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PPP PROJEKTY V ČR - SVĚTLO NA KONCI TUNELU?

***PPPS IN THE CZECH REPUBLIC –
IS THERE LIGHT AT THE END OF THE TUNNEL?***

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PPP projects in future programming period in the Czech Republic

Prague House in Brussels

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PPP Projects In Progress

Project	Status	Notes
Aquapark Olomouc	Concessionaire Tender ongoing	Launched under old Public Procurement Law
Court Houses (Usti n/L & Karlovy Vary)	Project Evaluation & Concessionaire Tender to be launched	
Correctional Centre (Moravia)	Project Evaluation and Concessionaire Tender to be launched	
Central Military Hospital (Prague)	Project Evaluation and Concessionaire Tender to be launched	
Na Homolce Hospital (Prague)	Project Evaluation and Concessionaire Tender to be launched	Advisors Tender took 7 months
Sports Centre Ponava (Brno)	Project Evaluation	
D3 Motorway (South Bohemia)	Advisors Tender ongoing	Tender launched in March 2006
Regional Hospital (Pardubice)	Advisors Tender launched	

LESSON 1 – Political Sensitivity

- Government vs. Regions
- Problems with Advisors Tenders
- Wide Political Consensus Required

LESSON 2 – Level of Preparedness

- Need for a Feasibility Study (PPP as the best option)
- Prepared for *unwanted* conclusion:
“*PPP is not a suitable model to implement the project*”
- Objectives vs. means to achieve the objectives
- Overdeveloped projects limit the use of PPP advantages

LESSON 3 – Procurement Issues

Concession Act
(No. 139/2006 Coll.)

?

Public Procurement Act
(No. 137/2006 Coll.)

works / services

=

works / services

right to exploit / use
the works / services

≠

no exploitation / use

payment

<

pecuniary interest

exploitation / use risk

>

exploitation / use risk

LESSON 4 – Structuring

- Who is supposed to own the assets?

Concessionaire

high tax efficiency

bankruptcy risk

Contracting Authority

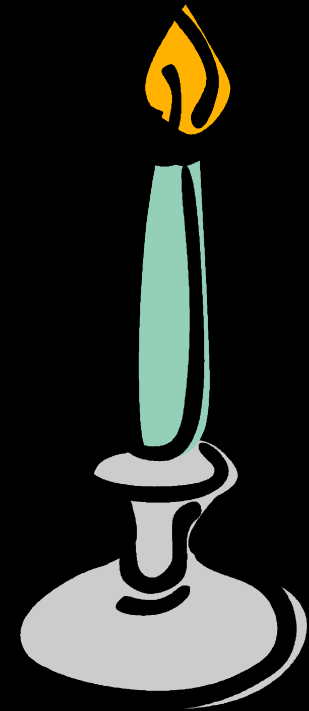
bankruptcy-proof
scenario

increased costs



CONCLUSION

- PPP should not be the only option to be considered (comparison is a must)
- Careful preparatory works required (feasibility study)
- Sensitive structuring (public procurement, balancing risks)
- Small projects (hospitals, schools) likely to succeed rather than large ones (motorways)



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