Public private partnerships: a major driver for sustainable Europe

As indicated in the introduction of the communication of the Commission on P.P.P. and Community law on Public Procurement and Concessions. (15.11.2005) “Public authorities at all levels are increasingly interested in co-operating with the private sector when ensuring the provision of an infrastructure or a service. The interest in such co-operation, commonly referred to as Public-Private Partnerships (PPPs), is partly due to the benefit public authorities could have from the know-how of the private sector, in particular in order to increase efficiency, partly this interest is due to public budget constraints.”

E3PO fully subscribes to Internal Market and Services Commissioner’s declarations the same day “PPPs are vital to investment in Europe’s infrastructure and public services” and “The goal towards which we strive is to provide transparent and non-discriminatory conditions that will enable private entities to contribute to setting up infrastructures and provide services throughout the EU in a way that delivers best value for taxpayers.”

Firms gathered in E3PO develop with public authorities all forms of P.P.P. whatever they are qualified “public contracts” or “concessions” under European law in particular in the areas of waste management, water distribution, catering, highways and energy efficiency services. All these Partnerships involve complex legal and financial arrangements and a great number of them are concessions with the risk inherent in such exploitation.

1) Public Private Partnerships: a model of success

As all other regions in the World, Europe is today and may be for long, confronted with an important economic crisis and has to cope with its harmful social consequences; however, Europe is with no doubt better protected than other regions thanks to the intensity of the internal market that has been progressively created and has enabled to maintain or create millions of jobs.

Europe at first focused on raw material (i.e. coal and steel), then on manufactured and agricultural products, has finally looked into so called «services of general economic interest » (SGEI). Opening previously monopolistic sectors owned by historical operators (such as telecoms, electricity, gas, public transports) to competition has initiated an in-depth modernisation of our economical infrastructures and services to end users.

The European legislation has considered that, in the case of local or regional SGEI, the organisation of such services is for the main part the responsibility of state authorities or their local authorities, under the condition that they respect the rules stemming from the Treaty of Rome and its further modifications.

E3PO general statement
Such a decentralised and pragmatic vision is largely shared by professions and companies gathering within E3PO. To some extent, depending on the Member States and branches of industry, this framework has globally enabled companies to value towards public authorities and the general public their technical and managerial skills as well as their capacity to innovate in technologies and in the creation of new services. The assertion of beneficial effects of a free and fair competition between operators regardless of their statutes, nature and ownership, is fully endorsed by E3PO.

The growing awareness of some environmental challenges, such as global warming, critical for the future of the planet, has amplified the necessity of involving all the actors, specially the business, in order to provide the expertise, research, innovation and capacity building, key elements for overcoming the issues.

2) Public private Partnerships: a forceful tool for the economic recovery

During the last months, most of Member States had to get strongly involved to support their financial sector, as well as industrial branches facing trouble, such as the automotive sector. General measures to support the economy, or “economic recovery plans”, have been limited by the public debt and the levels beyond which the credibility of the State and of their currency could be questioned.

The industries gathered in E3PO would like the European Institutions and Member States to consider PPPs as a sensible and controllable element of a sustainable support to the European economy and jobs, thanks to:

- Immediate effects on the economic fluctuations with less or no direct commitment of public funds;
- In the case of infrastructure financed by public funds, a better guarantee of efficient use of public money, through contracts signed with operators whose expertise and management ability are mobilized in a regulated framework;
- Contribution to improve our economies through in-depth and essential improvement of their environment, through the implementation of new services and infrastructures;
- Acceleration of the necessary and urgent adaptation of public equipments to an energy saving and low carbon economy that public authority might not be able to achieve in time;

The European citizens, in particular those in particular need of collective services and equipments will be able to recognize these orientations can efficiently meet their expectations. They could act as a complementary extension of the Services Directive and a pillar of the future post-Lisbon strategy.

E3PO general statement
For all these reasons E3PO would like to open a constructive dialogue with the European institutions, Member States and other stakeholders in order to:

- define together the best institutional and economic conditions that would enable governments to better use PPP in all their forms (concession, public procurement);
- improve the conditions to get a level-playing field of competition between PPPs and direct administration by public authorities;
- ensure the necessary regulation of these contracts by the public authority in a transparent and efficient manner;
- more generally speaking, open the markets to efficient and innovative operators for the benefit of consumers and in the respect of fair regulation.