



Public-Private Partnerships – where next?

John Mather - Programme Director

Public-Private Partnerships (PPPs) were introduced in the early 1990s to bring private sector management skills and efficiencies into the provision of public services. Most PPPs are associated with the Private Finance Initiative (PFI). The PFI has allowed private funds to be used to pay for the provision of public infrastructure. Many new and improved roads, bridges, hospitals, schools, prisons, depots and offices have been designed, built and are now being maintained with the use of private finance.

The PFI is generally associated with long-term contracts – typically of the order of 25-30 years. In the majority of cases the private sector concessionaire uses private sector capital in the form of equity, bonds and loans to finance the design, construction, operation and maintenance of public infrastructure.

In return the public sector client pays a unitary fee (similar to a monthly mortgage payment) throughout the period of the concession.

The concessionaire is incentivised to be economic, efficient and effective in the provision of its services. The PFI has improved cost and programme (time) certainty. Roads, bridges and buildings are stronger/better with reduced maintenance costs.

The PFI has, by deferring the payment of large capital sums for design and construction, allowed new and improved roads, bridges and buildings to be built which would otherwise be unaffordable.



2010 PPP/PFI Study Programme participants visit the widened M25 Berry Lane viaduct, South Mimms, Hertfordshire. Participants on PAI's PPP 2010 study programme came from Bahrain, Brazil, Cyprus, India, Kenya, Philippines, Sierra Leone and Trinidad and Tobago; with a wide range of professional disciplines viewing PPP from different perspectives including engineering, finance, law, economic development and public policy.

But the cumulative cost of these payments is burdensome and PFI is at the crossroads. The situation may be expected to improve when the credit crisis recedes. But, in the meantime, major projects are likely to require a combination of public and private sector funds if they are to proceed.

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Developing a code of conduct for public officials in Mozambique

Philip Aylett* - PAI Associate Consultant

In March 2010 I was in Mozambique on behalf of PAI to take part in a seminar on developing a code of conduct and guidelines on conflict of interest for public officials. Along with Dr Abdul Carimo of UTREL, the Mozambique agency for legal reform, and Mark Guthrie of the Commonwealth Secretariat, which funded the seminar, I led discussions involving fifty people, including Supreme Court judges, Ministry of Justice policy advisers and senior civil servants.

Mozambique has ratified the UN Convention against Corruption, and now

seeks to implement its obligations under the Convention, which requires effective anti-corruption policies and practices. In particular, Mozambique has been working to revise its anti-corruption law. The seminar resulted in an agreement on a number of practical recommendations for taking this work forward.

*Since undertaking this assignment Philip has been appointed Clerk of the Committee of Public Accounts.

Developing codes and guidelines suitable for small jurisdictions

David Wilkinson – PAI Associate Consultant

In September 2010, I was engaged by PAI to facilitate a seminar in Montego Bay, Jamaica, that had been arranged by the Commonwealth Secretariat for the Caribbean Commonwealth member countries.

Like the earlier Mozambique seminar, the objective of the seminar was to identify the core ingredients of a code of conduct for public officials and a set of guidelines on conflicts of interest. The intention was that the Secretariat should ultimately develop these into models for use by small member states throughout the Commonwealth.

As well as addressing the knotty issues of principle that invariably arise in this field, the seminar participants focused particularly on the difficulties that can arise in putting well-accepted propriety principles into practice in small jurisdictions.



Participants at the code of conduct workshop, Montego Bay, Jamaica.

Communications workshop in Tonga

Barry Sutlieff - PAI Associate Consultant

"Providing road map navigation to help us fulfil our responsibility to communicate with our public and our world at large" was the challenge posed by Tonga's Information Minister, the Honourable 'Eseta Fusitu'a at a communication workshop earlier this year. The workshop "Getting Government Messages Across", was commissioned by the Commonwealth Secretariat, and designed and run by PAI. It sought to

explore communication practices in the South Pacific, to identify weaknesses and challenges to effective communication, and to consider ideas and techniques to help in day-to-day work.

Hosted by the Kingdom of Tonga, the workshop brought together delegates from seven countries – Tonga, Cook Islands, Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu.

Governments' approach to communication varied widely across the region. Tonga had appointed a minister with special responsibility for communication, but most countries had not progressed this far. All were committed to improving their communication practices and agreed an action plan to take back to their respective Governments.



Our new study programmes in 2011

Competition Policy:

How to level the playing field



Our new Competition Policy study programme will cover both the theory and practice of competition policy, focussing particularly on policy in the UK, the European Union and the USA as examples. The programme objective will be to share experiences, learn from best practice and improve regulatory capability. Both legal and economic perspectives will be explored, as well as policy lessons through the use of case studies and how competition policy operates in lower income and smaller

economies. The programme will consider: the theoretical underpinnings of competition policy; law and practice internationally; policy lessons through the use of case studies; and the application of competition policy in high and lower income economies. The programme is aimed at policy makers, policy advisers and public sector managers operating in the many competition authorities around the world. It will take place from 4 to 7 April 2011. You can apply on-line, by fax or enquire by phone.

Governance and Performance:

(Component One: Performance management; Component Two: Risk management; Component Three: Internal audit).



Our new Governance and Performance study programme is split into three components - performance management, risk management and internal audit - enabling attendance at all three, two, or just one programme over a threeweek period. Each programme is designed primarily for central, state and local government audit officials and personnel working for agencies or departments responsible for monitoring organisational performance and for assessing and managing

risks. They will also be of interest to officials in development agencies; governance, audit, evaluation and civil service reform policy advisers; aid donors working with internal audit departments to improve coverage of aid projects, and local consultants engaged in audit, performance management and risk analysis assignments. Component One will take place from 7 to 11 February 2011, Component Two from 14 February to 18 February 2011 and Component Three from 21 to 25 February 2011. You can apply on-line, by fax or enquire by phone.

Ukraine European Policy and Legal Advice Centre (UEPLAC)

Slava Gromlyuk – Business Development Manager

It has been just over a year since the start of the fifth phase of the Ukraine European Policy and Legal Advice Centre (UEPLAC) which PAI is implementing in Ukraine in a consortium led by the University of Pierre Mendez in Grenoble, France. During this period, the project team organised a series of training events for Ukrainian civil servants and provided specific advice to the National Parliament (Verhovna Rada), Ministry of

Economy, Ministry of Justice and other central government bodies in the area of legal approximation and EU integration. One of the main achievements was the research and publication of a compendium of international agreements and other documents signed between EU and Ukraine during the period 1991 to 2009.

PAI consultants were involved in conducting an analysis of the EU Free

Trade Area agreements, namely of their provisions on sanitary and phytosanitary (SPS) norms as well as analysis of the current SPS control system in Ukraine with recommendations on the optimal model of cooperation in this regulatory area. Another PAI consultant was engaged to undertake a review of the recent developments in EU customs policy, in particular focusing on principal innovations to be introduced by the Modernised Customs Code.



Designing a culture programme for Eastern Partnership countries

Dr June Taboroff - Team Leader

During 2010, PAI, in a consortium led by Cambridge Education, has been engaged by the European Commission in designing a new culture programme for the Eastern Partnership region. Six countries - Ukraine, Moldova, Belarus, Georgia, Armenia and Azerbaijan – will have the opportunity to develop regional programmes aimed at strengthening the contribution of culture and its institutions to social and economic development.

The programme, with funds of 12 million EUR and managed by a Regional Management Support Unit, is designed to encourage participation from civil society groups and better management by government institutions. It is the first time that the EC has funded culture activities of a regional nature in Eastern Partnership countries. Belarus is a new entrant to the programme. This ambitious programme encompasses cultural heritage, museums, cultural tourism, visual and performing arts, audio-visual and cultural policy.



Info Day presentation in Kiev.

Dr June Taboroff leads the project, with able support from Roberto Carpano and Kateryna Botanova. June and Kateryna made visits to each of the six participating countries where they met the relevant EU Delegations, government officials and cultural leaders to introduce the programme and learn more about needs at local level. This was an

excellent opportunity to gain an understanding of the region and the role that culture can play. The project culminated with two Info Days organised by the project team in Brussels and Kiev in October. Each event was well attended and included presentations of the new culture programme and details on the call for proposals.

William Plowden



It is with deep sadness that we record the death of William Plowden, on 26 June 2010, at the age of 75. William had served as a valued member of PAI's Advisory Group since our launch in 1995. He had a varied and distinguished career in academia and public service and was Director General of the Royal Institute of Public Administration (in which several present members of PAI's directorate and staff were formerly

employed) in the 1980s. In recent years he had been active as an international consultant with a particular interest in the effectiveness or in many cases, as he observed, the disappointing ineffectiveness of international aid programmes. Behind his relaxed and amiable manner lay a very sharp intellect, informed by his vast knowledge of public administration in the UK and around the world. PAI drew enormous benefit from his friendship and support and from his wise advice.