

Singapore PPP Trends and Lessons Learned

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- Brief background to PPPs in Singapore and current trends
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Paper presented in the PPPs Symposium
organised by HKU CICA (28-02-2009)

Context

<p>Singapore Sports Hub</p> <p>Redevelopment of the Singapore National Stadium as a sports, leisure and entertainment complex</p> <p>Advising the Singapore Sports Council</p>	<p>5th Waste Incinerator</p> <p>Financing for the 5th waste incinerator project in Singapore – PFI Magazine's Asia Pacific PPP Deal of the Year and Project Finance Magazine's Asia Pacific Utilities Deal of the Year.</p> <p>Advised DZ Bank, ING and Mizuho</p>	<p>Singapore Air Force Basic Wings Course</p> <p>Bid for the first PPP in the defence sector in Singapore.</p> <p>Advised Singapore Technologies Aerospace Limited</p>	<p>Institute of Technical Education (ITE)</p> <p>Bid for the ITE Campus West PPP Project in Singapore.</p> <p>Advised Babcock & Brown</p>
<p>Abu Dhabi International Airport</p> <p>Bid for Abu Dhabi International Airport (Midfield Terminal) PPP project.</p> <p>Advised a bidder</p>	<p>Mestre Hospital</p> <p>€258 million hospital project, the first to demonstrate the UK PPP model could be applied in Italy</p> <p>Advised the sponsor</p>	<p>London Tube PPP</p> <p>£2 billion project financing for Tube Line's capital improvements and operational performance as part of the London Underground PPP.</p> <p>Advised the Tube Lines consortium</p>	<p>Skynet 5</p> <p>UK Ministry of Defence's £2.5 billion satellite PFI project – the first commercial project for the delivery of secure military satellite communications services.</p> <p>Advised EADS and EADS Astrium</p>

Brief background to PPPs in Singapore and current trends

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Brief background to PPPs in Singapore and current trends

- MOF PPP Handbook 2004
- Singapore as the regional infrastructure hub
- From process plants to social infrastructure
- Regulatory concerns
- Deal pipeline
- Impact of the financial crisis

Lessons learned from Singapore

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Lessons learned from Singapore

- Political sensitivities
 - Pressure from unions and other industry sectors?
 - The 4th “P” – Political Will
- Changing government procurement and the traditional procurement mindset
 - Output as opposed to input specifications
 - “Loss of Control”
 - “Partnership”
 - Different procurement rules?

Lessons learned from Singapore

- The government advisory team
 - Financial, legal, technical and insurance
 - Other specialist project consultants
- Timetable expectations
 - Longer procurement timetable
 - Managing expectations of private and public sectors
- Standardisation of risk allocation
 - Achieving common positions as standard risks
 - Standardisation creates process efficiencies, a market standard and alignment within government
 - A learning process that requires a central commitment and driving force

Lessons learned from Singapore

- Key risk concerns for investors
 - Transparency in timetable and evaluation = investor confidence
 - Importance of investor feedback and market forces
 - A good deal
 - Strong government support
 - Competitive bidding environment
 - Fair payment structure
 - Bankable legal framework and documents
 - Government guarantees and comfort letters?

Conclusions

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Conclusions

- PPP as a part of government procurement
- Maximising value for money
- Building a real and successful partnership
- PPPs in Asia and the way forward

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