

**Commission Green-book on PPP:  
Suez's answer**



# PPP: Definition

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1. No European Commission definition
2. PPP: Different from privatization
3. A partnership is a long term concept
4. The remuneration includes risks related to operation and to investment



# We accept the risks we can manage

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## Risk we can manage

1. Staff management
2. Technical and commercial issues
3. Project management

## Risk we cannot manage

4. Political: breach of contract by public authority
5. Change in legislation
6. Currency, inflation

# Investment policy

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1. Investments are a means not an end
2. Cash flows sufficient to service debt (interest and principal) and operator remuneration
3. Finance in local currency because PPP is local and cannot be de-localized



# Competitive dialogue

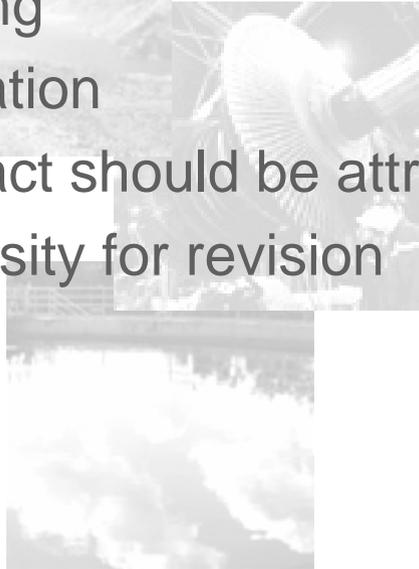
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1. A tool to define a project
  2. Case of a sludge treatment plant
  3. Copyright
  4. It is not a tool to define a contract
  5. Case of Delegated Service Management
  6. Necessity of a negotiation
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# Duration of a PPP

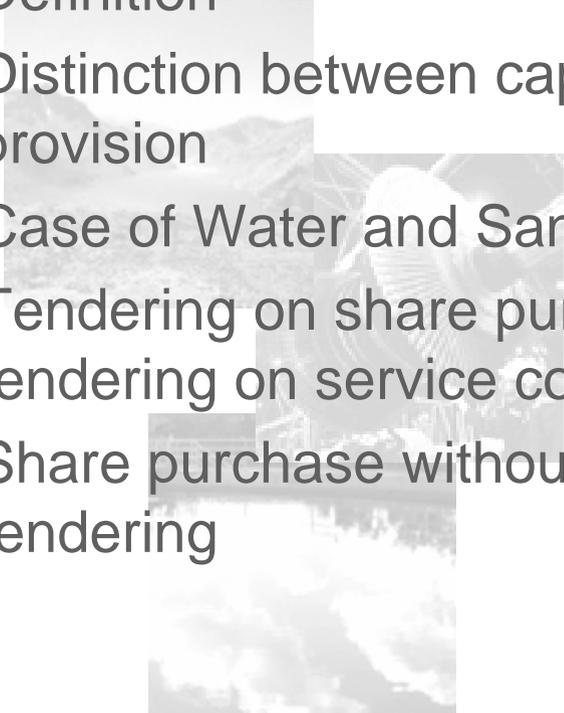
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1. Duration of depreciation is not sufficient
2. Duration necessary to reach objectives
3. Training
4. Innovation
5. Contract should be attractive
6. Necessity for revision



# Institutional PPP

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1. Definition
  2. Distinction between capital sharing and service provision
  3. Case of Water and Sanitation of Prague in 2001
  4. Tendering on share purchase should not replace tendering on service contract
  5. Share purchase without service obligation do not need tendering
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# PPP and EC funds: Procurement issues

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1. No procurement systems for BOT, DBO or concessions
2. Weight on financing infrastructure not O&M
3. Problem of open tenders
4. Theoretical O&M price
5. Red book against yellow book



# The best use of public funding

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1. Private or public funding
2. Private or public service
3. PPP: gain in technology and efficiency
4. PPP: a financial leverage
5. PPP: the best use of public funding
6. PPP: a necessity to meet investments requirements

