



EUROPE AND CENTRAL ASIA
REGIONAL GOVERNANCE CONFERENCE

ANKARA | June 11-12, 2019

Turkey: PPPs Program, Collaboration with the Private Sector, Impact on Service Delivery and its Governance Structures

Breakout Session D - Public-Private Interface & Economic Governance

Presented by

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IMPORTANCE OF INFRASTRUCTURE



- Infrastructure investment is a must to achieve the 2030 SDGs
- 5-7 trillion \$* → for SDGs
2,5 trillion \$* → Developing countries' investment gap
- 17th SDG “Partnership for Goals” → PPP
- Addis Ababa Action Agenda 48th paragraph



Public Private Partnerships mechanism as one of the fundamental tools to succeed to support infrastructure investments

- The inclusion of private sector for funding and efficiency/effectiveness

*UNCTAD



OBJECTIVES OF PPP PROGRAM IN TURKEY



- Benefiting from private sector's expertise and efficiency
- Mobilizing private funds
- Developing innovative solutions
- Improving cost effectiveness in providing public services and investments
- Providing high standard services to people
- Increasing access to services



PPPs IN TURKEY

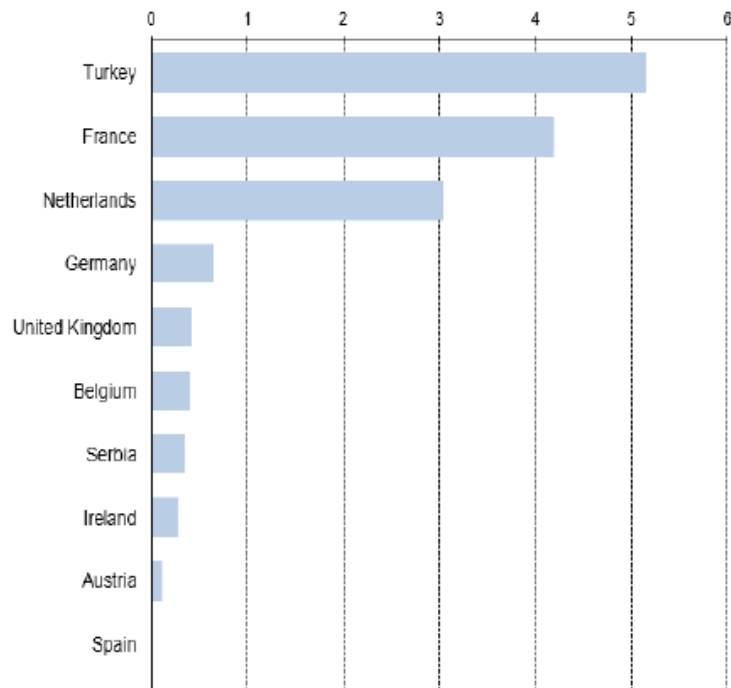


- Turkey ranks as one of the top countries using PPPs both among the European countries and the developing countries.

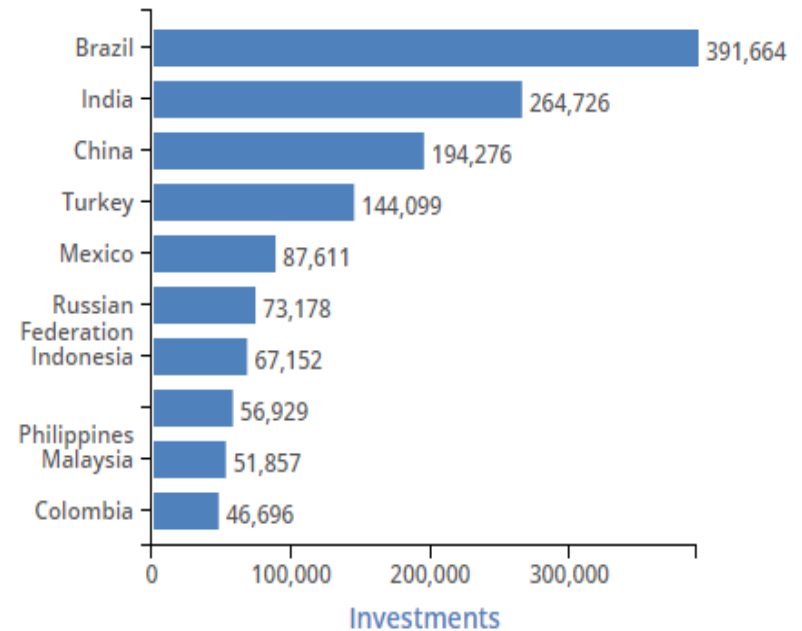
Turkey has the **biggest** market share in PPPs in Europe for the year 2018 according to EPEC

Turkey ranks **fourth** among 139 countries World Bank (between 1990-2018)

Aggregate Value of Projects by Country (in EUR billion)

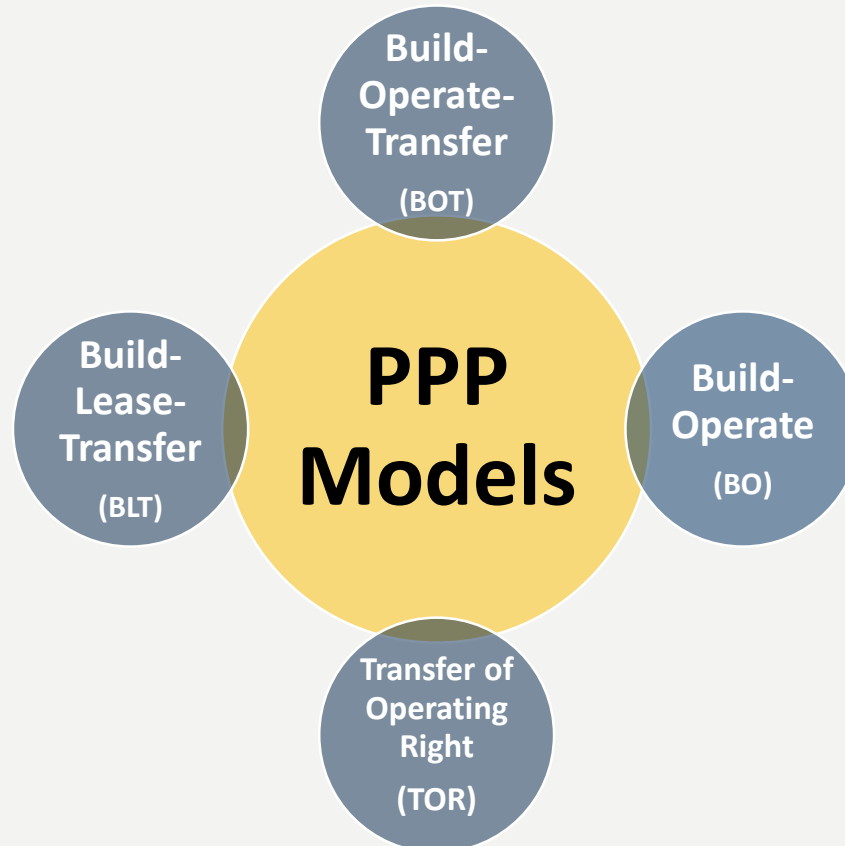


Top 10 countries by investment, 1990 - 2018(US\$ million)





PPPs IN TURKEY





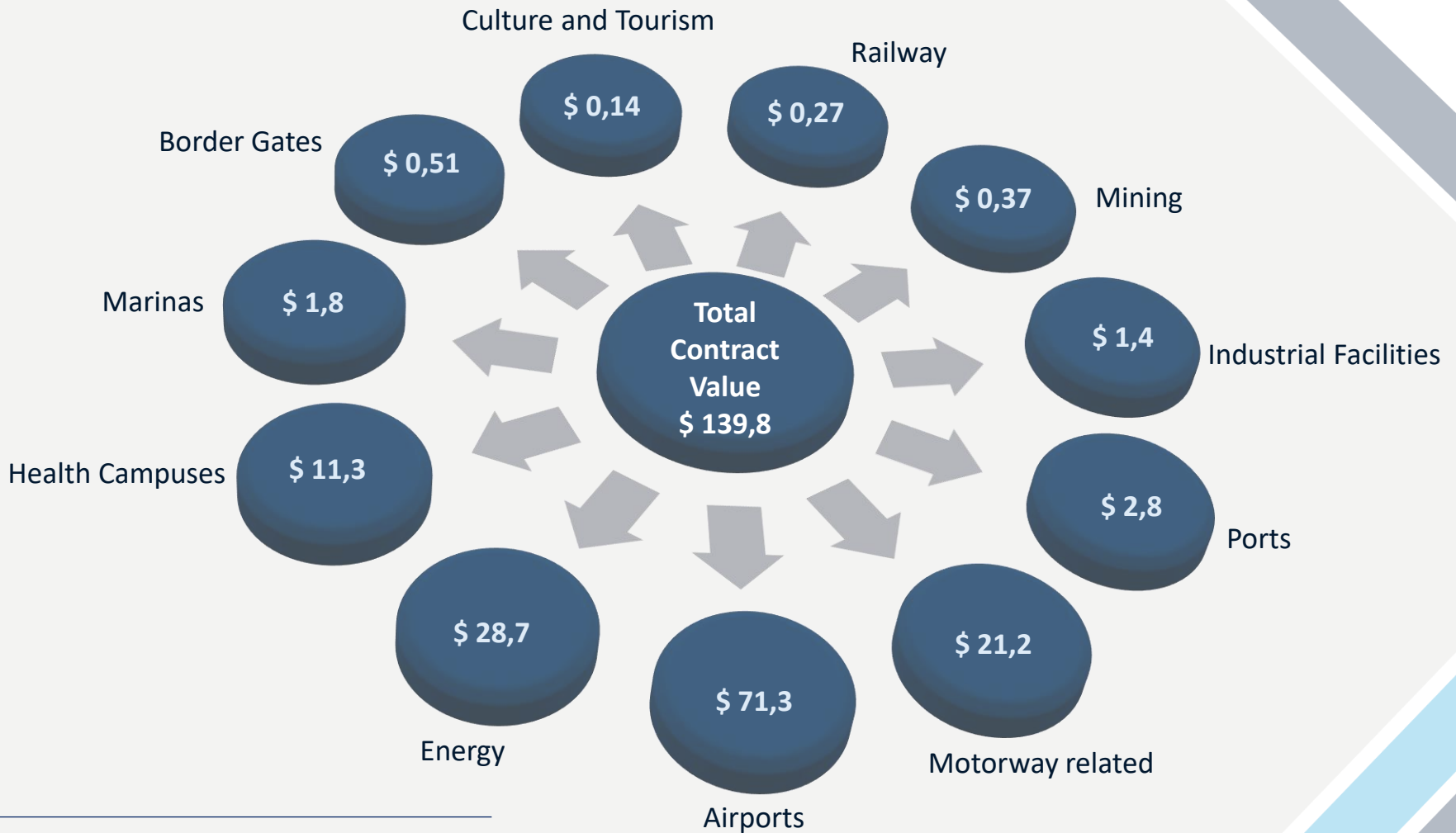
TURKEY'S PPP EXPERIENCE



	Project Number	Project Investment Cost (billion \$)	Project Contract Value (billion \$)
Projects in Operation	214	24,8	61,3
Projects in Financial Close/Construction	29	39	78,5
Total	243	63,8	139,8



TURKEY'S PPP EXPERIENCE

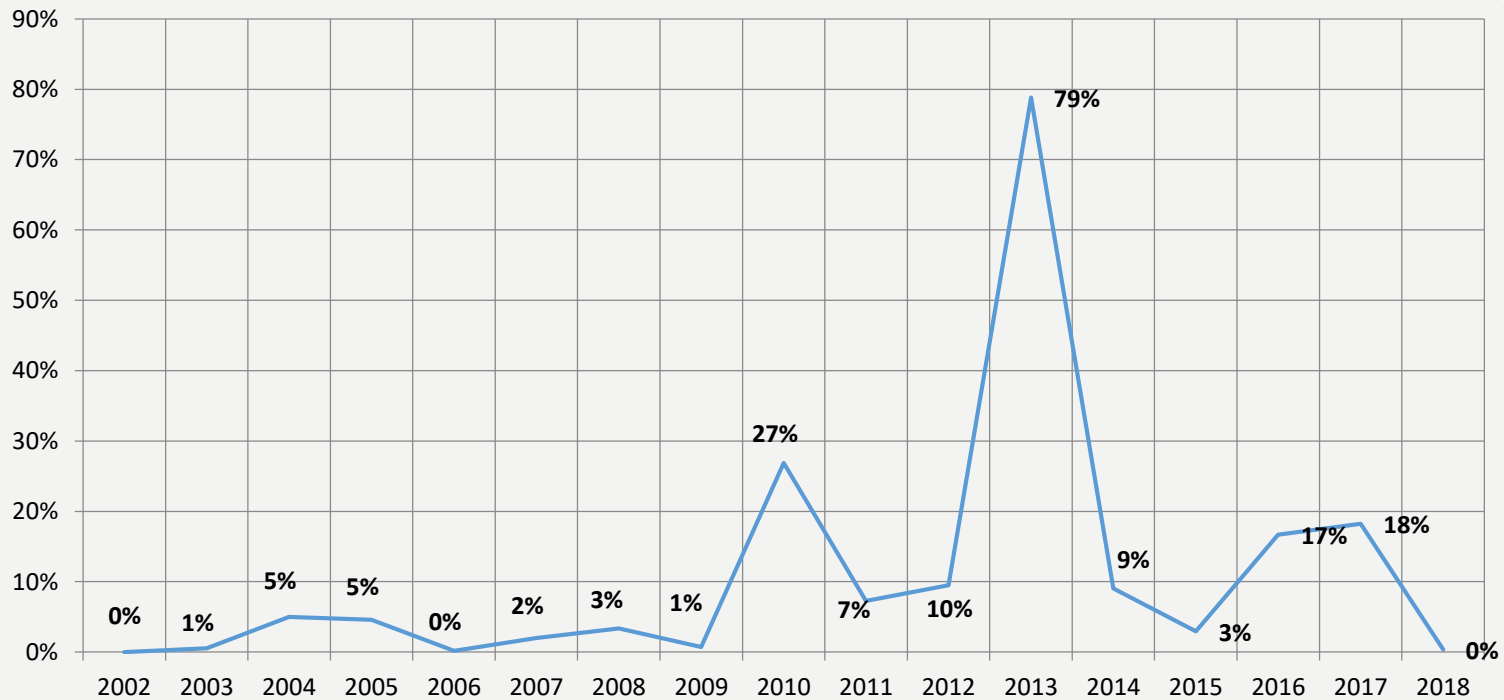




PPP INVESTMENT/PUBLIC INVESTMENT RATIO IN TURKEY



PPP Investment Costs / Public Investments*





WHAT WE HAVE LEARNED



- On private sector side:
 - Political will and stability
 - Rule of law
 - Macroeconomic stability
 - Dispute resolution
 - Capacity

- On public sector side:
 - Understanding what PPP is
 - Prioritizing and choosing



WHAT TURKEY DID TO MEET EXPECTATIONS



- Political support
- Legislation
- Bidding criteria
- Institutional Setup
- Incentive Mechanisms
- Mindset



WHAT TURKEY DID TO MEET EXPECTATIONS



The problems faced by institutions are solved step-by-step to eliminate them in next projects:

- Importance of the presence of a dedicated PPP unit in each implementing agency
- Optimization process of risk sharing going on
- Capacity building programmes



TURKEY'S ACHIEVEMENTS



- Turkey has a successful track record in terms of PPPs
- Turkey's successful airport projects created brands of Turkish contractors and operators



exported to different countries

- Large scale projects are operated successfully
- Medium-small scale projects will be on focus



TURKEY'S ACHIEVEMENTS



- Some models only have sector specific laws (i.e. BLT)
- Scope need to be expanded



A new framework PPP law

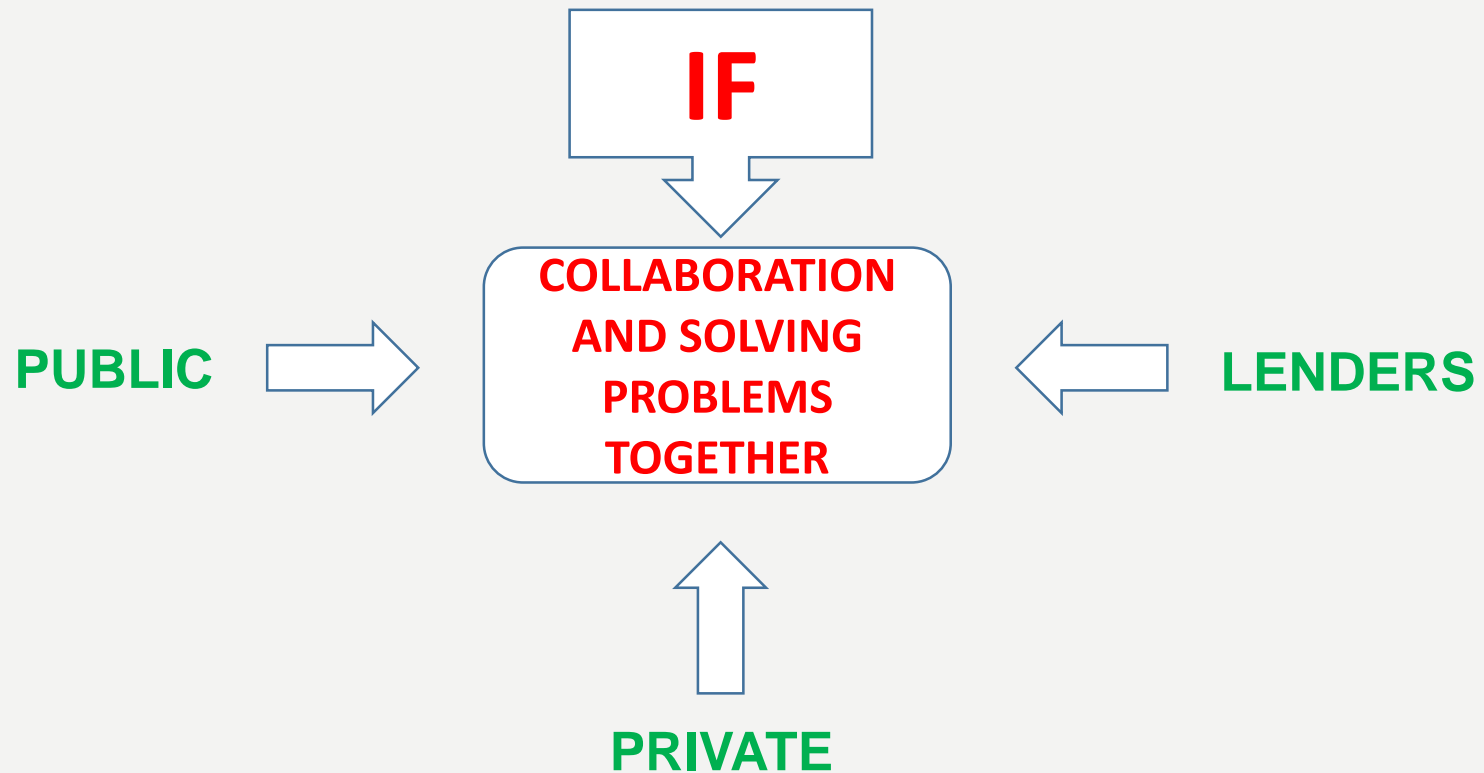
- Guidelines, standardized documents needed for new comers
- Impact Assesment of PPP projects



LESSONS LEARNED



PPP is successful





LESSONS LEARNED



- Political will crucial
- Legal, political and economic stability, transparency
- Not all projects are suitable for PPP



Decision to be made after economic analysis and value for money analysis

- Economic and financial sustainability
- Proper risk allocation



LESSONS LEARNED



- Institutional capacity
- Technical consultancy when needed
- A proper planning process
- Proper contract management
- A systematic information flow from line institutions to central PPP Units
- Monitoring, evaluation and auditing even more strict than a traditionally procured investment

THANK YOU!



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Questions?

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