

# Public Private Partnerships

The background consists of a dark blue grid. Overlaid on this grid is a light blue bar chart with numerous vertical bars of varying heights. A white line graph with small circular markers is also overlaid, showing a fluctuating trend across the width of the image. The text 'Public Private Partnerships' is centered in the upper half of the image in a large, white, sans-serif font.

# A Selection of PPP Models

A long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance. **Source: World Bank**

“Innovative, long term, contractual arrangements for developing infrastructure and providing public services by introducing private sector funds, expertise and motivation into areas that are normally the responsibility of government.” **Source: UNECE**



# Definition of PPPs

- BBO. Buy-Build-Operate (similar to BOO).
- BOO. Build-Own-Operate. The private entity will build, own and operate the project just as in a BOT project, but there is no transfer back to the Government. This method is often used where there will be no residual value in the project after the concession period or accounting standards do not permit the assets to revert to the contracting agency if the contracting agency wishes to benefit from off-balance sheet treatment.
- BOOS. Build-Own-Operate-Sell. Same as a BOT except that the contracting agency pays the project company for the residual value of the project at transfer.
- BOOT. Build, Own, Operate & Transfer: A PPP Mode under which the Concessionaire builds the assets, owns them, operates and maintains them and at the end of the Concession, transfers the assets back to the Sponsoring Authority. (e.g. – Real Estate projects)

# A Selection of PPP Models

- BOR. Build-Operate-Renewal of concession (similar to BOO).
- BOT. Build, Operate & Transfer - A PPP Mode under which the Concessionaire builds the assets, operates and maintains them and at the end of the Concession, transfers the assets back to the Sponsoring Authority. (e.g. – Road projects)
- BTO. Build-Transfer-Operate (similar to BOT). This often involves the contracting agency paying for construction of the facility, separate from operations, at or before transfer.
- DBO. Design-Build-Operate, a form of long-term contract for construction and operation of a Facility, in which funding is provided by the Public Authority.
- DBF. Design-Build-Finance Contract.

# A Selection of PPP Models

- DBFM. A form of PPP procurement that bundles the Design, Build, Finance and Maintenance components of the project (including associated risks) for delivery by the contractor. Responsibility for provision of operational services (and risk) is retained by the procuring entity.
- DBFOM. Design-Build-Finance-Operate-Maintain Contract.
- DBFMO. A form of PPP procurement that bundles the Design, Build, Finance, Maintenance and Operational components of the project (including associated risks) for delivery by the contractor.
- DBFO. Design-Build-Finance-Operate. The grantor retains title to the site and leases the project back to the project company for the period of the concession. Similar to BOO.
- DBFOT. Design-Build-Finance-Operate-Transfer
- charges are often a key element in the funding of P3 and P4 projects.

