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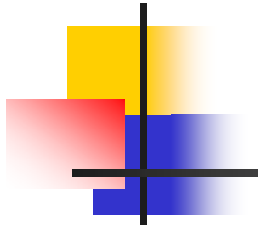
UNECE Public-Private Partnership Alliance

Improving the legal and regulatory framework for PPP systems in South East Europe

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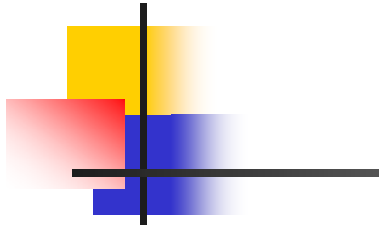
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FRAMEWORK FOR INTRODUCING PPP IN STATE ECONOMY

Prerequisites for infrastructure PPP project:

- political, economic, monetary, fiscal and legal
- Special Government's PPP Programme
- Specific Government's Agency or Ministry



THE STATE GOVERNMENT DESSISION ABOUT:

- Strategy of economy development inclouded PPP
- Method and inensity of PPP promotion
- Regulatory framework
- Identification infrastructure sector /transportation/
- The priority project /pionir project/
- Define way and conditions how could Government support PPP project



REGULATORY FRAMEWORK

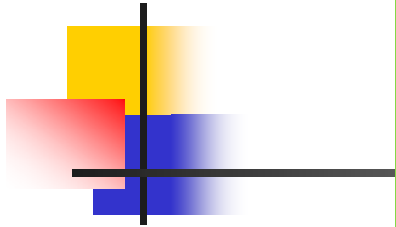
Questions:

- Which laws must to be changed?
- Which new specific laws must to be adopted?
- Which subjects must to be defined?
- Which subjects must to be remained for negotiation?
- Time of the implementation previous items.



LEGISLATION FIT TO COVER AT LEAST THE FOLLOWING LAWS:

- Concession law (including PPP Agency)
- Commercial arbitration law
 - Environmental legislation
 - Intellectual property laws
 - Bankruptcy law
 - Foreign investment law
 - Legislation about independent court system
 - Company law
 - Legislation on fiscal system /taxes/
 - Legislation on technical standards of construction and operation systems
- Legislation on land use planning /zoning/



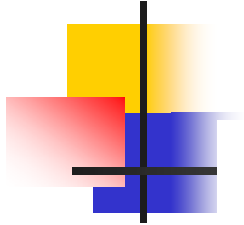
THE TASKS OF AGENCY

- Coordination
- Preparation
- Promotion
- Negotiation
- Implementation
- Monitoring



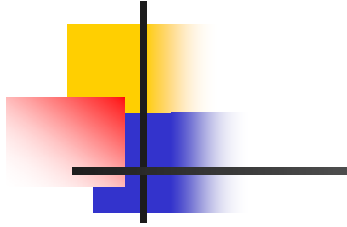
Aligning public sector requirements with private sector expectations

- Deciding whether to bid
 - Transparency and timeliness
- Professionalism and political support – not wish and ambition, only
 - Realistic risk allocation (public and private)
- Sustainable and profitable business
 - Common goals



Different approach to Concession law

- General law including the basic principles on concession / sectoral specific features have been elaborated in sectoral laws: road, telecommun.,energy.../
- General concession law including all sectors
- Sectoral law including principles on concession
- The State Policy document (“PFI/PPP”)



General concession laws include:

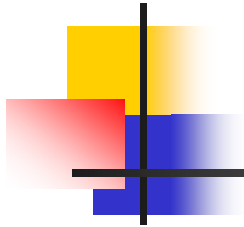
- contents of law
- a definition of concession
- state bodies that have jurisdiction
- preparation of concession transactions
- procurement
- concession agreement
- concession fees
- duration of the concession
- establishment SPV /concession company/
- monitoring
- insurance
- the concessionar's rights and duties
- compensation for damages
- protection of intellectual property
- etc.



Main characteristics of Concession Law of Bosnia and Herzegovina

- General concession law including all sectors
- A transparency, no discrimination and clear regulatory framework
- Good legal framework for FDI in infrastructure sectors
- Commission for concession's process
- Maximal cooperation of the Commission to sectoral authorities
- Very detail tendering process basic on the FIDIC rules
- Main points for concession contracts

The Commission's role in PPP process is very important



THE MAIN TASKS OF COMMISSION

- Coordination
- Preparation
- Evaluation
- Promotion
- Implementation (participation)
- Monitoring process

WHICH LAWS ARE ADOPTED IN BOSNIA AND HERZEGOVINA FOR INTRODUCING PPP FOR INFRASTRUCTURE:

- Concession law Yes
- Commercial arbitration law Yes
- Environmental legislation Yes
- Intellectual property laws Yes
- Bankruptcy law Yes
- Foreign investment law Yes
- Legislation about independent court system in process
- Company law Yes
- Legislation on fiscal system /taxes/ Yes
- Legislation on technical standards of construction and operation systems Yes
- Legislation on land use planning /zoning/ Yes
- The State Policy of Concession document ("PFI/PPP") Yes



Getting the best out of private finance

1. A clear legislative framework
2. Prioritisation
3. Bankability
4. A template for future deals
5. Optimising risk transfer
6. Testing vaule-for-many
7. Political support
8. Enhancing the public sector's skill base

Thank you very much

