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Dedicated PPP Units

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Government teams concentrating skills in PPPs with the public administration are often called *PPP Units*. The functions of these PPP Units vary widely, as do their location within government and team structure. This variety reflects the range of priorities and constraints facing PPP programs both between governments, and within a government over time as the PPP program evolves. Countries with established PPP programs experienced a gradual broadening of the scope of the original PPP Unit, tending to address infrastructure in general, including non-PPP solutions.

Functions allocated to such PPP Units can include:

- **Policy guidance and capacity building**—defining PPP policies and processes, and building the capacity of implementing agencies to follow those processes. This often includes preparing guidance materials and standard documentation for PPPs. Example PPP Program Objectives and the "Key References" in PPP Cycle provide examples of such guidance material.
- **PPP promotion** both within and beyond government—that is, encouraging sector agencies to consider using PPPs, or promoting the opportunities presented by the PPP program to potential suppliers and investors.
- **Technical support** in implementing PPP projects. As described in Institutional Responsibilities: Implementation above, this may involve providing hand-holding support to responsible implementation teams in ministries or agencies; or being directly responsible for some aspects of PPP implementation. Some PPP Units act as a Project Development Facility, identifying, assessing, and structuring projects, and building a project pipeline.
- ***Gatekeeping,*** or reviewing and overseeing the management of PPP projects for efficiency and affordability; and either approving PPP projects, or advising on the approval process. As described in Institutional Responsibilities: Review and Approval, such reviews can take place at several stages during project development; while the oversight role of such PPP teams can extend into PPP implementation and portfolio management.

PPP units may perform more than one of these functions, while a single PPP program may involve more than one PPP unit performing different roles.

PPP Training

As part of their capacity-building functions, PPP Units in countries with significant PPP programs promoted the creation of PPP training programs—e.g. the Philippines (PH 2017) and South Africa (ZA 2017). In South Korea (KDI Training), the Public and Private Infrastructure Investment Management Center (PIMAC) provides several PPP training programs every year. This training for public officials are done at two levels, basic and advanced training. The latter addresses feasibility studies, evaluation, financial modeling, and negotiation. PIMAC also provides PPP training for private companies.

Multilateral organizations have also partnered with PPP teams in organizing PPP training activities and practitioner networks. The World Bank and PPIAF promoted Tanzania's City Creditworthiness

Academy (TZ 2014). The Korean Development Institute (KDIS 2017), ADB, and the World Bank have supported the annual conferences promoted by the Asian PPP Network (APN) (KDI 2017).

Several Massive Open Online Courses (MOOCs) have been developed for PPPs. The **World Bank** created the PPP MOOC (WB 2015d) in English followed by a French version (WB 2016g). The **Inter-American Development Bank** also developed several MOOCs on PPPs and infrastructure in Spanish and Portuguese (IDB 2017)—for instance, a MOOC on PPPs and another on sustainable cities. The **APMG PPP Certification Program** (APMG-PPP) is another useful tool in building knowledge about PPPs. Practitioners can become certified in PPP by APMG, a reputable online assessment portal—certification requires taking online examinations that demonstrate a solid understanding of the *APMG PPP Guide* (APMG 2016), a comprehensive encyclopedia developed by over 80 PPP practitioners. Students can also become accredited to train PPP practitioners to pass the certification examination.

The institutional design of PPP Units, particularly the gatekeeping ones, requires a well-pondered balance of mandatory requirements (e.g. project scrutiny, draft contract review, involvement in the tender process) and resource provision (not only money for project preparation and procurement, but mainly knowledge and experts able to supplement line ministries staff and resources)—in practice, a “sticks and carrots” approach. Adequate leverage of the PPP Unit is also required.

The structure and location within government of PPP units typically depends on their specific functions, as well as existing institutions, skills, and experience within government. PPP units may be departments within ministries or agencies, units with special status but reporting to ministries, autonomous government entities, or even government-owned or public-private corporations. Gatekeeping units are most often located within ministries of finance, or other oversight agencies; while technical support units may be housed centrally, sometimes alongside other relevant functions such as procurement, or be established at the subnational or sector level where a sector has a significant PPP program. Units with a PPP promotion focus may be part of broader investment promotion entities.

The functions of PPP units, and hence their structure, may also change over time as the PPP program evolves. For example, in the United Kingdom, the original Treasury Task Force (its first PPP Unit) was partially converted into a joint public-private venture (Partnerships UK, or PUK, 51 percent owned by private entities), with more of a focus on PPP promotion and technical support. However, as the PPP program developed and ministries and agencies gained more experience, the focus shifted towards oversight and integration of PPP with the broader public investment function. Eventually PUK was reabsorbed into government as *Infrastructure UK*, which later merged into the UK’s Infrastructure and Projects Authority.

Many countries do establish their central PPP Unit in the Ministry of Finance, to better fulfill its role as gatekeeper—that is the case of the United Kingdom, France, Portugal, South Africa, India, and Indonesia. A number of countries that have established their central PPP Unit outside the Ministry of Finance (MOF) felt the need to create its own MOF PPP Unit, in charge of monitoring and managing fiscal liabilities and fiscal risks arising from PPPs—that is the case, for instance, of the Division of Contingent Liabilities and Concessions of the MOF of Chile (where the main PPP Unit is part of the Ministry of Public Works) and of the Subdirection of PPPs of the MOF of Colombia (where the PPP Unit is an agency under the Ministry of Transportation).

The following studies provide more information on the functions and structure of PPP Units, detailed case studies, and assessments of the effectiveness of these units in achieving their objectives:

- An **OECD study on PPP units** (OECD 2010) describes the range of PPP unit functions along the lines of the list above, and provides detailed case studies of PPP Units in Germany, Korea, South Africa, the United Kingdom, and the State of Victoria, Australia.

- A **report by the Brookings Institution** (Irwin and Mokdad 2010) provides a similar break down of the functions of PPP units, into three categories: review bodies, or gatekeepers; full service agencies providing technical assistance to review agencies, and centers of excellence acting as repositories of best practice.
- A **set of reports published by the European PPP Expertise Centre**, based in Luxembourg, analyzes European PPP Units and institutional frameworks (EPEC 2014a) and discuss individual cases, such as **France** (EPEC 2012) and **Portugal** (EPEC 2014c).

Related Content

- **INTRODUCTION**
- **PPP BASICS: WHAT AND WHY**
- **ESTABLISHING THE PPP FRAMEWORK**
- **PPP Policy**
- **PPP Legal Framework**
- **PPP Processes and Institutional Responsibilities**
- **Public Financial Management Frameworks for PPPs**
- **Broader PPP Program Governance**
- **Municipal and other subnational PPPs**
- **Key References - PPP Framework**
- **PPP CYCLE**

Additional Resources

- Country Profiles

Find in pdf at PPP Reference Guide - PPP Framework or visit the PPP Online Reference Guide section to find out more.

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