

## Lessons learned from existing PPP programs

**The establishment and implementation of PPP programs worldwide has provided several lessons, particularly from the poor performing PPP programs.**

Such lessons include:

- Countries without a proper policy and full commitment across the ministries involved, usually Roads, Finance and Development Planning, fail to instill confidence in the private sector. The result is that either the private sector is not interested or prefers to use unsolicited tenders to avoid a competitive and transparent framework.
- Projects are often insufficiently prepared, sometimes for financial reasons, sometimes for time reasons. Ultimately, poorly prepared projects either fail or take much longer, sometimes years longer than the advocated PPP process or result in financial (and political) liabilities for governments in later years.
- Inconsistent laws and regulations can be worse than limited or no laws, where regulation by contract can operate at least initially.
- Even where projects are well developed and frameworks are in place, relatively minor defects in concession contracts can lead to weak and uncompetitive tenders.
- Without clear policy regarding unsolicited bids, the private sector may prefer this approach, which could result in poorer deals for the government and longer time taken to implement than the standard PPP route.
- Ad hoc projects, rather than a properly developed pipeline of projects, may result in difficult projects which either fail to be implemented or take years to be developed. 'Difficult' projects are generally those that require large subsidies, are risky, often not ready and have too many negative impacts.
- Consultation and explanation of PPPs is often insufficient to convince/inform public sector officials, senior staff and general public of their advantages and how they work, generating a lot of misunderstanding and opposition to PPPs.

Many of these lessons provide the basis for the policy and strategy development in the present section.