurement_infrastructure/2011Model.html)
  - International Colloquium on PPP 2-3 May, Vienna
    - <http://www.uncitral.org/uncitral/en/commission/colloquia/public-private-partnerships-2013.html>
- WTO
  - Government Procurement
    - [http://www.wto.org/english/tratop\\_e/gproc\\_e/gproc\\_e.htm](http://www.wto.org/english/tratop_e/gproc_e/gproc_e.htm)



# UN/CEFACT ITPD Contacts on PPP

- Dr. Lance THOMPSON
  - International Development Manager, CONEX
  - 19, rue d'Orléans, 92523 Neuilly-sur-Seine cdx, France
  - +33 1 47 59 09 62
  - [lance.thompson@conex.net](mailto:lance.thompson@conex.net)
  
- Mr. Malcolm McKINNON
  - MCM Trade Consulting
  - +44 7866 603424
  - [malcolmmckinnon1@gmail.com](mailto:malcolmmckinnon1@gmail.com)





# UNECE work on Public-Private Partnerships

**Tony Bonnici**

Secretary, UNECE Team of Specialists on PPPs

**Geneva, Switzerland**

**18 April 2013**







# Contents

- UNECE International PPP Centre of Excellence
- Objectives of the ICoE
- Target Achievements in 2013
- Status of the International PPP Specialist Centres
- New synergy between the UN and Multilateral Development Banks
- PPP options for the renovation of the Palais des Nations





# UNECE International PPP Centre of Excellence Web site

<http://www.unece.org/ceci-welcome/areas-of-work/public-private-partnerships-ppp/icoeppp.html>



**UNECE**  
United Nations Economic Commission for Europe

Home | About UNECE | Main areas of work | Information resources

UNECE » Economic Cooperation and Integration » Areas of Work » Public-Private Partnerships (PPP) » UNECE International PPP Centre of Excellence

**UNECE International PPP Centre of Excellence**

Latest News	Mission
<ul style="list-style-type: none"><li>Defining Excellence in PPPs: Meeting of the International PPP Specialist Centres (25 June 2013, Geneva, Switzerland)</li></ul>	<ul style="list-style-type: none"><li>To help governments do the very best in PPP, addressing many of mankind's most pressing problems, including the greening of the economy and mitigating the effects of climate change and to discover what partnerships in the world constitute excellence and have the most beneficial impact on development.*</li></ul>

**Diagram:** A central globe is surrounded by ten blue rounded rectangular boxes connected by a circular line. The boxes contain the following text: About ICoE, International PPP Specialist Centres, Guides, case studies and readiness assessments, Strategic Heritage Plan and PPP, Working with the private sector, Contacts, Partnering with other UN and International organizations, Donors, Upcoming Events, and Business Advisory Board.

**Navigation Menu:**

- ECI Home
- ECI Home
- About ECI
  - Introduction
  - Committee on Economic Cooperation and Integration (CECI)
    - Introduction
    - Terms of Reference
    - CECI Sessions
    - Bureau
    - Programme of work
    - Secretariat
- Areas of Work
  - Innovation and Competitiveness Policies (ICP)
  - Entrepreneurship and Enterprise Development (EED)
  - Financing for Innovative Development (FID)
  - Intellectual Property Rights (IPR)
  - Public-Private Partnerships (PPP)
    - PPP Home
    - Team of Specialists on Public-Private Partnerships (TOS-PPP)
    - UNECE International PPP Centre of Excellence**
      - Meetings and Events
      - Publications
      - CECI Information Exchange Platform
      - Contact us
    - SPECA Project Working Group on Knowledge based Development
    - Cooperation in Biomass Enterprise Development and Trading
  - Meetings and Events
  - Publications
  - Press Releases
  - CECI Information Exchange Platform
  - Links
  - Contact us



# Objectives of the ICoE

1. Identify international PPP best practices
2. Assist governments to implement best practice successfully
3. Encourage shared learning especially between countries new to PPPs and those with mature PPP programmes





# Target achievements in 2013

➤ 5-6 International PPP Specialist Centres fully

operational

➤ Work started on the Best Practice Guides

➤ Fully operational Business Advisory Board







# Status of the International PPP Specialist Centres

Centre	Location And Host Organisation	Status	Partners	Focal Point
Health	Philippines, Department of Health	MoU signed	ADB, WHO	Celso Manangan
PPP in CIS countries	Russian Federation, the Financial University	Agreement/ exchange of letters	Vnesheconombank	Kirill Malutin
PPP in renewable energy	Morocco, Agence Nationale pour le Développement des Energies Renouvelables et de l'Efficacité Energétique	Expression of Interest	-	Sonia Mezzour
Green PPP	Republic of Korea, Korea Development Institute	Expression of Interest	-	Jungwook Kim
Legislation	France, location to be identified	Expression of Interest	UNCITRAL	Marc Frilet
Regional development	Russian Federation, National Research University – Higher School of Economics	Expression of Interest/ MoU ready to be signed	-	Vladimir Korolev
ICT/ broadband	Azerbaijan, Ministry of Communication and Information Technology	Expression of Interest	-	Nariman Hajiyev
Smart cities	Spain, Business School, University of Navarra	Expression of Interest	-	ppsrc@iese.edu, evabufi@gmail.com
Schools	Germany	Expression of Interest	-	Bernhard Mueller
Water management	Netherlands	Expression of Interest	-	Helena Hernandez
Sector to be identified	Qatar	Expression of Interest	-	Amer Alshamary
Note:	<p>Green font: Specialist Centres established            Purple font: Specialist Centres in the pipeline            Brown font: Specialist Centres under initial consideration</p>			





# UNECE International Centre of Excellence as a new synergy between the UN and Multilateral Development Banks

- United Nations with its power of convening identifying top class models, focusing on upstream
- MDBs implementing best practice models by financing downstream





# ICoE: PPP options to renovate the *Palais des Nations*







# What does a PPP entail in the PdN?

- Refurbishment
- Maintenance and operations
- Regular payments to private sector
- Some services hitherto provided by UNOG will be provided by the private sector
- Different style of work (eg. open plan)







# 3 primary reasons for PPPs:

1. on time delivery
2. to budget
3. innovation

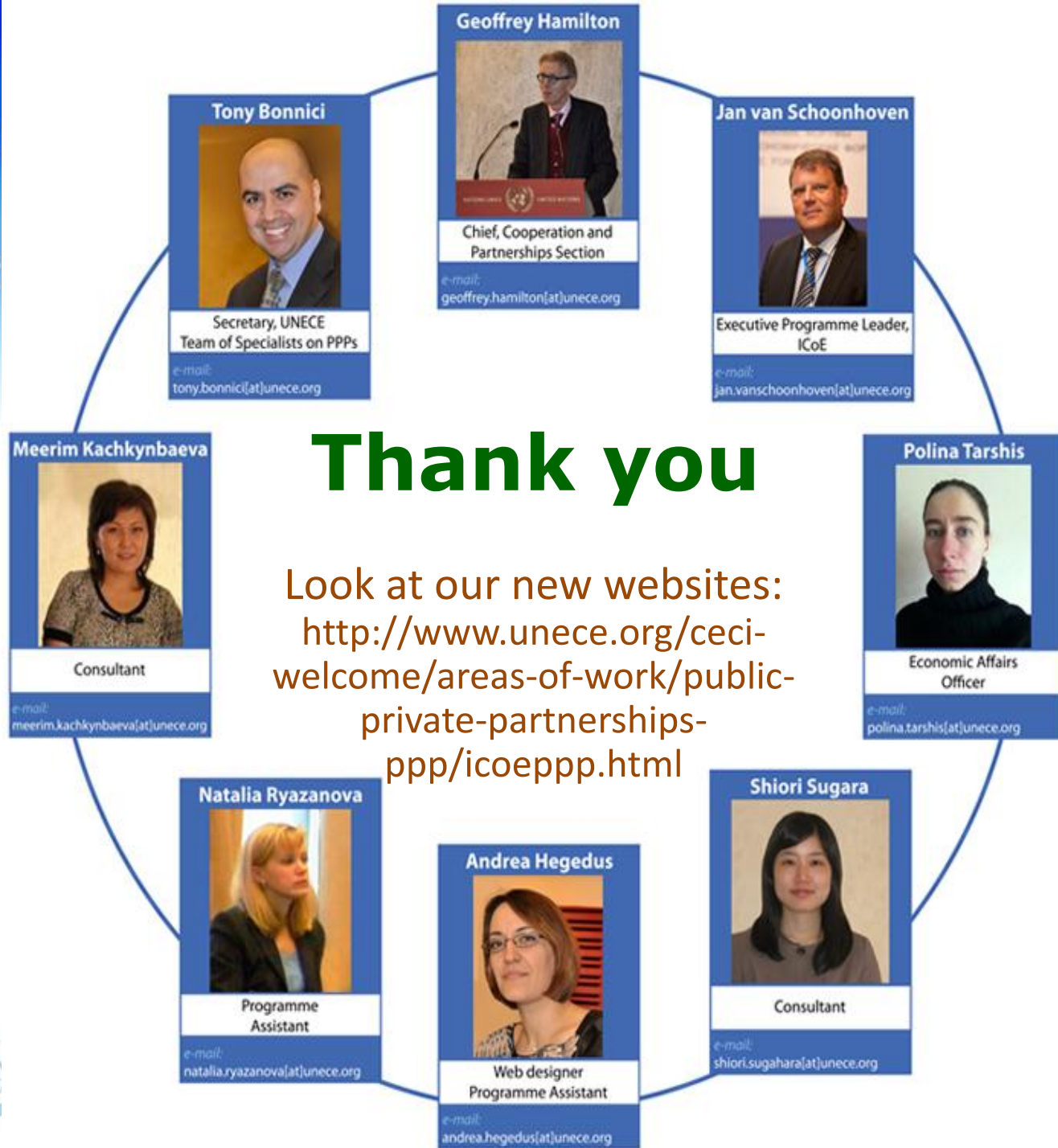




# Twin-track approach:

1. Renovation of the *Palais des Nations* through PPPs
2. Valorization of UN real estate assets





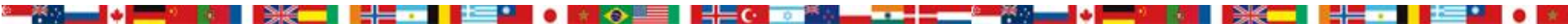
# Thank you

Look at our new websites:  
<http://www.unece.org/ceci-welcome/areas-of-work/public-private-partnerships-ppp/icoeppp.html>



# UNCITRAL current work on Procurement, PFIP and probable future work on PPP

Jae Sung LEE, Legal Officer  
UNCITRAL Secretariat



# Our Experience of Implementing PPP in Trade Facilitation

---

*UN/CEFACT (PPP in Trade Facilitation)*

*Geneva, April 2013*

Michael Knox



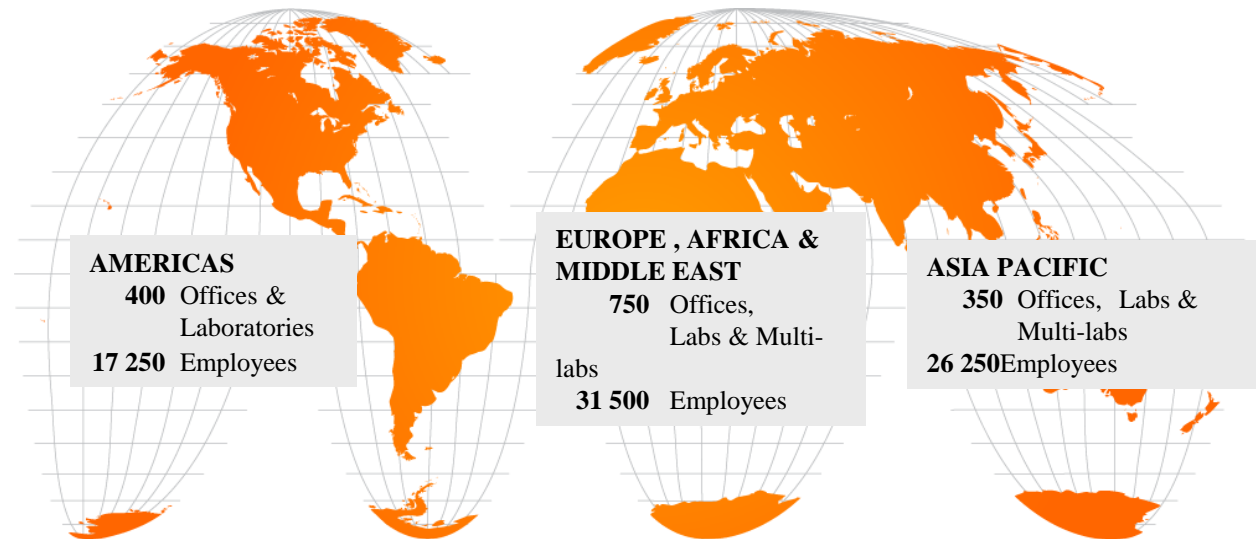
WHEN YOU NEED TO BE SURE

**SGS**



## Who are we?

- Multinational company based in Geneva, Switzerland
- Founded in 1878, 131 years of experience in trade...
- World's biggest inspection, verification, testing and certification organization.
- 75'000 employees in 140 countries, 1'500 offices and laboratories.



## SGS Business Segments



**Agricultural Services**



**Automotive Services**



**Consumer Testing Services**



**Environmental Services**



**Government Institutional Services**



**Industrial Services**



**Life Science Services**



**Minerals Services**



**Oil, Gas & Chemicals Services**



**Systems and Services Certification**



- We have a long history of working with Customs and the trade community at large
- We operate all over the world
- We understand international trade

We are therefore fully equipped to help **facilitate trade** through:

- Trade Single Window – **TradeNet**
- **Scanner** services combined with **Risk Management**
- Product Conformity Programmes - **PCA**
- Valuation Assistance - **ValiTrade**



## Setting the Scene

An accelerating trend:

- The majority of countries are today either implementing Single Window or at planning stage of such a project.
- Countries as diverse as: Indonesia, Mozambique, Mongolia, France, Mexico, Brazil, Rwanda, Luxemburg, Trinidad & Tobago, Moldova, Peru, Belize, New Zealand...
- General consensus is that the advantages that a Single Window solution brings to an economy are massive.
- However, a large number of challenges and obstacles face such programmes both at planning, financing and execution stages.



## Setting the Scene

### Challenges:

- Single Window projects touch upon so many stakeholders and Ministries, Governments find it difficult to find a rightful owner.
- Many countries manage to get to the study phase but find it difficult to reach the next step.
- Trade Single Windows are popular but these are caught between the need for government control and commercial swiftness.
- Government processes can be highly complicated and bureaucratic. Even when largely harmonised, they tend to be subject to a multitude of exceptions.



## Introducing PPP to Single Window



- In 1999 SGS, Government of Ghana set a vision to implement a Trade Single Window.
- PPP in this domain was unheard of.
- SGS was looking to diversify its service portfolio and looking to invest in emerging markets.
- Project financing for the Government was a challenge.
- This is when SGS proposed to establish a PPP.
- This has now been operating successfully for the past 13 years.

## TradeNet is operational in various forms in:

- Singapore
- Mozambique
- Ghana
- Madagascar
- Mauritius
- Panama
- Saudi Arabia
- Trinidad & Tobago



# SGS

## Ghana



"The Introduction of the GCNet system has not only facilitated good clearance through Customs, but has helped to raise Customs's revenue mobilization by an annual average of thirty (30) percent over the past three years." *Harry Owusu, Executive Secretary, Revenue Agencies Governing - Board of Ghana*



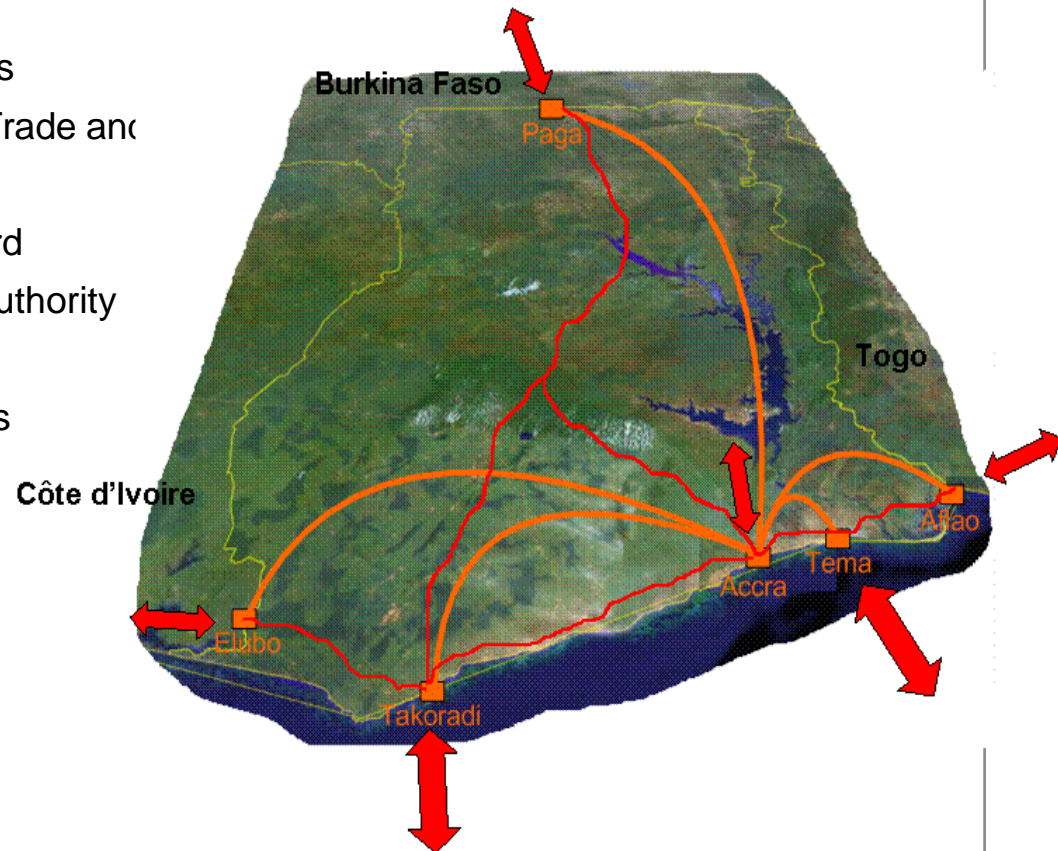
## PPP Example - GCNet



- Public Private Partnership - Joint Venture company
- Incorporated in November 2000
- Mandated by the Government to implement and manage TradeNet
- Shareholders: Customs, Ecobank, Ghana Commercial Bank, Ghana Shippers' Council, SGS
- 230 employees (Network dept, Systems Dept, IT security Dept, Ops support, Call Centre, Training)

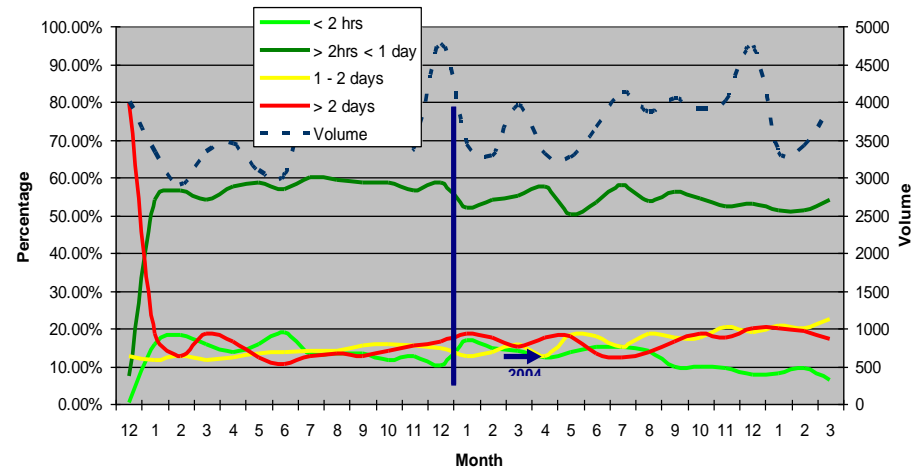
## Ghana Connectivity

- Interface with Customs
- Interface with Shipping Agents
- Interface with Forwarding Agents
- Interface with Customs Brokers
- Interface with Commercial Banks
- Interface with private freight terminals
- Interface with Ministries of Finance/Trade and
- Interface with Central Bank
- Interface with Narcotics Control Board
- Interface with Vehicle Registration Authority
- Interface with Port Authority
- Interface with stevedoring companies
- Interface with warehouse operators
- Interface with Minerals Commission
- Interface with Free Zone Board
- Investment and Promotion Centre
- Standards Board
- Food and Drugs Board
- Government statistical department





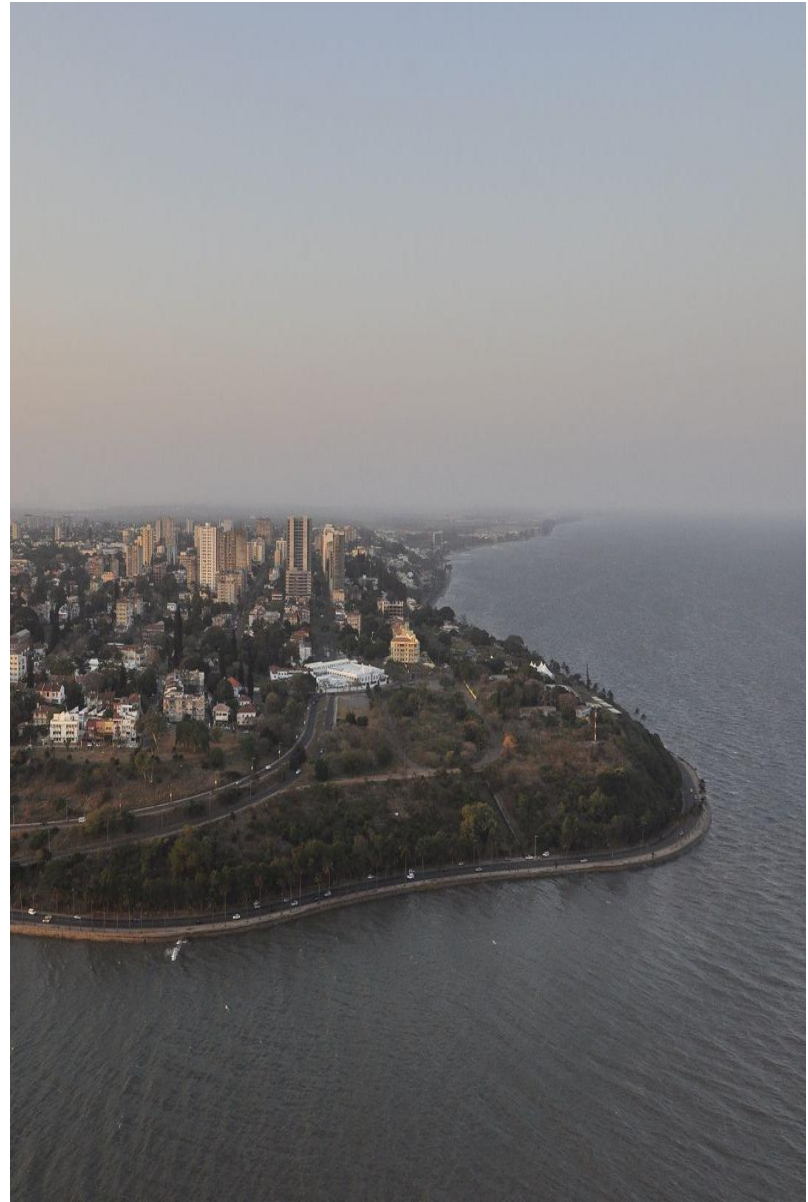
- Immediate substantial decrease in clearance time – factor of 5
- Immediate substantial increase in Government revenue – 35%
- Catalyst for change
- Clear identification of roles and responsibilities in clearance process .
- Accurate, consistent and real-time statistics
- Recognised as best practice by WCO and World Bank\*

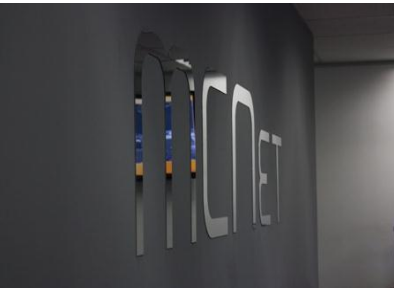


\* De Wulf, Luc, and Jose B. Sokol. 2004. *Customs Modernization Initiatives: Case Studies*. Washington, DC: World Bank.

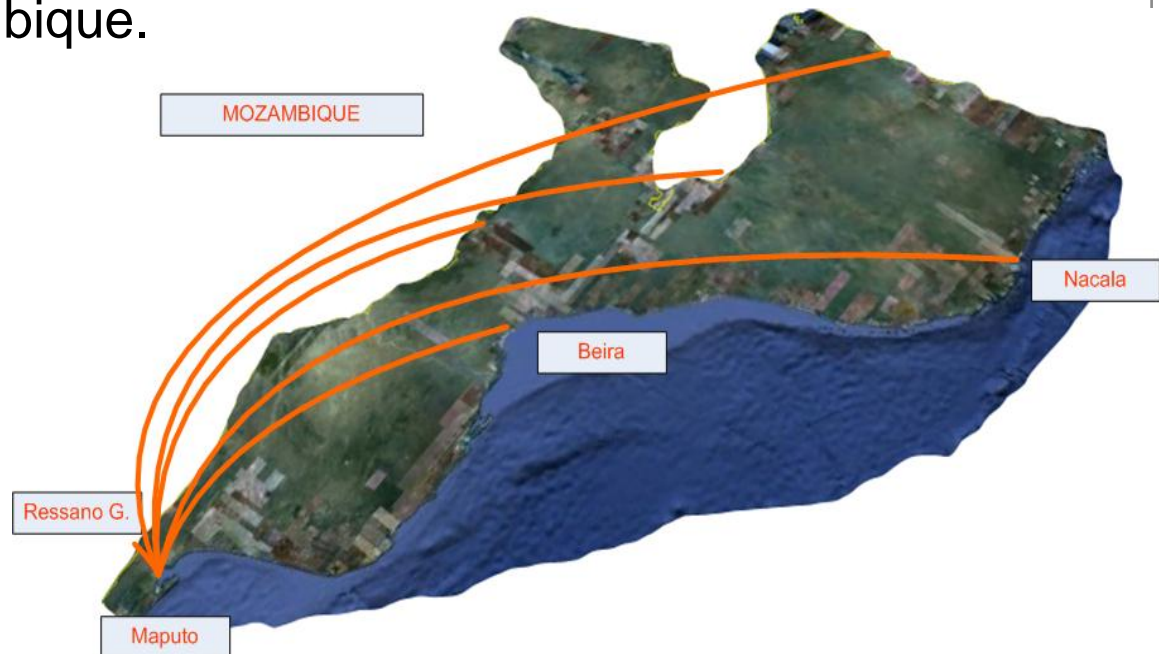


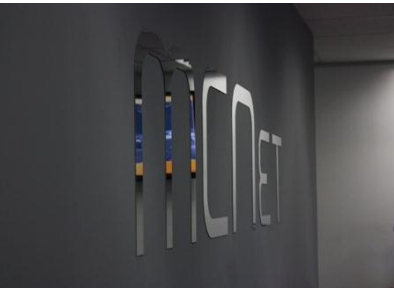
# Mozambique





- Provide a centralised electronic platform for trade;
- Reduce clearance times at land borders, port and airports;
- Increase revenue collection and;
- Generally reduce the cost of doing business in Mozambique.





- Provide real time tracking of all customs operations;
- Ensure the successful implementation of administrative and customs procedures;
- Centralise and consolidate all the supply chain information;
- Compare expected data with real data and reveal discrepancies;
- Provide traceability about the customs clearance process for each and every consignment whilst maintaining the integrity of the data;

## We believe the key to a successful Single Window project is:

- Design and Customisation of the system in conjunction **with all stakeholders**
- Sufficient initial investment to ensure **solid foundations**
- Promote a sense of **ownership** of the system
- Concentrate heavily on **supporting elements** such as training, infrastructure, legal issues, change management
- **Do not replace** existing systems which perform satisfactorily
- **Build and sustain** the service, operationally but also financially
- Constantly **develop and evolve** the system

## That is why we believe in:

- The creation of a **Joint Venture** company formed by the **public and private (PPP)** sectors. Joint Venture company then mandated by the Government to design, implement and operate the system.
- A service developed and implemented on a **Build, Operate, Transfer (BOT)** basis over a pre-defined timeframe
- **Initial investment** provided by Joint Venture shareholders
- Operating on a **commercial basis** with revenue stream to ensure **sustainability** of the system, and to finance **continuous development**

## Why PPP?

- Government provides direction, Private sector provides the drive to ensure success;
- Financing is provided by PPP members and this ensures success as these members are looking to recover their investment;
- Sustainability
  - Private sector is paying for the service and expects continuous development and evolution of the solution;
  - Funding model ensures continuous sustainable development;
- All parties have their say in the way SeW is developed and that ensures a balanced implementation;
- The cost of running IT based projects is often underestimated by Governments alone.



## PPP and Single Window

- Think of a Single Window as a Trade Facilitation System as apposed to an IT System.
  - Technology is only one part of the solution.
  
- The PPP model works well for Single Window Solutions especially in countries of emerging markets because :
  - Financing is available quickly.
  - The knowledge required for the implementation, to sustain and evolve the system is gathered from the experience of the stakeholders.
  - Skills required which are often not readily available locally are provided by the experts.

## Why does PPP work?

1. Due to high expectations from stakeholders and the general public there is a need for heavy investment in resources from day one in order to be deploy the solution successfully.
  - Public sector budget system is usually not able to support this model.
2. Less Developed Countries are heavily dependent on donors to to provide funding in order to implement reforms and modernisation programs.
  - Implementation of Single Windows although seen positively by international organisations is not always high on the list of priorities for assistance.
3. Single Window solutions require many changes, not only in attitude but also often in stakeholders own internal processes.
  - Government participation is critical to align the regulation to the processes needed for a successful implementation and continual operation.

## Sustaining a Single Window



- There are a number of challenges associated in sustaining a Single Window.
- In addition to the initial investment there are many ongoing costs associated with such an operation that need to be factored in:
  - Fuel for generators & vehicles.
  - Communications costs for the network and redundant links.
  - Staffing costs
  - Hardware and Software maintenance and support costs.
  - Training
  - Capacity building
  - Marketing
  - Offsite / Onsite support
  - Upgrades
- These are significant costs that would be difficult for an entity trying to do this alone to cover.



- Overestimating the volumes that are required to sustain the operations.
  - If the revenue generated doesn't cover the costs then the PPP and its stakeholders will have to bear the loss.
- Choosing the wrong partners for the model
  - You need to be sure that your partners share the same goals for the Single Window.

## Choosing Suitable Partners



- You need to be sure that your partners are able to bring something to the table without there being any conflict of interest.
- Who makes good partners for PPPs in terms of Single Window implementations:
  - Government entities
    - Revenue authority, Ministry of Finance, etc.
  - Trade associations
    - e.g. Ghana Shippers Council, CTA (Mozambique)
  - Other private companies
- Individuals never make good partners for this type of environment.



## When is the PPP Model Less Suitable?

- When a country has the financial capacity to purchase and maintain a system.
- When the technical and operational knowledge is held already by a country.
- PPP can never the less be done successfully in such countries



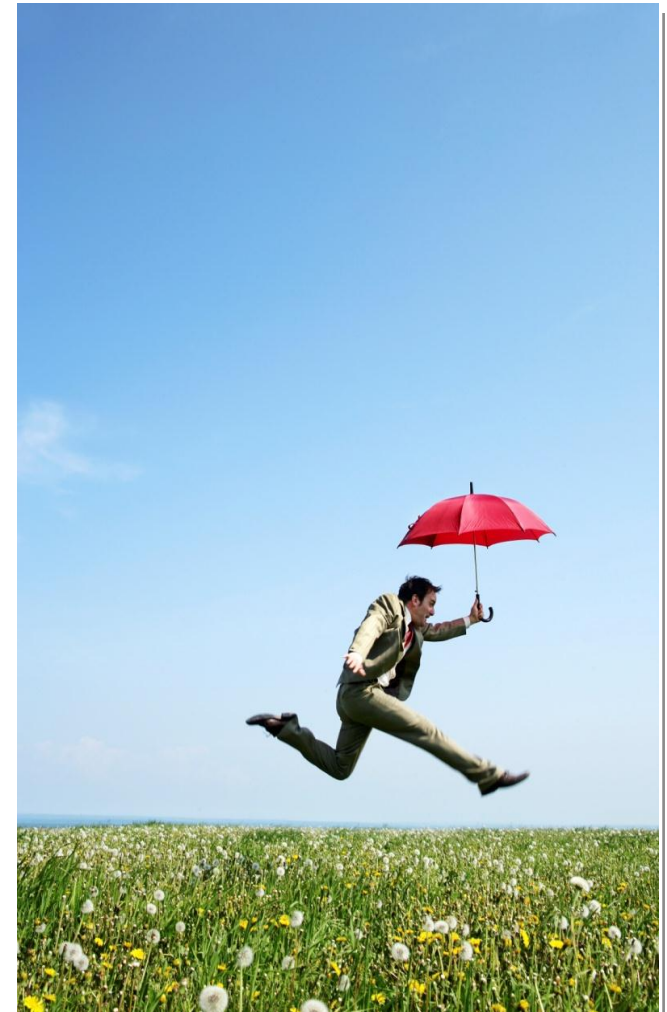
## When is the PPP Model Most Suitable?

- When financing is a challenge.
- When capacity is low.
- Where infrastructure is weak.
- Where there is a lack of direction in strategy.
- Where there is a low certainty that the project will be sustained after implementation



## Our Experience

- PPP is often the most effective way for our projects to be successful for both our clients and SGS as a business.
- The benefits introduced through PPP based operations are reaped by many different stakeholders.
- Trade Facilitation through PPP works!





## Thank you for your attention

**For any questions, further  
details or clarifications please contact:**

### **SGS SA**

1, place des Alpes  
P.O.Box 2152  
CH-1211 Geneva 1  
Switzerland

**Phone:** + 41 22 739 9245

**Fax:** + 41 22 739 9835

**Website:** [www.sgs.com/singlewindow](http://www.sgs.com/singlewindow)

**E-mail:** [michael.knox@sgs.com](mailto:michael.knox@sgs.com)



# PPP & Trade Facilitation

Geneva 18<sup>th</sup> April • Maurice Diamond

- Countries evermore reliant on PPP as a source of funding
- Venture capital readily available (at a cost)
- Examples of 'bad' PPP contracts
- Is the PPP appropriate? (prior options review)
- Will it facilitate trade for all (including SMEs)?
- Transparency of process of PPP contract

## Technology

- Single Window
- Port Community
- Scanners
- E-procurement

## Infrastructure

- One Stop Border Posts
- Toll Roads/Bridges
- Railways
- Ports
- Airports



## Barriers to Trade

- Supply Chain Security vs. Trade Facilitation
- PPP funding model normally means a cost to trade; acceptable when deemed proportionate but perceived by many as another 'tax' / barrier to trade

## Trade Facilitation

- Reduced travel times (roads/rail)
- Reduced clearance times (port/border infrastructure)
- Reduced clearance times (proper use of scanners i.e. risk managed)

# KEY ISSUES REQUIRING GUIDANCE

	Aspects	Description
1	<b>Technical Issues</b> (eg ICT)	Ownership/ quality standards integration/ constraints on use
2	<b>Commercial</b>	Obligations IPR/profits/use of surpluses/ due diligence/
3	<b>Practical</b>	Local capacity building v international exploitation/exit strategies/retendering/ unsolicited tenders/ use of consultants / use of suppliers/governance
4	<b>Ethical &amp; National Sensitivities</b>	Due diligence/constraints on service providers use of local staff

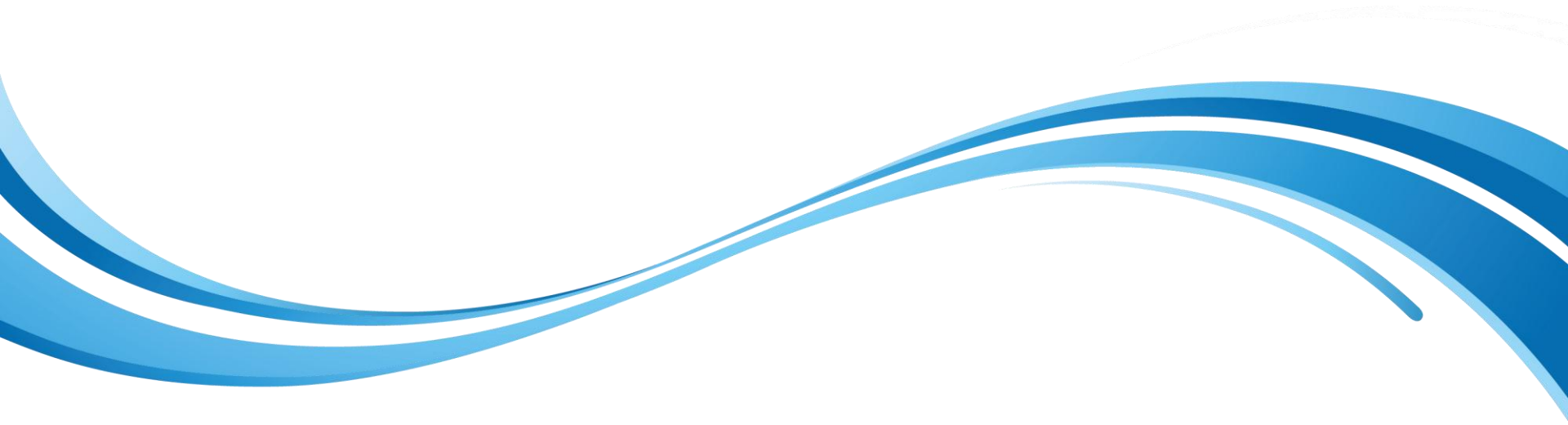
# **Supplier suitability For Sustainable Solutions**

# SUPPLIER DUE DILIGENCE

---

- Ethical
- Track Record / Sector Knowledge
- Business (financial/commercial/ways of working)

# Golden Rules



## Critical Success Factors

- Requirement is practical and reflects local needs
- Legal framework consistent with procurement and project needs
- Commercial deal is attractive, affordable and fundable
- Practical attitude to delivery requirement and risk sharing

## Stakeholder Engagement

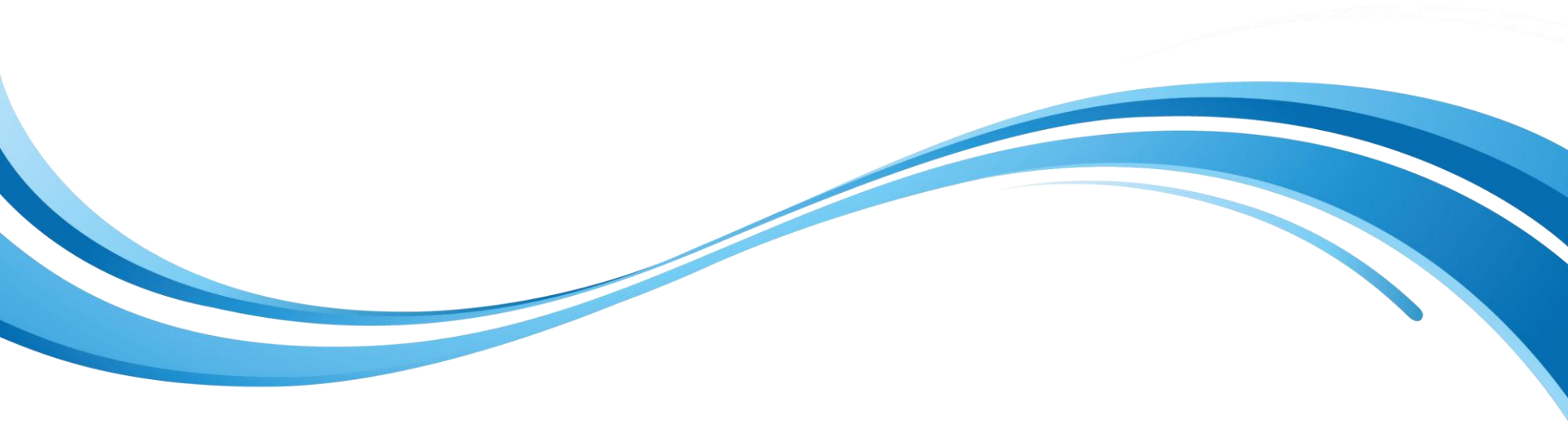
- Commitment from governments, civil servants and the private sector
- Public sector recognition of private sector drivers and exposure to risk
- Private sector understanding of the needs of the public sector
- Use of experienced professionals who understand the delivery domain

## Procurement

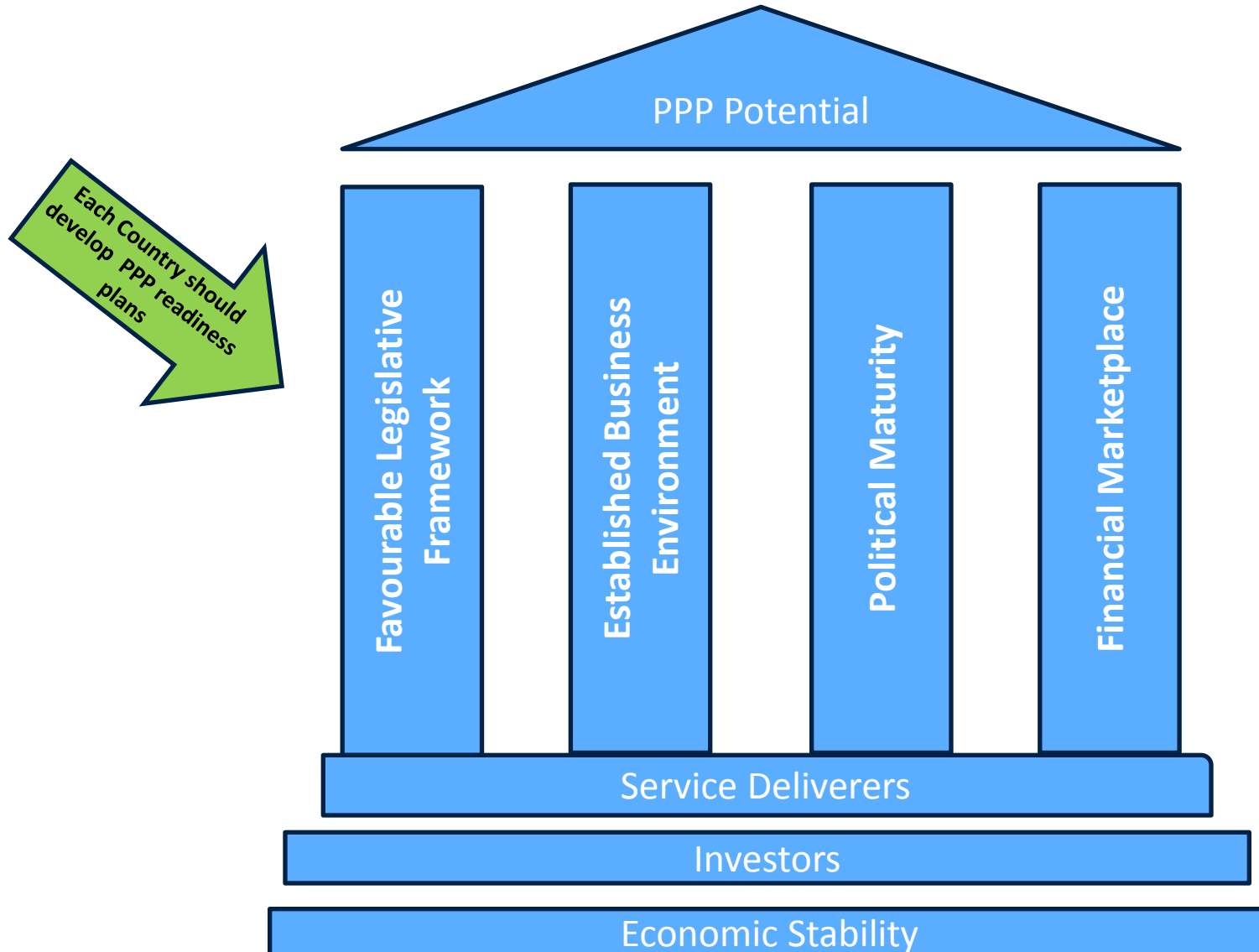
- Open and transparent approach
- Realistic timelines
- Involve appropriate stakeholders, as the right time
- Use of experienced complex procurement consultants



# Designing Successful Models



# KEY PILLARS FOR SUCCESSFUL PPPS



# KEY PILLARS FOR SUCCESSFUL PPPS

A	Analysis As at October 2012	Domestic	International
A	Overall PPP Potential	Red	Green
1	Favourable Legislative Framework	Red	Green
2	Established Business environment	Yellow	Green
3	Political Confidence	Green	Yellow
4	Financial Market place	Green	Green
5	Service deliverers	Red	Yellow
6	Investors	Yellow	Green
7	Economic Growth	Yellow	Green
8	Security of Funding	Yellow	Green

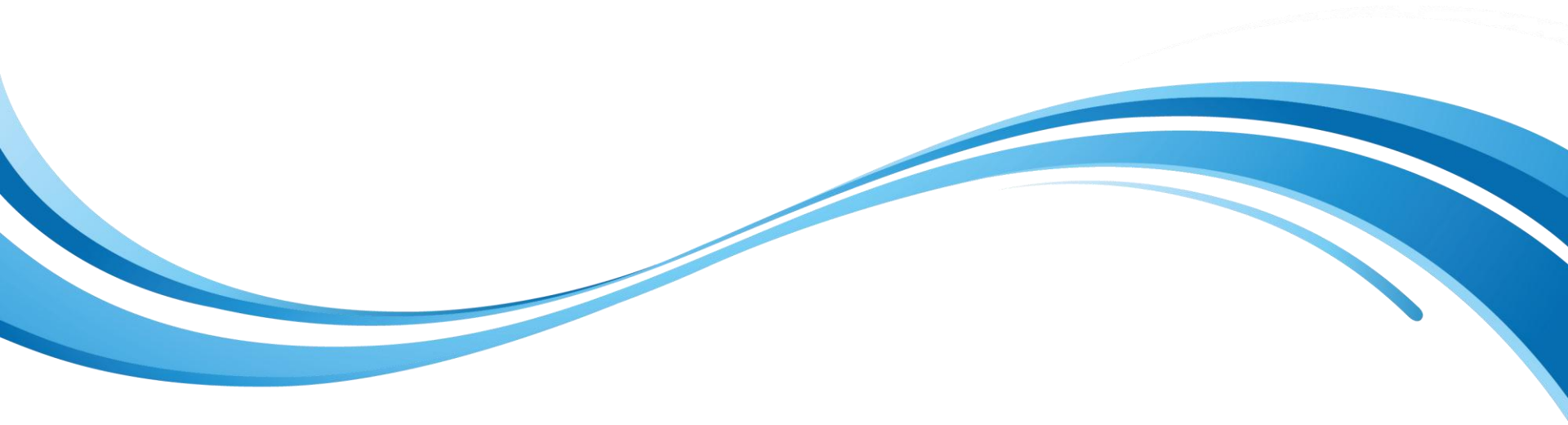
# KEY COMMERCIAL RULES

---

- Pricing transparency
- Ability to make “reasonable” returns
- Excess profits/surpluses reinvested in the public sector
- Must not create a barrier to trade
- Appropriate risk sharing

- Process Standardisation & Alignment
- Infrastructure Design, Development & Implementation
- Data Standardisation & Migration
- Change Management

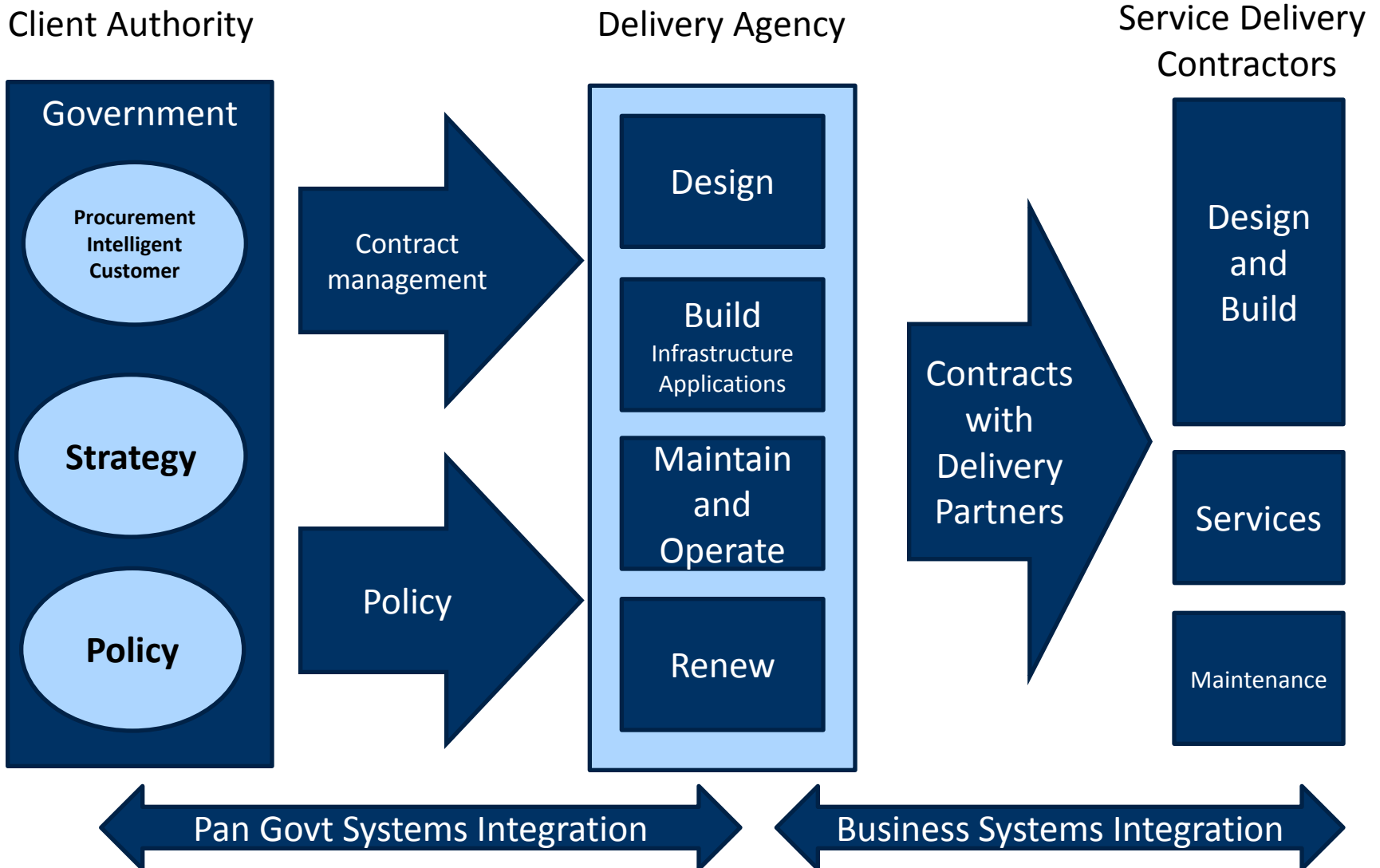
# Contractual Relationships



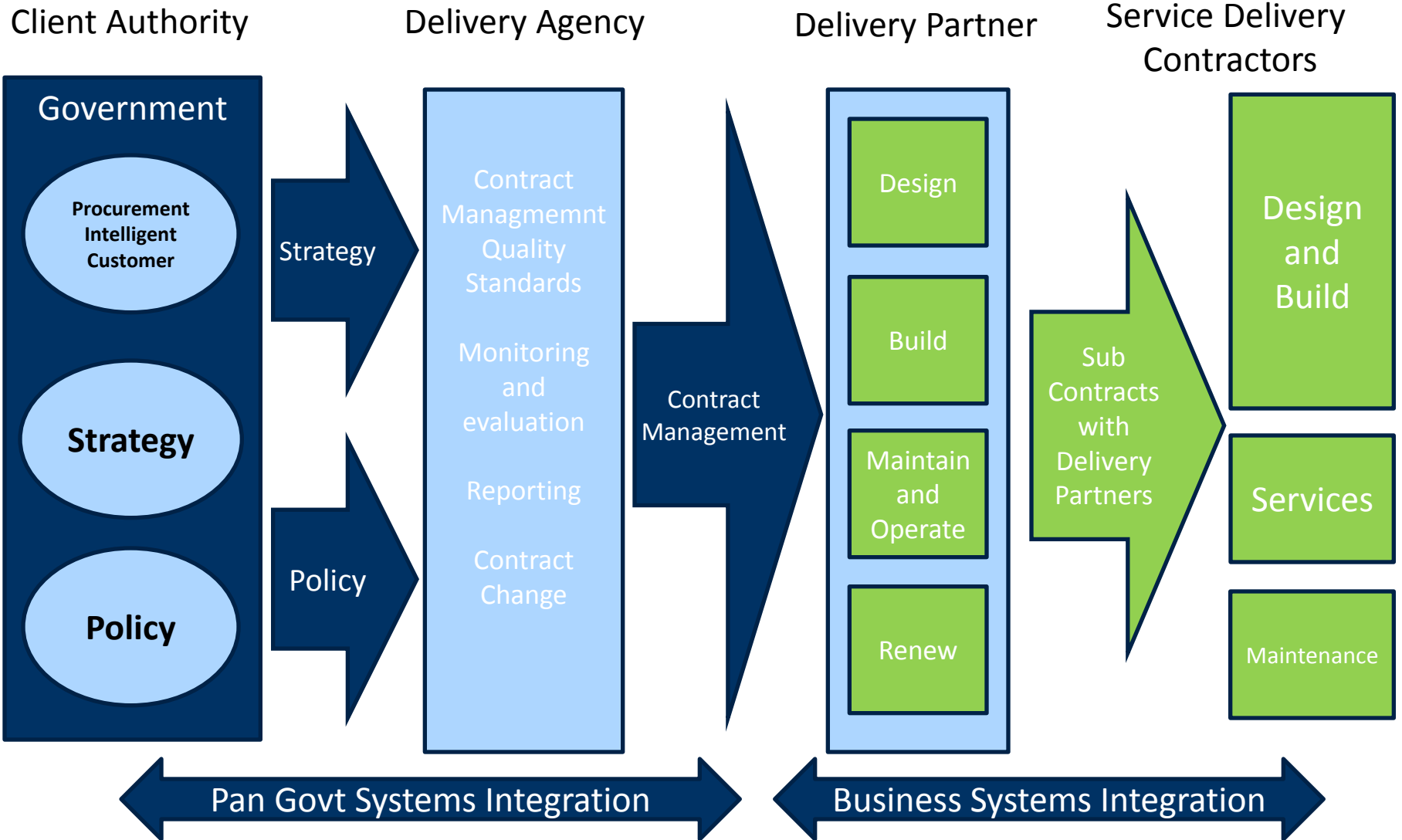




# DELIVERING BUSINESS SERVICES

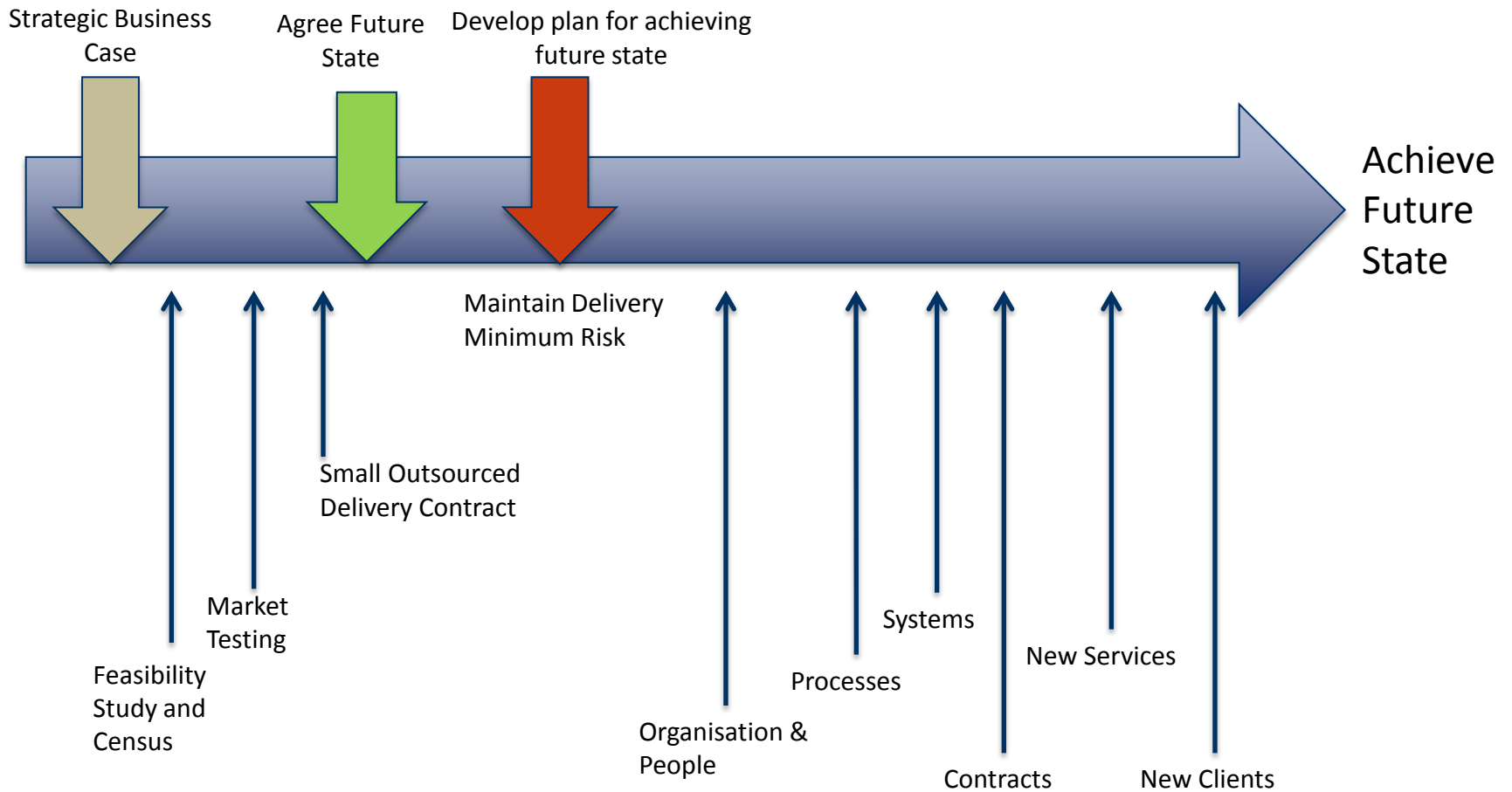


# DELIVERING BUSINESS SERVICES



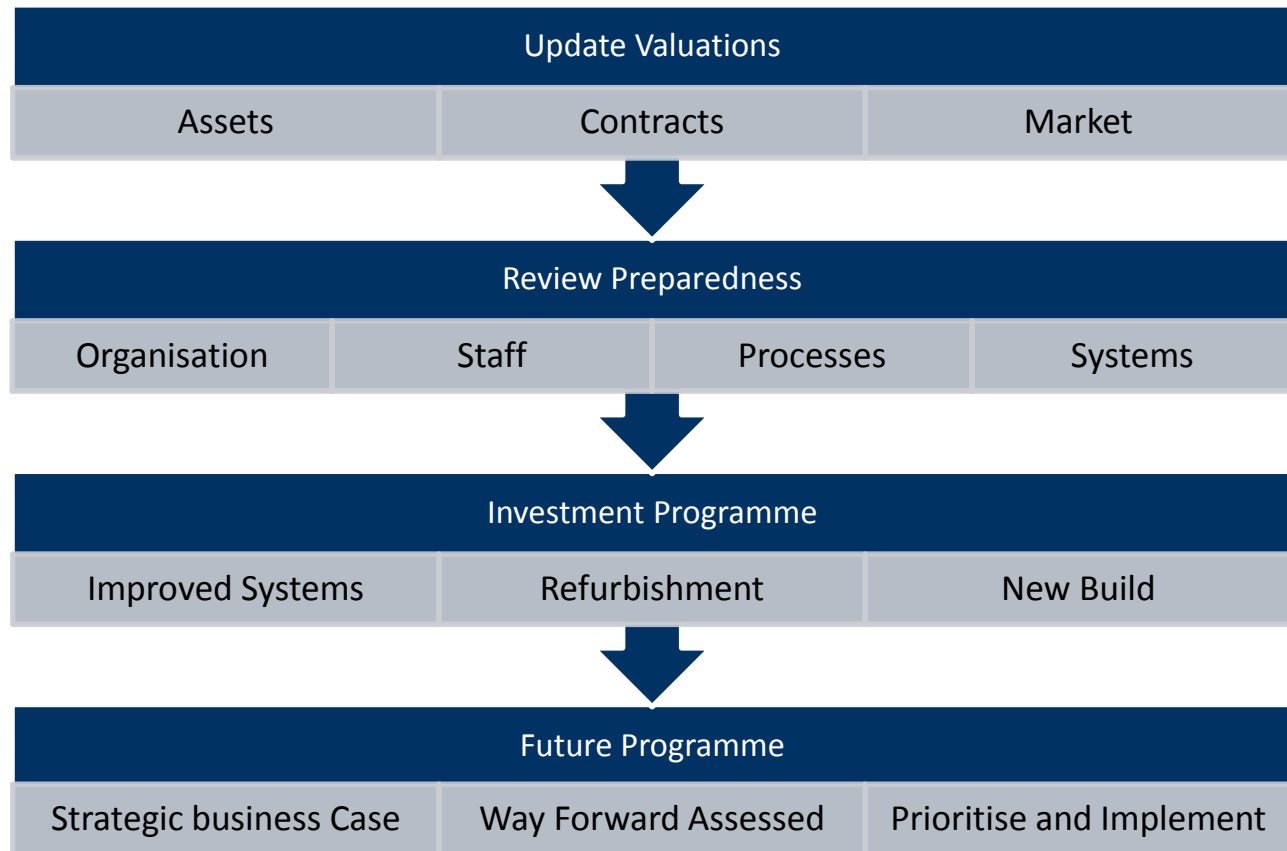
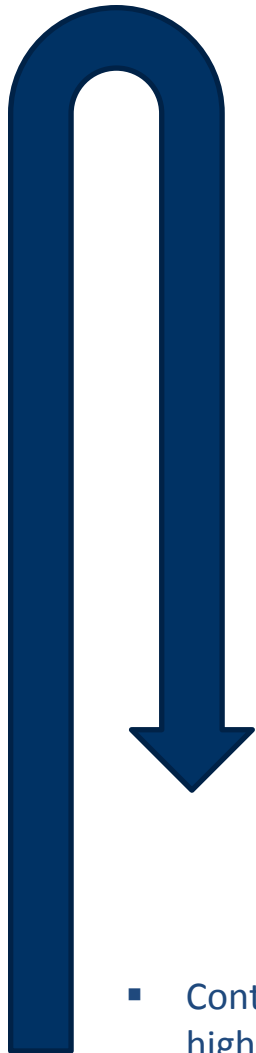
# **Contracting Out Existing Facilities**

# OUTSOURCING AN EXISTING SERVICE



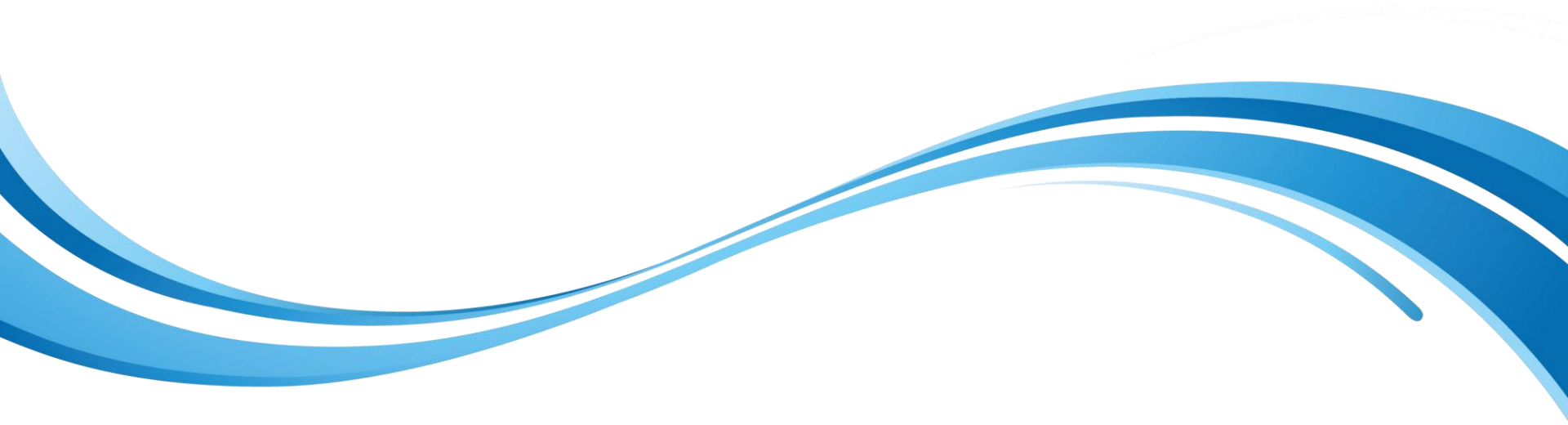
- BPR – outsource rubbish or outsource best practice organisation (service and cost implications)
- Transfer of Staff to new service provider –change management programme
- Impact on Pan government service contracts (right to outsource/ existing contracts)
- Integration with existing services (possibly provided by different service providers)

# OBLIGATIONS FOR DEVELOPING EXISTING FACILITIES



- Contractorizing inefficiency will be reflected in a higher outsourced cost and ultimately higher profits as the contractor drives out inefficiencies. Seek profit share and gain share arrangements to offset super profits

# Practical Considerations





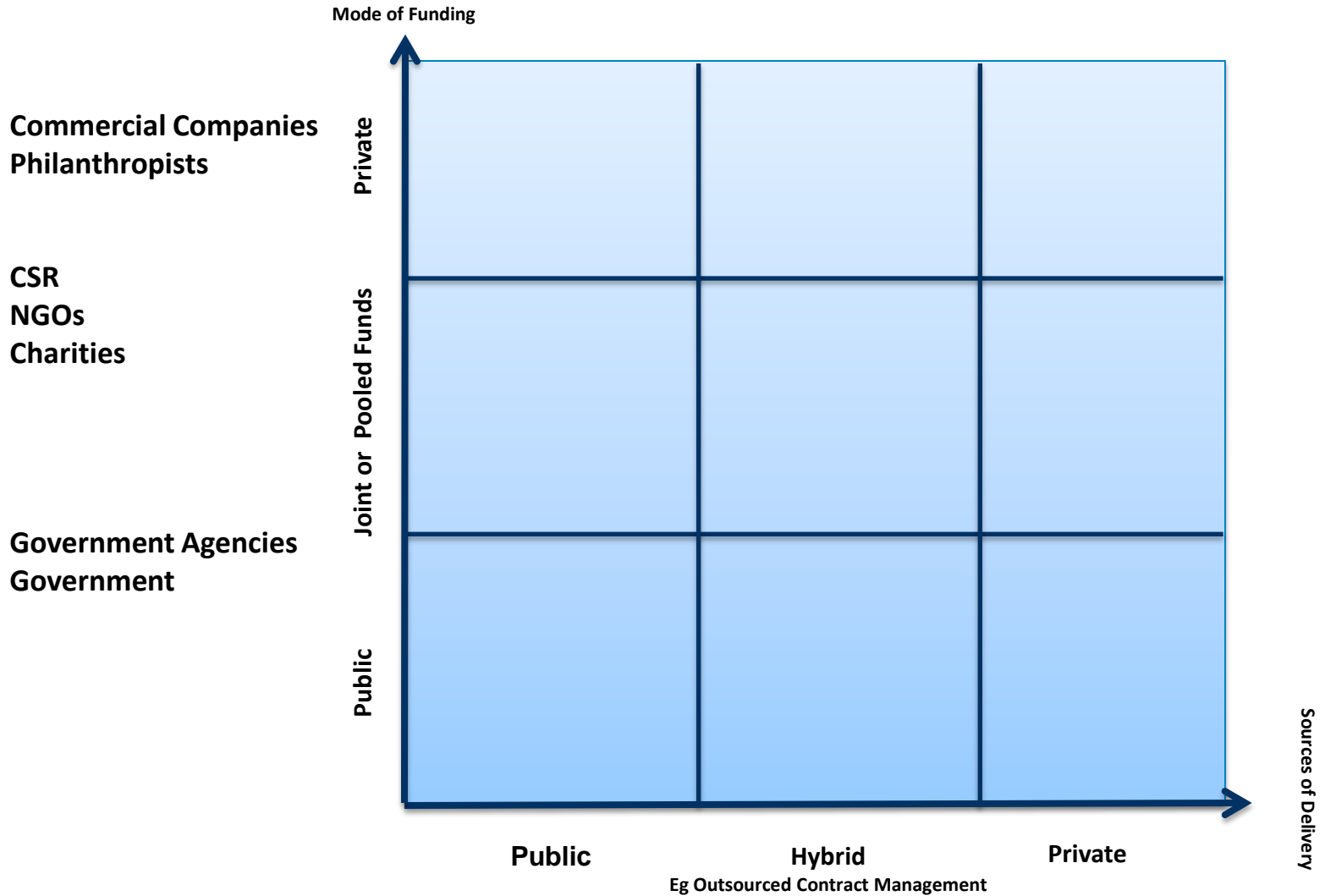
- Ownership of assets
- Exit strategy
- Ownership of IPR
- Integration with existing systems
- Boundary of maintenance contracts
- Risk of ownership/ obsolescence

- Style of service delivery – uniforms (logos etc)
- Interaction with users – friendly facilitative service (one service)
- Interaction with other service deliverers
- Choice of technology (platforms /upgrades/interoperability)
- Use of technology – work use extent of personal usage and restrictions on the same
- Criminal Records Checks on staff employment
- Undertaking of staff behaviours (bribery, corruption, abuse, etc)

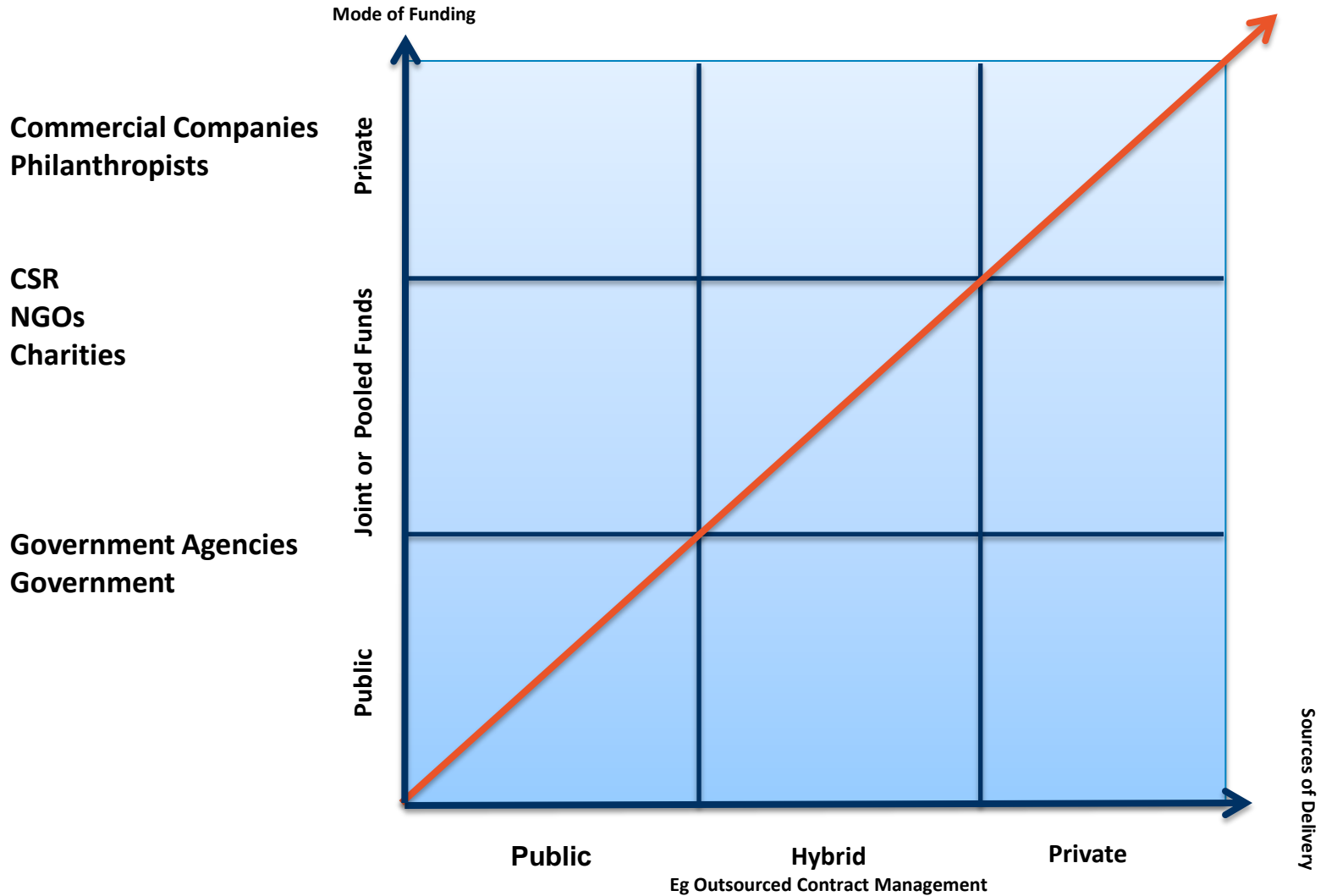
- Effective experienced staff
- Contract change procedures
- Documented procedures with explanations
- Effective Monitoring and Evaluation
- Effective Performance regime (it is not all about income generation)

# Profit Motive

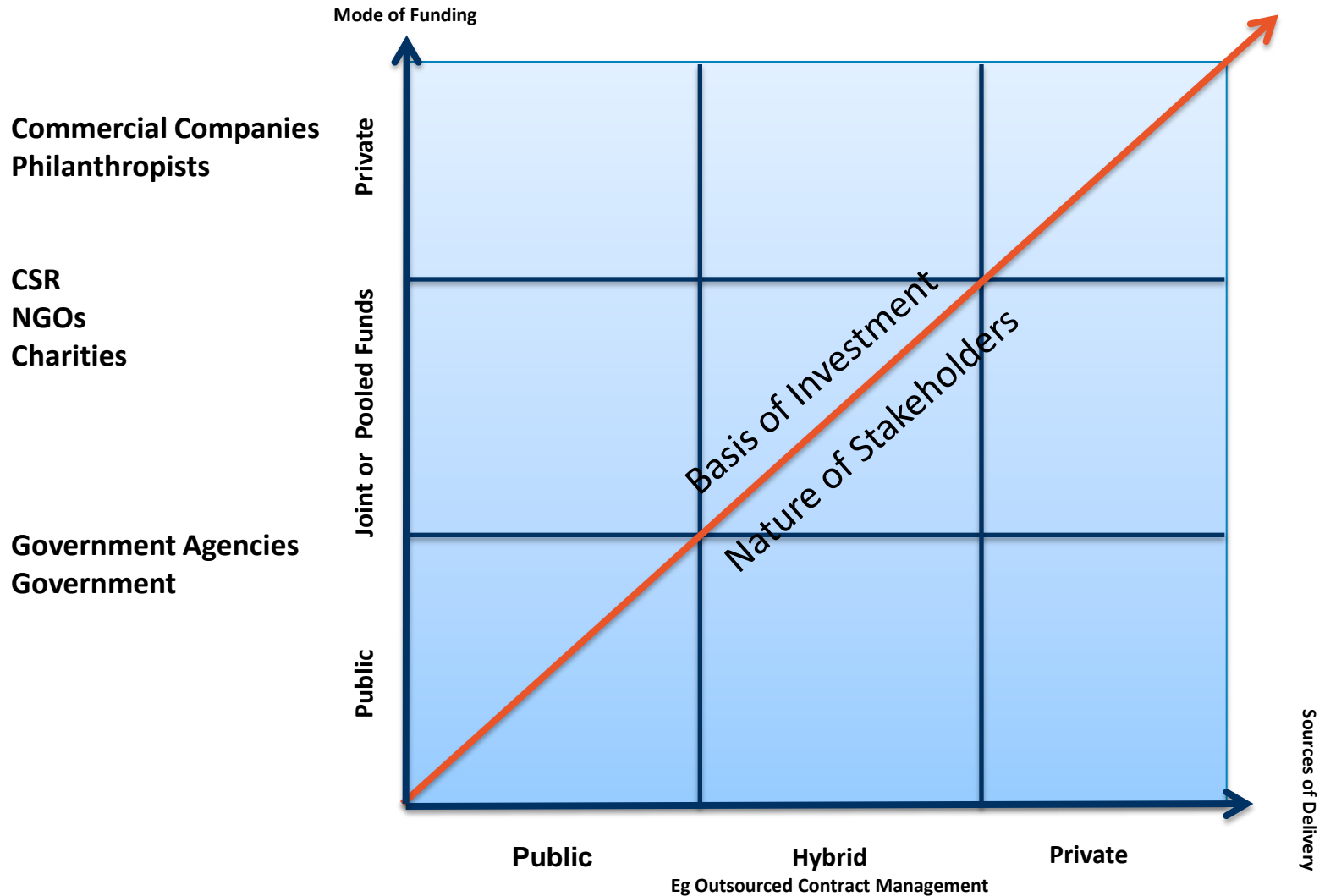
# PPPS – MANAGING STAKEHOLDERS



# PPPS – MANAGING STAKEHOLDERS

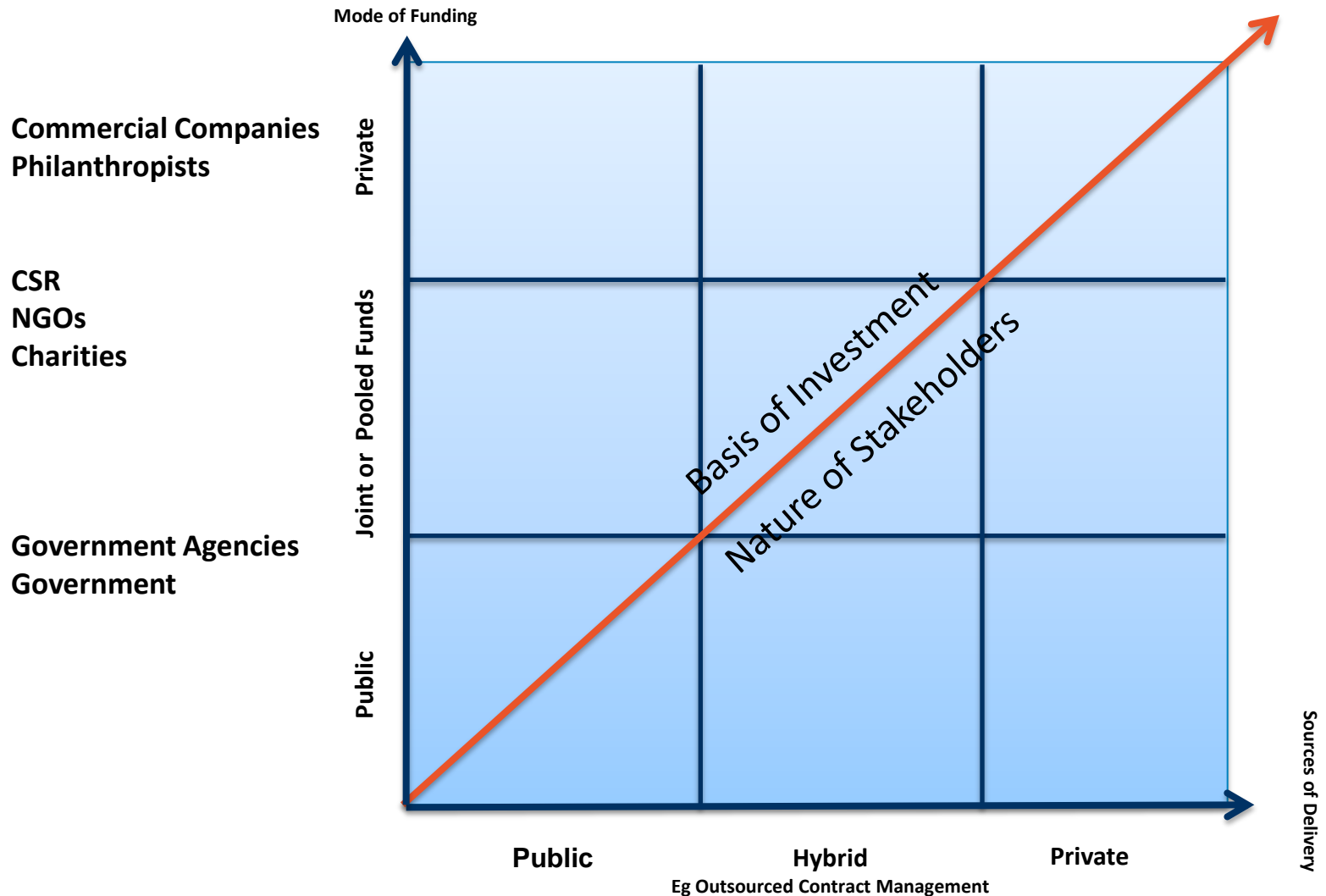


# PPPS – MANAGING STAKEHOLDERS

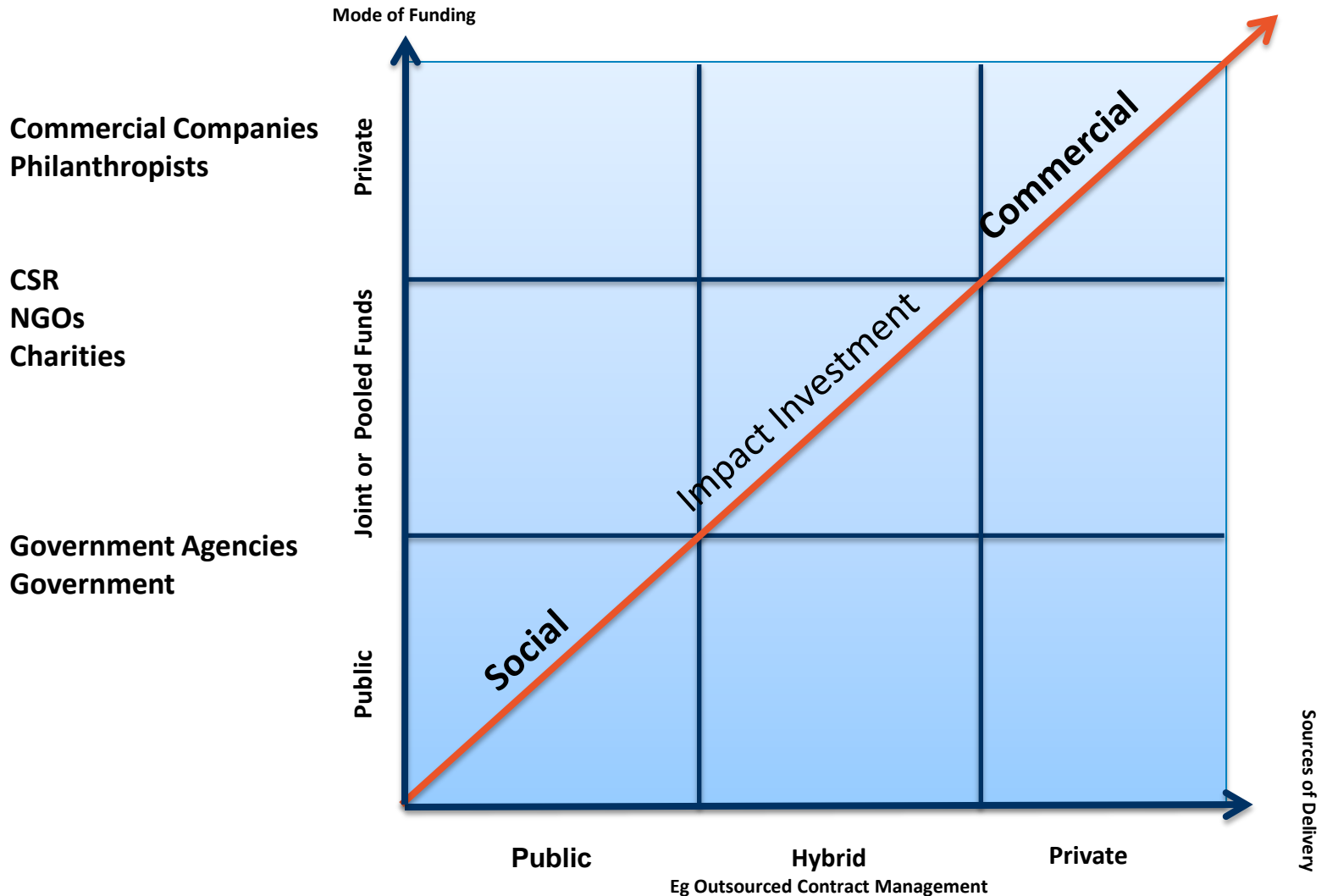




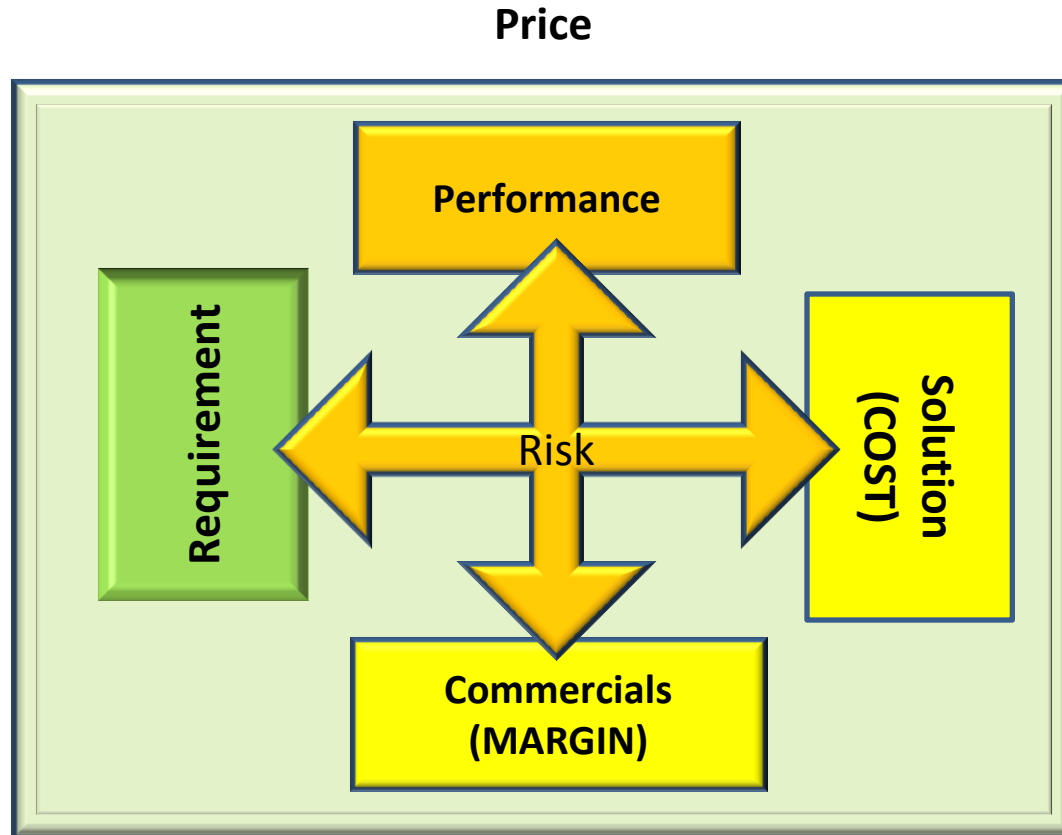
# PPPS – MANAGING STAKEHOLDERS



# PPPS – MANAGING STAKEHOLDERS

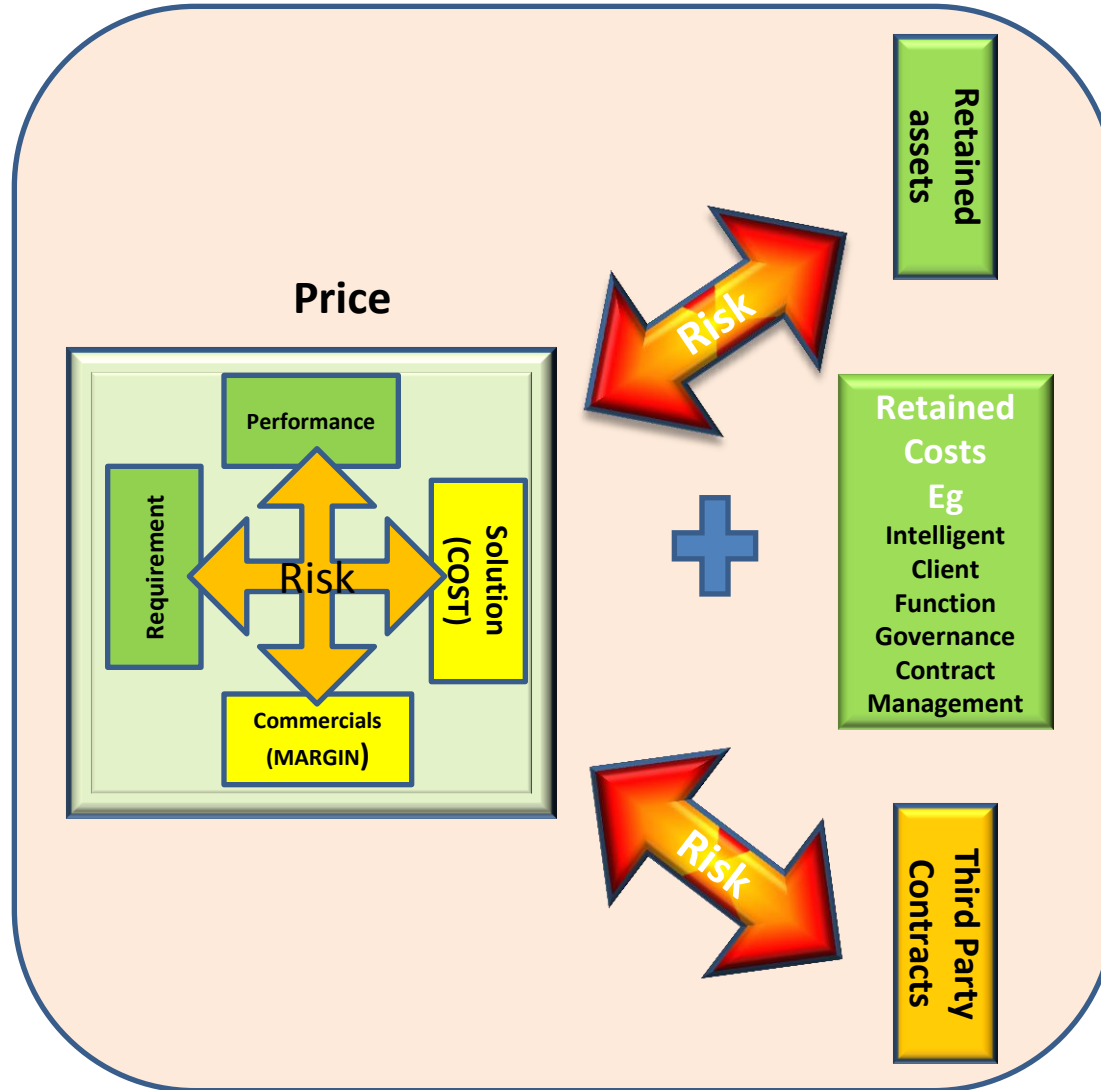


# **Contractor Risk Pricing & the Full Cost**

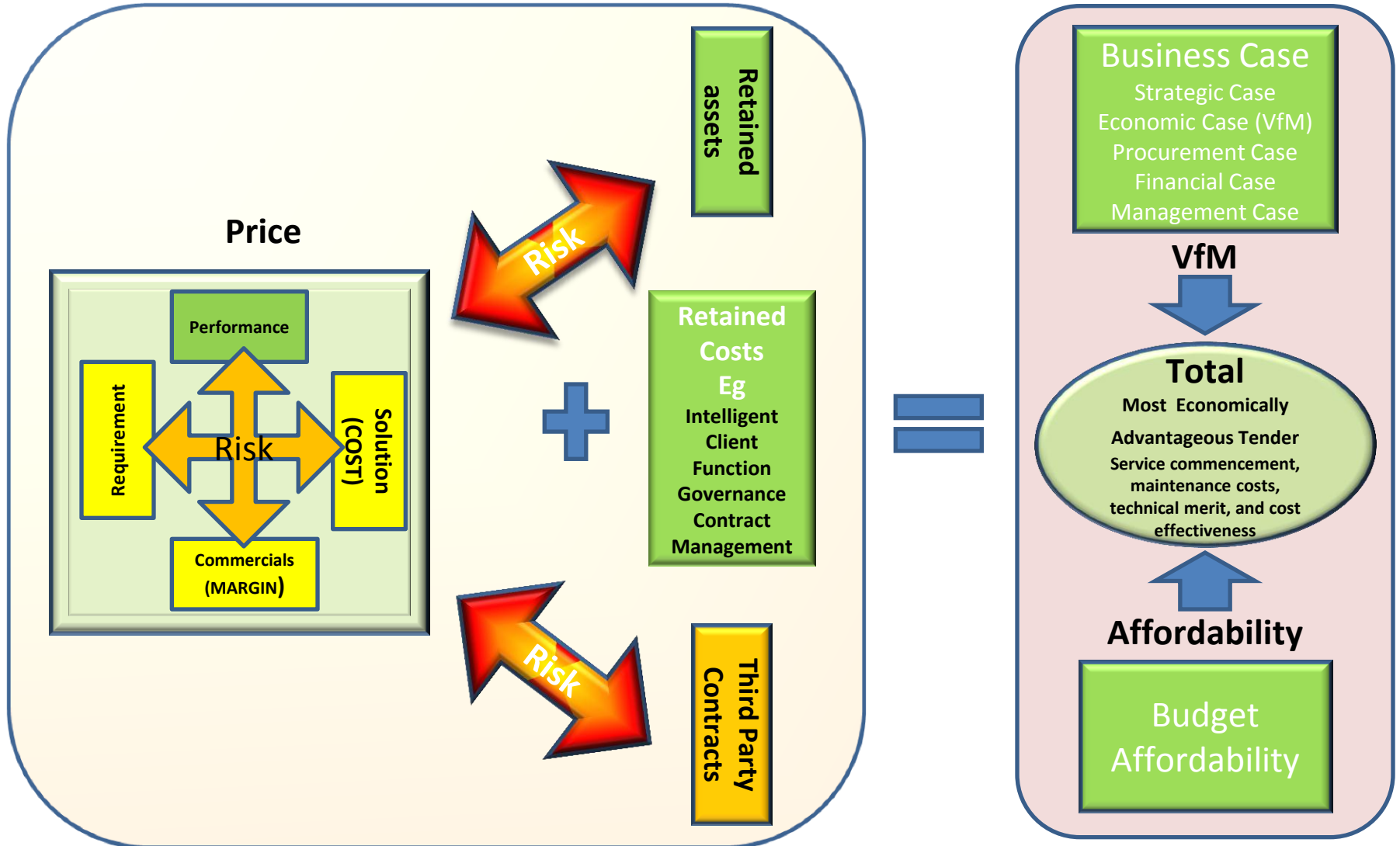


- Price is a combination of the clients requirement including performance levels, the solution offered by the supplier and the commercial imperatives such as risk and margin

# BUSINESS CASE DEVELOPMENT - THE TOTAL COST



# PUBLIC SECTOR BUSINESS CASE DEVELOPMENT



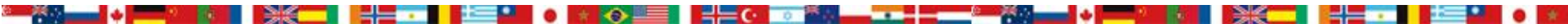


**Maurice DIAMOND**  
**Director – Global Head of PPP Advisory**  
**St Nicholas House, St Nicholas Road**  
**Sutton, Surrey, SM1 1EL, United Kingdom**  
**T +44 (0)20 87 10 6208**  
**M +44 (0)7 799 703 563**  
**[maurice.diamond@crownagents.co.uk](mailto:maurice.diamond@crownagents.co.uk)**



# Public-Private Partnership

Group discussion / brainstorming



# UN/CEFACT ITPD Contacts on PPP

- Dr. Lance THOMPSON
  - International Development Manager, CONEX
  - 19, rue d'Orléans, 92523 Neuilly-sur-Seine cdx, France
  - +33 1 47 59 09 62
  - [lance.thompson@conex.net](mailto:lance.thompson@conex.net)
  
- Mr. Malcolm McKINNON
  - MCM Trade Consulting
  - +44 7866 603424
  - [malcolmmckinnon1@gmail.com](mailto:malcolmmckinnon1@gmail.com)

