CONCEPT

Public-Private Partnerships (PPP): Project Structuring, Risk Allocation and Governance

Public-Private Partnerships (PPP): Project Structuring, Risk Allocation and Governance

Technical depth: Conceptual · **Practical mode:** Case study

Introduction

Public-private partnerships can deliver infrastructure and services that budgets alone cannot, yet many are chosen for the wrong reasons, structured with risks the private partner cannot manage, or renegotiated at public cost within a few years. The decisions that prevent this are taken by executives long before financial close. This Core Concept course gives public and private sector leaders the understanding needed to judge PPP suitability, direct structuring and risk allocation, and govern the contract over its life. Working through cases from several sectors, participants produce a PPP Structuring and Governance Brief for a candidate project.

Course Objectives

- Judge whether a project suits delivery as a PPP, using value-for-money, affordability and market-sounding evidence
- Evaluate PPP models and payment mechanisms and select the structure that fits the project's revenue and risk profile
- Direct risk allocation and key contract provisions so that each risk sits with the party best able to manage it
- Oversee the fiscal, accounting and disclosure treatment of PPP commitments and contingent liabilities
- Establish governance, procurement and contract management arrangements that protect value across the contract life
- Approve a PPP Structuring and Governance Brief for a candidate project

Target Audience

- Senior public officials accountable for infrastructure and public service delivery programmes
- Heads of PPP units, project finance and investment functions in public bodies
- Executives of private developers, operators and contractors pursuing long-term concessions
- Chief financial officers and budget directors responsible for fiscal commitments and contingent liabilities
- Board members and senior advisers of infrastructure funds, lenders and state-owned enterprises
- Heads of legal and governance functions overseeing long-term partnership contracts

Course Outline

Day 1: The PPP Landscape and Project Suitability

- PPP Definitions and the PPP Reference Guide 3.0 Project Cycle
- Delivery Options Appraisal: Traditional Procurement Versus PPP
- PPP Screening and Suitability Criteria Checklist
- Five Case Model Business Case Structure
- Market Sounding and Investor Appetite Assessment

Day 2: PPP Models, Principles and Legal Frameworks

- PPP Models Compared: DBFOM, BOT, Concession and Availability Payment Contracts
- OECD Recommendation on Principles for Public Governance of PPPs
- UNCITRAL Legislative Guide and Model Legislative Provisions on PPPs 2019
- UNECE People-First PPP Principles and Sustainable Development Outcomes
- Project Finance Structure: Special Purpose Vehicle, Equity, Senior Debt and Direct Agreements

Day 3: Structuring the Partnership

- Value for Money Assessment and the Public Sector Comparator
- Risk Allocation Using the GI Hub PPP Risk Allocation Tool
- Payment Mechanisms: User Charges, Availability Payments and Performance Deductions
- Output Specification and Key Performance Indicator Regime
- Bankability Review: Debt Service Cover Ratio and Lender Requirements

Day 4: Fiscal Risk, Governance and Problem Cases

- Fiscal Commitments and Contingent Liabilities Using PFRAM 2.0
- Accounting for Service Concessions Under IPSAS 32 and IFRIC 12
- Force Majeure, Change in Law and Termination Payments in the Guidance on PPP Contractual Provisions
- Renegotiation Risk, Step-In Rights and Refinancing Gain Sharing
- PPP Contract Management and Handback Governance Framework

Day 5: Case Work and the Structuring Brief

- Hospital Availability PPP Case Study: Affordability and Performance Deductions
- Toll Road Concession Case Study: Demand Risk and Renegotiation
- Value for Money and Risk Matrix Build for a Candidate Project
- PPP Structuring and Governance Brief Drafting
- Investment Committee Panel Review and Brief Defence

Skills You Will Gain

- PPP Suitability Screening
- Value for Money Judgement
- Risk Allocation Oversight
- Payment Mechanism Design
- Fiscal Risk Oversight
- Project Finance Literacy
- PPP Contract Governance
- Market Engagement

Why Attend This Course

- Return to work with a PPP Structuring and Governance Brief for a candidate project, already challenged by an investment committee panel
- Test advisers' value-for-money and risk allocation conclusions with the right questions
- Recognise the contract provisions that most often trigger renegotiation, fiscal surprises or disputes
- Compare PPP experience with public and private sector executives from other countries

Conclusion

A public-private partnership succeeds or fails on decisions made early: whether the project should be a PPP at all, how risks and payments are structured, and how the contract will be governed for decades afterwards. This course moves from project suitability and the leading international principles, through value for money, risk allocation and payment mechanisms, to fiscal exposure, renegotiation and contract governance. The final day brings these together in a PPP Structuring and Governance Brief that participants take back to their investment or approval committee.