

Public-Private Partnership Projects Implementation

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Abstract – The world experience in implementing projects on the basis of public-private partnership has been analyzed and its benefits and advantages have been identified. The forms and spheres of the implemented projects in Ukraine are determined. A comparative evaluation of one of the projects on attracting a private partner and without its involvement in the mechanism of public-private partnership was conducted and the effectiveness of establishing partnerships was proved.

Key words – public-private partnership, public sector, private sector (business), public sector, concession, joint activities.

Introduction

In today's conditions, for a successful socio-economic development of regions and the state as a whole, the economy needs co-ordinated cooperation in various spheres between the public and private sectors.

Mechanism for development and attraction of funds of public-private partnership

The partnership between the state and business has become widespread in Canada, the USA, Mexico, Brazil, Australia, Asia, and especially China, India, Japan, Turkey, Israel and Jordan, the most developed public-private partnerships in the United Kingdom, Italy, France, Germany, Australia, Scotland, the Netherlands, Spain.

The countries of Eastern Europe (Bulgaria, Romania, Poland, Croatia, Czech Republic, Hungary) are actively initiating and implementing projects on the basis of RFP. In 2014, in the EU, 18.7 billion euros were invested in PPP projects (in 2013 – 16.3 billion). For example, Turkey has tripled its GDP over 10 years, and not least this is due to the use of PPP mechanisms in the country. The country attracted \$ 115 billion in investments in 193 PPP projects. The main sectors of investment were energy (76 projects), roads and road infrastructure (29 projects), ports and port infrastructure (21 projects), airports (19 projects) and health (17 projects). Today, more than 50 airports (including 21 international ones) operate in Turkey, and private investment in the industry is 90%. The main spheres of application of PPPs in foreign countries are infrastructure facilities, administrative services, education, medicine, information and communication technologies, energy, transport, water supply and sewage

In 2017, in Ukraine, on the basis of public-private partnership, 192 projects were implemented (160 concession agreements, 32 joint activity agreements and 1 public-private partnership agreement).

Another common form of partnership between the public and private sectors is public-private companies. Participation of the private sector in the capital of a state-owned enterprise may involve corporatization and the creation of joint ventures. The degree of freedom of the private sector in the adoption of administrative and economic decisions is determined in this case, its share in equity capital. The smaller the proportion of private investors compared to the state, the more narrow the range of independent decisions they can take without state intervention [1]. In 2016, on the basis of public-private partnership, 186 projects were implemented, of which 153 concession agreements, 32 joint venture agreements and 1 public-private partnership contract were concluded (Table 1) [2].

Table 1

Forms of implemented projects on the basis of PPP in Ukraine in 2017

Region	Concession	Joint activity	PPP	Total
Transcarpathian	3	1	0	4
Zaporozhye	6	0	0	6
Ivano-Frankivsk	1	1	0	2
Kyivska	10	0	1	11
Kirovograd	0	1	0	1
Lviv	3	1	0	4
Mykolaiv	14	1	0	15
Odessa	0	14	0	14
Poltava	109	4	0	113
Ternopil	0	2	0	2
Kharkiv	1	0	0	1
Kherson	1	1	0	2
Chernihiv	0	1	0	1
Total	153	32	1	186

The use of PPPs in Ukraine is the collection, purification and distribution of water (30 projects), production, transportation and supply of heat (6), construction and operation of motorways, roads, bridges, railways, tunnels, sea and river ports and their infrastructure (16), tourism, recreation, culture and sports (1), exploration of mineral deposits and their extraction (1), waste management (112), production, distribution and supply of electricity (5), property management (2) and others (13). The benefits of using the mechanism of public-private partnership are presented in Table. 2.

Table 2

Benefits of using the RFP mechanism

State authority	Private sector (business)	Community (society)
Savings of state / local budget	Access to utilities, infrastructure	Improved quality service
Investment attraction	Longevity of relations (from 5 to 50 years old)	The best price that satisfies a wide range of consumers
Budget replenished at the expense from payment concession	Ability to get privileged loans under the public-private object partnership	Satisfied demand
Optimization of the structure of the state expenditures	State guarantees. improvement of the regulatory framework, increasing transparency of business	Growth of the region's economy
Accelerating processes	Increased transparency of permits systems and reduction of barriers	Ensuring quality conditions life activities of all regional community

Conclusion

Thus, the mechanism of public-private partnership, as one of the forms of interaction between the state and the private sector of the economy, is widely used in countries with a developed market economy. Cooperation between the public and private sectors of the economy provides the opportunity to achieve the desired level of efficiency in the implementation of large-scale projects important for the whole country. Prospects for further research are the analysis of the effectiveness of public-private partnerships and the identification of risks for their management.

References

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