



**MOSELEY  
INFRASTRUCTURE  
ADVISORY SERVICES**

## **Istanbul PPP Centre of Excellence Online PPP Webinar Series**

**Istanbul, 11 May 2020**

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# Overview – Possible Future Directions of PPPs

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- **Shifting Towards Digital**
- **Shifting Away From Carbon**
- **Shifting Away From Big**
- **Shifting Towards Risk Sharing**



Photo by Mat Brown, Pexel



# Shifting Towards Digital

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- **the pandemic has forced us to rethink our lives**
  - can I work without the pain of daily commuting
  - do I have to spend my weekends going shopping
- **digital networks vs physical networks**
  - do we need more roads, or more broadband

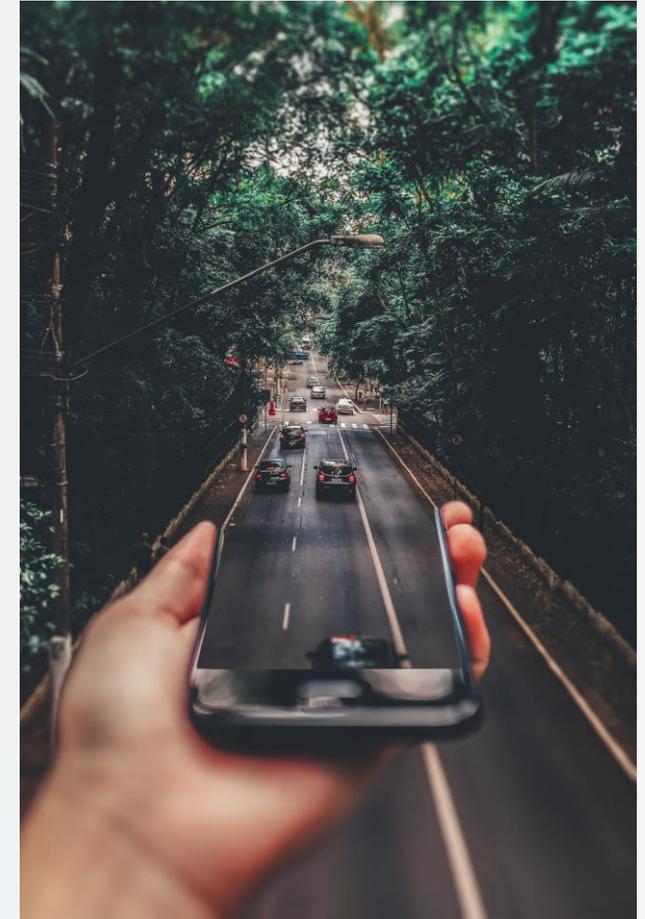


Photo by Matheus Bertelli, Pexels



# Shifting Towards Digital (cont.)

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- **the world is not yet connected**
  - 3.5 billion people without digital connectivity
  - even in wealthy countries, there is a 'digital divide' between urban and rural communities
  - in developing markets, we need more than just digital infrastructure
- **a time for international cooperation**
  - the Digital Moonshot for Africa initiative is an example of what can and should be done



Photo by Julia Cameron, Pexel



# Shifting Away From Carbon

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- **the pandemic also forces us to confront the reality of global threats – including the threat of climate change**
  - **the public will demand ‘better solutions’ from their governments**
- **the carbon footprints of our projects, and our activities, will be even more closely scrutinised**

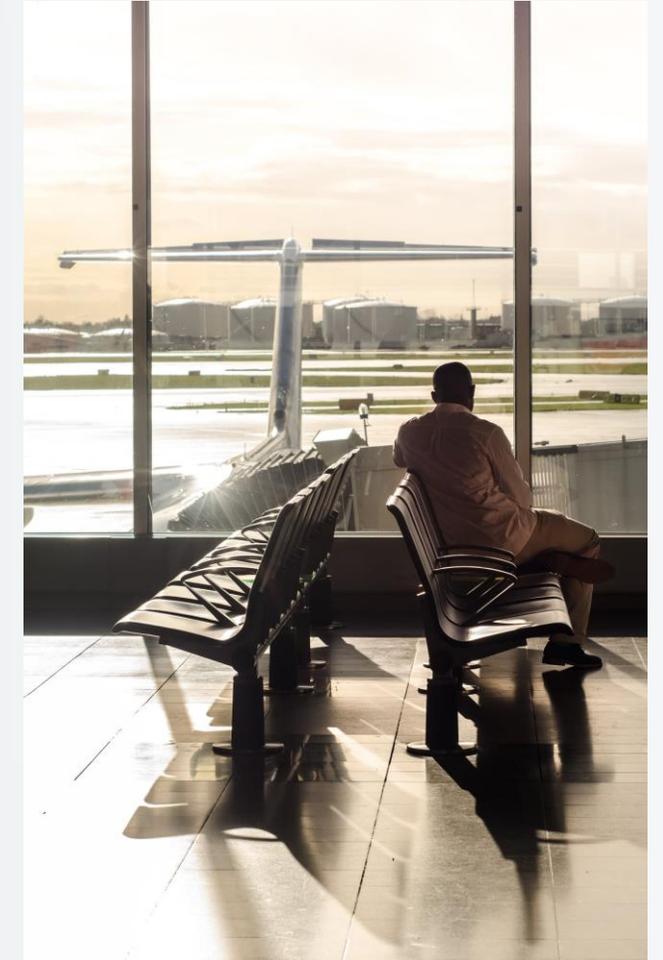


Photo by Skitterphoto, Pexel



# Shifting Away from Carbon (cont.)

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- **PPPs can foster innovative solutions**
  - **governments can set out ambitious ‘green objectives’, and challenge the private sector to meet them**
- **conceivably, decarbonisation could be used as a bid evaluation parameter in PPP projects**



Photo by Pixaby, Pexel



# Shifting Away From Big

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- **when the pandemic is over, governments will want to jumpstart the economy**
  - **big projects take time – smaller ones can be started sooner**
- **we also need to focus on improving our existing infrastructure**

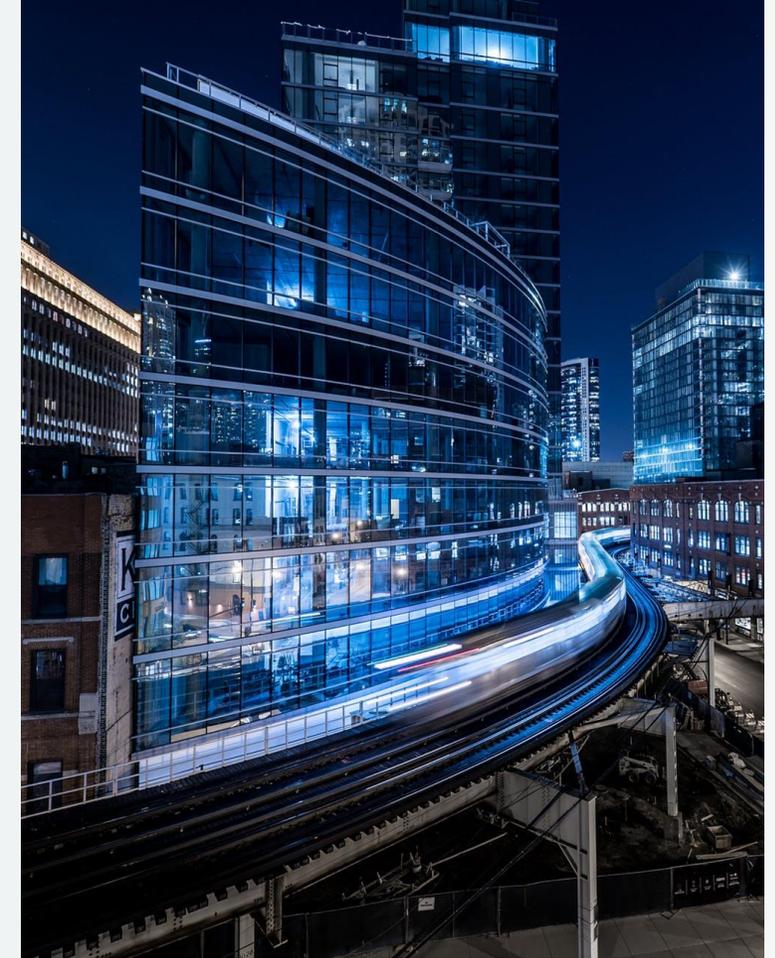


Photo by Alex Powell, Pexel



# Shifting Away from Big (cont.)

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- **PPPs have been successfully used on small-scale projects**
  - such as the UK schools program
- **the key is transaction efficiency**
  - a steady stream of projects
  - standardised documentation



Photo by Akela Photography, Pexel



# Shifting Towards Risk Sharing

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- **even before the pandemic, doubts were being raised as to the future of PPPs**
  - **governments said that ‘value for money’ was missing**
  - **the private sector said that PPP contracts were too rigid**
- **much of the criticism focused on the inability of long-term PPP contracts to adjust to changes in circumstances**
  - **unforeseen events lead to costly litigation, renegotiation or termination of PPP contracts**



Photo by Pixaby, Pexel

# Shifting Towards Risk Sharing (cont.)

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- **alternative arrangements, such as Alliance Contracting, have been tried in some countries**
  - the Australian and UK examples
- **fundamentally, ‘it's all about risk’**
  - risk allocation vs. risk sharing



Photo by Cytonn Photography, Pexel



# Summary – Where Are PPPs Headed?

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- **moving from physical networks to digital networks**
  - **from carbon to silicon**
- **moving from large and rigid to small and flexible**
  - **projects that are quicker, and agreements that are more balanced**



Photo by Alex Andrews, Pexel





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