

Public Private Partnerships

Expert training by professionals, for professionals

**Victoria Falls, Zimbabwe
August 24-26, 2016**



CHANGING INFRASTRUCTURE FINANCE DYNAMICS



Public Private Partnership initiatives are on the rise today. With more demand for transportation services worldwide, governments are finding innovative ways to provide transport infrastructure. One way is by inviting private stakeholders to invest in infrastructure and by so doing partake in road infrastructure development. Recognizing this trend in private sector involvement in the provision of sustainable road infrastructure is a logical first step. Next comes issues such as legal and legislative frameworks and different levels of risk associated with partnerships involving governments and private enterprises. Knowing the various actors and factors and how they interact is critical in the successful implementation of PPP initiatives. IRF workshops provide the needed know-how and expertise to navigate the complex world of PPPs. Ultimately these workshops will aid in building capacity of transport stakeholders who are well-equipped with the tools and skills to adapt to the changing dynamics of infrastructure financing.

Thank you for attending this IRF Workshop.

Eng. Abdullah A. Al-Mogbel
IRF Chairman

ABOUT THE IRF

The International Road Federation, established in Washington, D.C. in 1948, is a non-governmental, not-for-profit organization with the mission to encourage and promote development and maintenance of better, safer and more sustainable roads and road networks worldwide. Working together with its members and partners, the IRF promotes the social and economic benefits that flow from well-planned and environmentally-sound road transport networks; it helps put in place technological solutions and management practices that provide maximum economic and social returns from national road investments.

The IRF has a major role to play in all aspects of road policy and development worldwide:

- For governments and financial institutions, the IRF provides a wide base of expertise for planning road development strategy and policy.
- For its members, the IRF is a business network, a link to external institutions and agencies, such as the United Nations and the European Union, and a platform to communicate with and access government officials and decision makers.
- For the community of road professionals, including national road associations, advocacy groups, companies and institutions dedicated to the development of road infrastructure, the IRF provides support and knowledge.

Through the International Road Educational Foundation, the IRF awards grants to graduate engineers and other transportation professionals from around the world in support of full-time academic training. With this, the IRF actively supports future generations of industry leaders.

The International Road Federation also takes pride in honoring and recognizing road-industry projects demonstrating excellence and innovation in road development worldwide, via the Global Road Achievement Awards program. The competition, designed to elicit information on successful projects and programs from leading industry organizations, will draw attention to these leading projects and organizations, providing a road map for others to follow in continuously improving and advancing road development worldwide.

With a wide network spanning 116 countries across six continents, the IRF believes that it can make a difference by providing best practices and expert advice to face today's multifaceted world of transport.

OVERVIEW

With dwindling funds for infrastructure development, more governments and infrastructure providers are seriously considering the prospect of taking up Public Private Partnerships (PPP). Roads and surface transport are not excluded from this paradigm in infrastructure financing. The PPP workshop in Victoria Falls will demystify some of the theories associated with PPPs by examining the whole concept and identifying the roles of different stakeholders to ensure the success of PPP initiatives in general. Ultimately the workshop will inform participants on how to obtain maximum return on investment from successful PPP strategies that will satisfy government, private sector partners and most importantly the public once implemented.

The workshop will provide an overview of PPP's, key factors in its implementation, and the legal and risk parameters underlining PPPs. The workshop will also include hands-on exercises and team activities that will analyze the financial viabilities of sample PPP road projects. Finally examples will be drawn throughout the duration of the workshop on successful PPP initiatives in both emerging and developed economies.

LEARNING OUTCOMES

- Understand PPPs and their role in delivering infrastructure services
- Identify various stakeholders for successful PPP implementation
- Utilize tools to assess financial viability of PPP's
- Value the role of risk in PPP decision-making
- Detail successes, challenges and pitfalls with different PPP case studies

LEAD INSTRUCTOR



John Buttarazzi
Founder
Liberty Hall Advisors

John is a PPP and economic development professional with more than 20 years of experience in infrastructure, economic development and real estate. Mr. Buttarazzi has managed more than \$2 billion in such projects, including the first commercial airport public-private partnership in the United States (Stewart International Airport), the repositioning and redevelopment of 20 dormant mental health campuses in New York State, military housing, and the redevelopment of the New York Metropolitan Transportation Authority-owned Coliseum into 2.2 million square feet of commercial mixed-use.

In addition to the projects listed above, John has analyzed PPP options for the financing and operation of Chicago's Midway Airport and the Niagara Falls International Airport, been involved with capacity building for the Government of India, the Tanzania National Housing Corporation, the Government of Bangladesh, Costa Rica Consejo Nacional de Concesiones, the advancement of PPPs in Bosnia & Herzegovina, the PPP development of a corrections facility in Latin America, military housing, development of a PPP emergency preparedness and response strategy, and rationalization of a government real estate portfolio.

John has also advised numerous U.S. and foreign government officials on various public-private partnership matters, including Value for Money, establishing a PPP unit, and public-private partnership structures, among other topics. He is a member of the United Nations Economic Commission for Europe Team of Specialists on Public-Private Partnerships.

DAY 1: WEDNESDAY, AUGUST 24 // INTRODUCTION AND PPP BASICS

TIME	SESSION TITLE	KEY SESSION COMPONENTS
09:00	Welcome and Introductions	<ul style="list-style-type: none"> • Introduction and Program Overview • Participant Introductions
09:30	Introduction – African PPP Landscape	<ul style="list-style-type: none"> • Review of African PPP experience • Pressing investment challenges and how PPPs can help
10:00	PPP Definition, Rationale, & Structuring Options	<ul style="list-style-type: none"> • The different definitions of PPP • Rationales for PPP • Data on PPPs vs. public procurement • Different Forms of PPP structures • Key Stakeholders of PPPs • Overview of the PPP Project Cycle
11:00	Coffee/Tea Break	
11:15	Key Guiding Principles	<ul style="list-style-type: none"> • Introduce and discuss key guiding principles
12:15	Lunch	
13:15	Legal/Legislative Basis for PPPs	<ul style="list-style-type: none"> • Basic legal concepts • PPP Policy & Institutional Framework: Key Issues & Options • Translating risk allocation into contractual terms • “Boiler-plate” provisions • Review of standard contractual terms • Reviewing contracts and finding “booby traps” • Key clauses, alternatives and considerations • Defining mandatory vs negotiable in the draft contract
14:00	Financial and Economic Feasibility Assessment	<ul style="list-style-type: none"> • Introduction of feasibility assessments • Components of financial and economic feasibility studies • How to conduct studies
15:00	Coffee/Tea Break	
15:15-16:30	Risk Assessment	<ul style="list-style-type: none"> • Typical key risks in a PPP • Risk assessment objectives • Risk assessment approach: • Risk assessment tools: <ul style="list-style-type: none"> • Risk identification techniques; Risk prioritization approach; Risk allocation principles; Risk valuation methods

DAY 2: THURSDAY, AUGUST 25 // FINANCING & PROCURING PPPS

TIME	SESSION TITLE	KEY SESSION COMPONENTS
09:00	Risk Allocation and Mitigation Measures	<ul style="list-style-type: none"> • Formal and actual reallocation • Efficiency space for PPPs • Design + Construction + Maintenance • Demand topics • Force majeure and climate resilience
09:45	Hiring and Managing Transaction Advisors	<ul style="list-style-type: none"> • Why Hire Advisors? • Advisory Teams • Procuring Advisors • Getting the Best from Transaction Advisors • Compensation and Terms of Reference
10:15	The Role of Financial Modelling in the Business Case	<ul style="list-style-type: none"> • Financial Modelling Objectives • Financial Modelling Best Practices

10:45	Coffee/Tea Break	
11:00	Social and Environmental Impact Assessments	<ul style="list-style-type: none"> • Environmental Impact Assessment • Social Impact Assessment
11:30	Managing the Business Case Phase	<ul style="list-style-type: none"> • The role of the Business Case phase within the PPP project cycle • Preparing the Business Case work plan and schedule • Introduction of feasibility assessments • Including social and environmental review • Link to 5 Business Case Approach Key Guiding Principles
12:30	Lunch	
13:30	Introduction to Project Finance	<ul style="list-style-type: none"> • Project finance basics • Different perspectives • Financing structure and conditions
14:30	Developing a PPP Procurement Strategy	<ul style="list-style-type: none"> • Distinction between RFQ and RFP Phase • Relevance of prequalification criteria • Meaning of evaluation criteria • Objectives, nature and organization of discussions / negotiations • Preparing and issuing the RFP (including reviewing model documents) • Bid requirements, formal and substantive • Managing the pressure when contract close approaches • Dealing with unsolicited proposals
15:30	Coffee/Tea Break	
15:45-16:30	PPP Unsolicited Proposals	<ul style="list-style-type: none"> • What are USPs? • Lessons learned on managing USPs • Key elements of a USP policy

DAY 3: FRIDAY, AUGUST 26 // PPP PROJECT IMPLEMENTATION

TIME	SESSION TITLE	KEY SESSION COMPONENTS
09:00	Structuring the PPP Performance Mechanism	<ul style="list-style-type: none"> • Creating clear performance standards • Reliable monitoring system • Effective payment mechanism
10:00	Quantifying Fiscal Commitments and Contingent Liabilities	<ul style="list-style-type: none"> • Fiscal Impact Assessment Objectives • Link with Financial Feasibility Assessment, Risk Assessment and VfM assessment • Distinction direct and contingent liabilities
10:45	Coffee/Tea Break	
11:00	Managing a PPP Contract	<ul style="list-style-type: none"> • Setting up contract management structure • Monitoring PPP performance • Monitoring government risks • Responsibilities of agency and developer
11:30	Managing the Third “P” – Disputes and Resolutions	<ul style="list-style-type: none"> • Conflict resolution and mechanisms
12:30	Lunch	
13:30	Group Exercise	
14:45	Coffee/Tea Break	
15:00-16:30	Completion of Group Exercise	

GLOBAL

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