

# Current EU decision making process and the development of PPPs – perspective of a private operator

**“Improving public procurement”**

EPEC Private Sector Forum

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# Aiming at “flexi-security” for high-standard public services in Europe

- 1) Veolia Environnement: a private operator of SGEI
- 2) Our approach to the EU public procurement framework : the « pro-choice » principle
- 3) Flexi-security is expected for the award of concessions
- 4) A risk: exclusions from the public procurement package’s scope



# 1/ VEOLIA ENVIRONNEMENT

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- A private operator of **Services of General Interest** in the field of environment
  - Water services (incl. distribution & wastewater treatment)
  - Waste management & resource recovery (incl. collecting and recycling)
  - Energy services (incl. heating networks & energy efficiency for buildings)
- 75% of Veolia's activities **in the European Union** mainly performed with local authorities **through public procurement or concession** contracts.
- Recent contracts:
  - **A public work contract** awarded for the renovation of a biological wastewater treatment plant for the Greater Paris area
  - **A management contract** to manage the European Parliament's technical and energy systems
  - **A public service management** for the district heating network of Iasi (Romania)
  - **A PFI** contract for residual municipal waste in Leeds (UK)



## 2/ Our approach to the EU public procurement framework: the « pro-choice » principle

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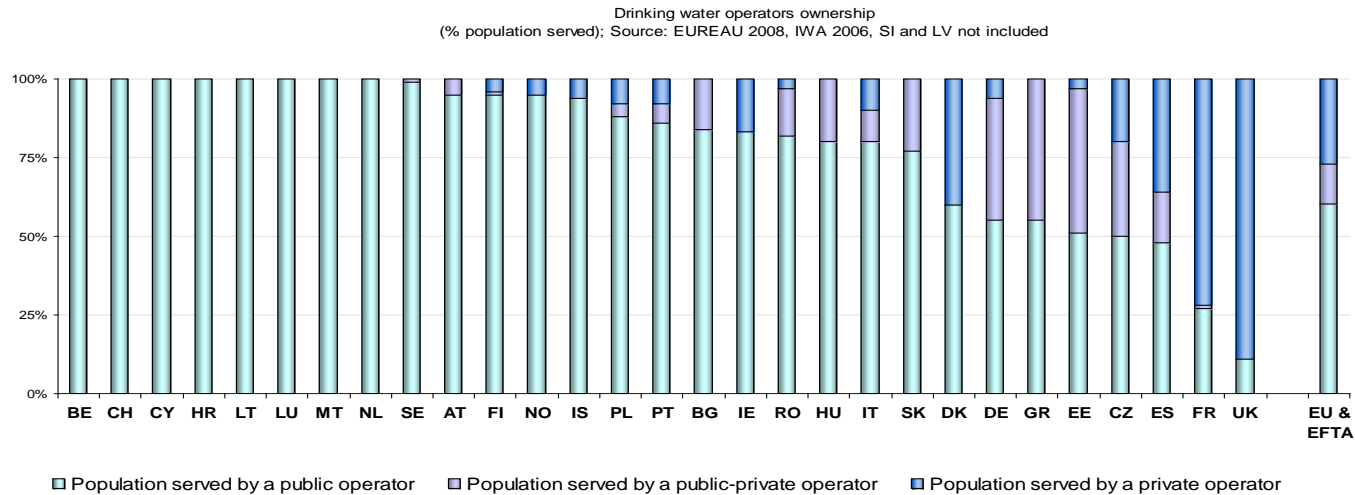
- The “pro-choice” principle : public authorities should have a **diversified toolbox** to finance, build and operate public service infrastructures including :
  - In-house management
  - Public contracts
  - Concessions & PPP
- **Equality of treatment** regardless of the (public or private) nature of the operator **is paramount.**



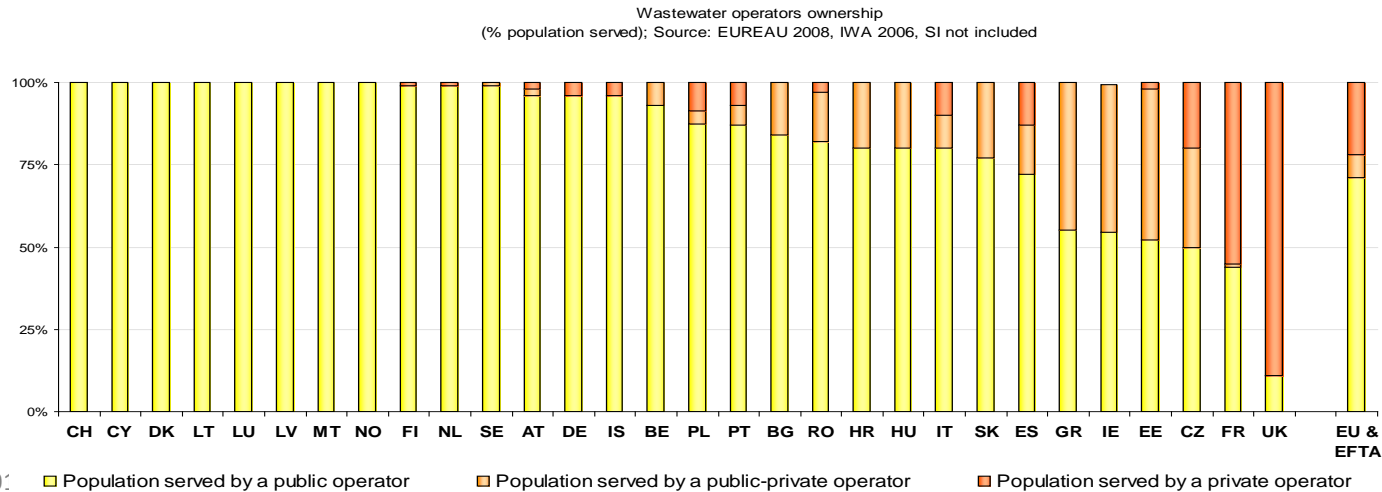
# Distribution of populations served in water and wastewater services by different types of operators



## Distribution of populations served in drinking water services by different types of operators



## Distribution of populations served in wastewater services by different types of operators



# 3/ Flexi-security is expected for the award of concessions

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## • LEGAL CERTAINTY for service concessions

- distinct tool from public contracts (risk transfer)
- additional tool for local authorities to manage their public missions
- Necessary to complete regulation in some EU countries

## • Legal certainty should facilitate

- the development of blended projects in 2014-2020
- the most economically sustainable offers



# 3/ Flexi-security is expected for the award of concessions

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- **FLEXIBILITY** for the award of concession contracts
  - **No copy paste of public contract procedures**
  - **Duration** must take into consideration the performance objectives
    - Efficiency of the service/Environmental and social targets/Least cost
  - **Modification** of contracts during their term must be possible
    - Concession contracts are per se incomplete





# 4/ A risk: exclusions from the public procurement package's scope

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## ● Public-public exclusions

- A codification of “public-public cooperation” without clarification
- Horizontal agreement between authorities
  - Avoid confusion between administrative agreement (no market orientation) and provision of services (‘in-house’ or not)

## ● Affiliated undertakings

- This exclusion should not apply to ‘contracting authorities’
- On-going discussions might lead to an implicit exclusion of the water sector