

# **EPEC activities in 2013:** supporting the public sector to deliver better PPPs

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# The European PPP Expertise Centre

Established in September 2008

A unique cooperative initiative of the EIB,  
the European Commission and EU  
Candidate and Member States

International team of 18 professionals

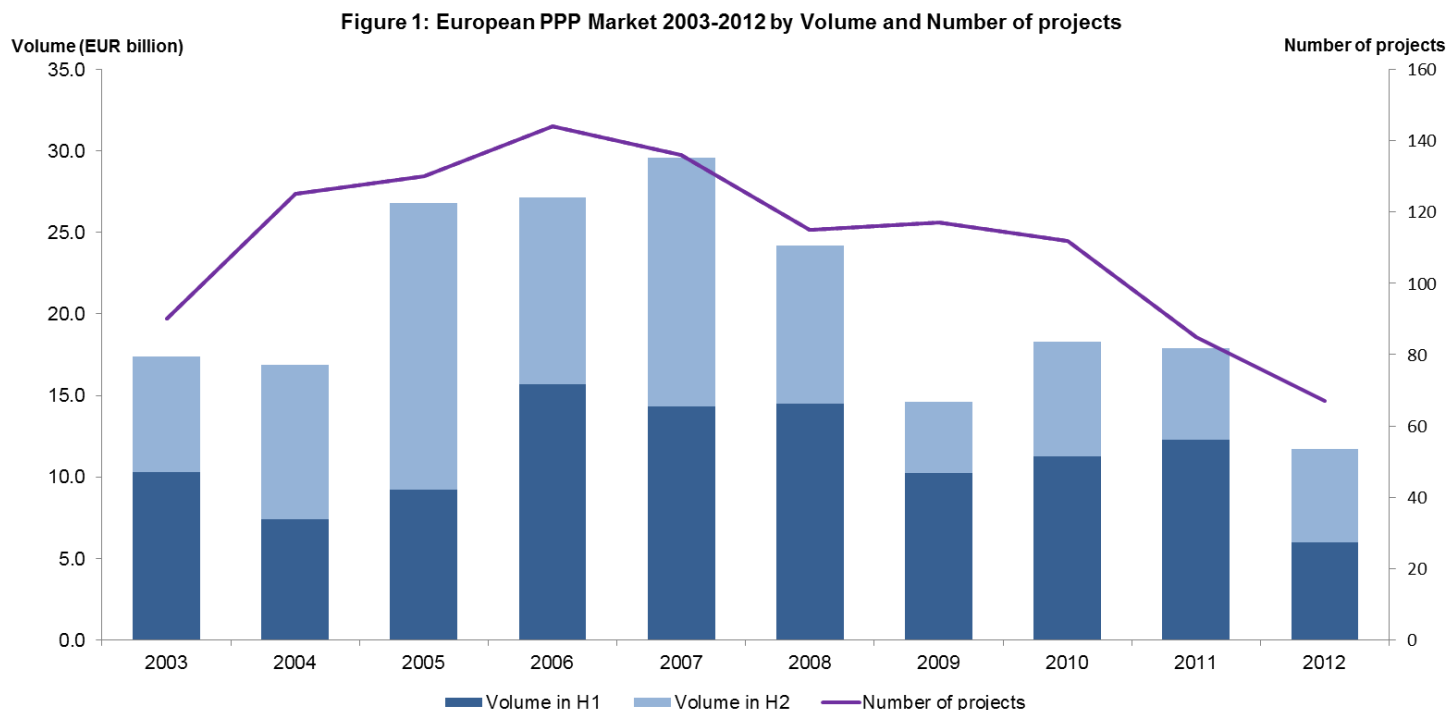
Membership: initially 20, now 39  
Members

Significant engagement from Members  
with more than 120 participations  
annually in EPEC Working Groups



# European PPP market context

## 2012, weakest of the last ten years



### Value

- EUR 11.7 bn in 2012
- EUR 17.9 bn in 2011

### Deal numbers

- 66 in 2012
- 84 in 2011

### Average deal value

- EUR 177 m in 2012
- EUR 213 m in 2011

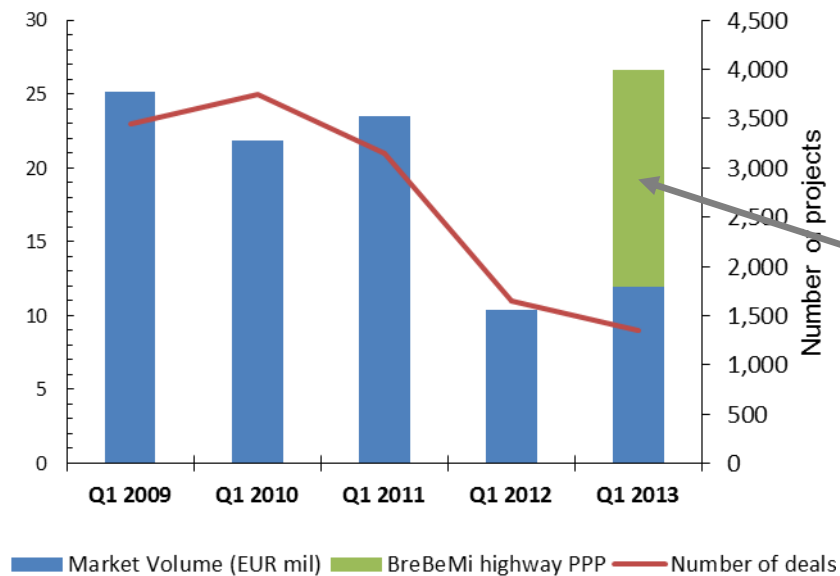
### Large deals ( over EUR 500 m)

- 4 in 2012
- 7 in 2011

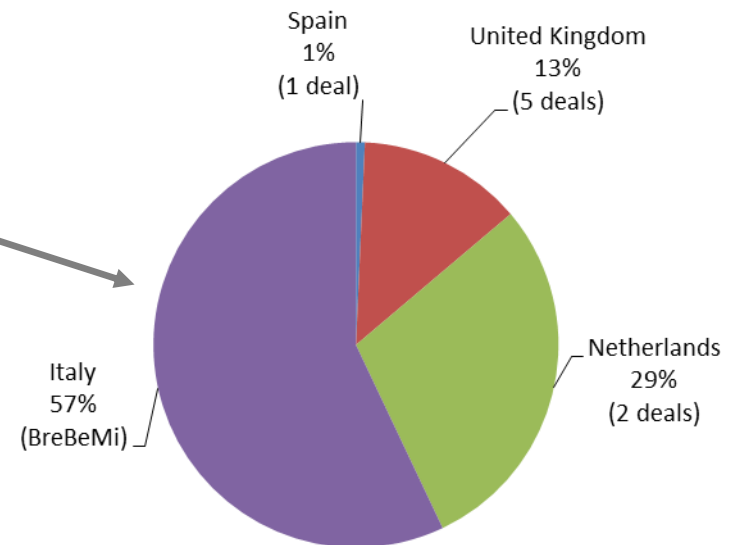
# What to expect in 2013?

- Excluding the BreBeMi highway PPP, the market level in Q1 2013 is in line with Q1 2012
- Some good news from Eastern Europe: Poland, Croatia, Romania and Slovakia(?)
- The return to pre-crisis levels is still far away
- New sectors: broadband/technology?

European PPP Market volume and number of deals



European PPP Market Volume in Q1 2013  
Country breakdown



## European market context

### Another challenging year

- **Sovereign crisis** with several EU countries undertaking significant reforms
- EU economies in need of **growth and employment**
- Significant **infrastructure needs remain**
- **PPP model under review/revision** in several countries
- **Financing PPPs** is proving more and more challenging
- **Limited support from governments** and public institutions

## EPEC: supporting the public sector to deliver PPPs

PPP Organisational  
Capacity

PPP Financing  
Instruments

Value for Money

Bilateral Advisory  
Services

Network Support

## PPP Organisational Capacity

**PPP Institutional Arrangements:** Understanding and strengthening PPP institutional structures and country capacity for delivering PPPs:

- Country specific reviews/reports on PPP institutional arrangements
- Good practice guidance on setting up or strengthening PPP institutional arrangements

**PPP Investment Planning, Programme and Project Preparation:** Examining how decisions made upstream impact on the success of PPP projects and PPP pipelines, to help improve the selection and preparation of PPPs:

- Case studies on PPP “motivations and constraints”
- Case studies on PPP programme planning
- Review of methodologies for assessing Value for Money of PPPs
- Best practice for the use of advisers by public procuring authorities

## PPP Financing Instruments

**Combining EU Funds and PPPs:** By influencing and interpreting the impact of the final legislative package for the Common Provision Regulations, help to increase the number of projects that combine EU funds and PPPs in the next programming period, leveraging the absorption of EU funds:

- Pilot cases of “blended” projects (in collaboration with JASPERS)
- Guidance material on combining EU grant funds with PPPs
- Strategy for dissemination of blending information in the light of the new regulation

**Emerging solutions for financing PPPs:** Monitoring and analysis of developments regarding the financing of PPPs, to provide guidance to EPEC Members on how to foster the development of emerging financing solutions:

- Guidance for procuring authorities on developing “bond-friendly” tender documentation to support the EU 2020 Project Bond Initiative
- Possible role of the public sector in providing support to financing PPPs
- Case studies on innovative financing structure



## Value for Money

**Procurement:** Advising EPEC Members on the impact of the revised Public Procurement Directive and the new Directive for Service Concessions (once adopted) on PPPs to assist in their application:

- Periodic updates for EPEC Members on procurement issues
- Briefing on key issues raised by Directives, with practical guidance on how to address them for successful PPP procurement
- Best practice dissemination/discussions with EPEC Members

**Eurostat, Accounting and Fiscal Risk:** Facilitation of the dialogue between Members and Eurostat and analysis of PPP fiscal risks **to improve the public sector's management of these issues:**

- Interaction with Eurostat on new rules and guidance for PPPs
- Analysis of fiscal risk issues arising from PPP programmes to derive good practice principles

## Value for Money

**Ex-post Evaluation:** In the light of available evidence and current methodological practice on ex-post evaluation, help to improve future PPPs by learning lessons from experience to date:

- Review of published/existing material on findings
- Review of methodologies on ex-post evaluation of PPPs

**Operational PPPs:** Based on a review of readily available material, help the public sector to improve the management of PPPs post signature:

- Review of key operational issues, such as, contract management, governance and staffing by public authorities
- Practical guidance on how public authorities can manage PPP projects successfully during construction and operation phases

## Bilateral Advisory Services

Direct and discrete (confidential) advice to individual EPEC Members, on request:

- **Stakeholder support activities** (e.g. bespoke workshops, events, responses to country specific requests for information or advice)
- **Bilateral “assignments”** based on terms of reference agreed between EPEC and the requesting Member e.g.:
  - Strengthening PPP institutions and structures
  - Legal and institutional framework for PPPs
  - Re-launch of PPP programmes
  - Blending of EU funds with PPPs
- Public sector secondments under the **EPEC Management Development Programme**

# Dissemination

## Recent EPEC publications

- Broadband – Delivering Next Generation Access through PPP
- Guidance on Energy Efficiency in Public Buildings
- EU Funds and PPPs - Project Stocktake and Case Studies
- Financing PPPs with Project Bonds - Issues for Public Procuring Authorities
- Terminations and Force Majeure Provisions in PPP Contracts

## Market Updates (6-monthly)



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