

REGION: PPP-The Face of Attracting FDIs

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Rating

The European PPP Center Training & Consulting was established in January 2006 in Hungary. Its primary goal is to serve as a PPP know center for the Central & Eastern European region. In order to fulfill this goal the EPPPC is currently organizing a conference “Promoting PPP Investments in CEE. On this occasion we were speaking to Mr. Andras Timar, Member of the Expert Team of EPPPC.

Mr. Timar, would you be so kind to present in brief to our public the European PPP Center and its members, activities, purposes and events you have organized?

Hungary has the longest experience with highway PPPs in the Central- and Eastern European region. We have both positive and negative experiences and this led us to the idea that sharing our know-how could be beneficial for other countries of the region. In January 2006 the European PPP Center was established to serve as an “expertise center” and to provide training and consulting services to governments and to the private sector. EPPPC is a private initiative and the Expert Team serves as Advisory Body. In accordance with the mission of EPPPC, a series of PPP training was organized in 2006-2007 with great success. Based on this success we decided to organize a conference “Promoting PPP Investments in CEE” to be held in Budapest on 29-30 October 2007. The main objective of this event is to provide a platform where public and private sector representatives can discuss PPP opportunities in an interactive way.

In what way does your organization support PPP?

We offer our know-how obtained through more than 15 years of working with PPPs. As from the historical point of view Hungary has a similar past than other CEE countries, obviously we can better understand and find appropriate solutions adapted to the political, legal and financial situation in other CEE countries.

Why do you think that public private cooperation is so important for CEE?

Involving the private sector brings efficiency to the projects that were so far purely public. Moreover, economical growth is enhanced by the development of public infrastructure and in most CEE countries it is desperately underfunded and underdeveloped. Financing ambitious development plans from purely public funds is apparently not feasible in CEE countries. Another constrain to be taken into consideration for the EU12 when planning to finance long-term development of public infrastructure is compliance with the Maastricht criteria.

Could you give me some examples of good practices in the region of CEE?

I think that the construction and operation of the M5 Motorway in Hungary by a private concessionaire or the development of the Ruzyně Airport in the Czech Republic, both under an appropriate PPP scheme, are representing good practices. From conception till completion these projects undergone substantial amendments, but the partners adapted well to ever changing conditions. Flexibility, mutual understanding and co-operation are the keys of good practice for PPP projects everywhere.

What would you like to emphasize about your upcoming conference “Promoting PPP Investments in CEE”; and what results would you like to achieve?

Briefly, I would like to point out that conference is organized under the patronage of the Hungarian government. We are in the process of harmonizing the opening ceremony with Minister of Finance, Mr. Janos Veres’ working schedule, who was invited personally to open the conference. More than 10 CEE countries are invited to present their PPP strategies and private sector speakers will be there to share their experience as well. With this conference we would like to establish a regular opportunity, which may become a tradition later on, where experts working with PPPs in CEE countries will meet and discuss experience and opportunities, thus enhancing the development and success of these projects in the region.

In what way do you think the Balkan countries could benefit from Central and Eastern European experience with PPP?

Many CEE countries have made a mistake dividing PPP competencies between institutions because of political changes. However, a key criteria of successful public-private partnership projects is political stability, well conceived and long-lasting public support, mutual understanding and good co-operation between public institutions. Based on the CEE region’s experience the Balkan countries should establish clear competencies in the form of a PPP unit (having power for co-ordination and appropriate budgetary resources to finance preparatory works), from the very beginning.

Source: EPPPC