

The Experience of Some Foreign Countries in the Financing and Implementation of Public-Private Partnership Projects

Matkarimov Akbar

Tashkent Medical Academy, Urganch branch, Uzbekistan

Abstract: This article analyzes the views and opinions of scientists on public-private partnership, the experience of a number of developed countries on the implementation of public-private partnership projects, and provides examples. Also, the issues of financing of public-private partnership projects are discussed and proposals for improving its mechanisms are presented.

Key words: service sector, private sector, public-private partnership, project, strategy, mechanism, state risks, world experience, territory.

INTRODUCTION

Public-Private Partnership (PPP) is one of the topics in the center of discussion today. World experience shows that many socio-economic problems are effectively solved using the PPP mechanism. Today, many developed and developing countries of the world have enough experience in this regard. According to scientists and practicing experts working on PPP in various spheres and branches of the economy, various economic and social problems are being solved as a result of cooperation between the public and private sectors of the PPP mechanism.

The public-private partnership mechanism is one of the methods of attracting private investments in the implementation of public infrastructure projects. In this mechanism, the parties considered as public and private partners implement the project by long-term or short-term mutual cooperation according to the agreed contract. Through this, the parties to the contract not only cooperate in the construction of the infrastructure object, but also aim to continue mutual cooperation in its further use and other rights.

1. LITERATURE REVIEW

According to V. G. Varnavskiy, one of the scientists who studied the possibilities of supporting business entities through PPP projects, improving the management system of investment projects through the PPP mechanism, and applying these projects to the service sectors of the state in his scientific research, "Public-private partnership projects are strategic for the state. It is a mechanism for attracting investments in projects of a close but lower level. In this mechanism, the state is an effective project management system aimed at the main social benefit and prevention of future large costs and the imposition of a part of it on the private sector for its benefit" (Varnavsky, Klimenko, Korolev, 2010).

According to comments put forward by E.A. Dynin, "DPP projects and the mechanism of its management will create the necessary social conditions in the society, provide social services in the medium and long term, and at the same time, the public and private sectors, which will be on a mutually beneficial basis - the members of the society connecting structure. Project management through this structure is a bilateral management structure through the principles of mutual cooperation and restraint of public and private sector owners" (Dynin, 2007).

M. B. Gerrard states that PPP combines attracting private capital and sometimes public capital to

improve the quality of social services or manage public assets (Gerrard, 2001).

Yescombe E.R., Farquharson E. Focuses on issues such as the basic concepts of PPP policy and financing, the main types and models of PPPs, PPP projects and government action in this regard (Yescombe & Farquharson, 2018).

Richard Hemming argues that PPP relationships are attractive to both the public and private sectors, where the public can finance infrastructure without borrowing, and the management capabilities of private partnerships lead to cost savings in projects (Hemming, 2006).

2. METHODS AND PROCEDURES

The purpose of the study is to study and analyze the experience of foreign countries in financing public-private partnership projects.

In the article, data comparison and analysis, logical thinking, scientific abstraction, information grouping, induction and deduction methods are widely used.

3. DISCUSSION AND RESULTS

There are different forms of public-private partnerships in France. The main two of them are: contractual and institutional forms. The contractual form of PPP is a concession agreement, according to which the right to perform works and services on the object is given to different parties. Historically, the ratio of capital of public and private partners in the financing of infrastructure objects has changed in favor of the growth of the share of the former. This, in turn, allows the implementation of large-scale PPP projects with the required large funds. Institutional form is the establishment of a joint economic entity by state and private partners.

In the UK, successful PPPs can be seen not only in new projects, but by restarting an existing project through PPP, we can see the project estimate increase from £4.5 million to £6.2 million. This project included the completion of a tunnel under the River Thames, the reconstruction of 67 km of road and the use of 220 km of the M-25 road. In this case, a public-private partnership agreement was signed in the form of a concession for a period of 30 years. During the revision of the estimate, the existing project was perfected and various changes were made to increase the estimated cost.

In Great Britain, the PFI concept has been working for 20 years, this concept is a document that embodies all the procedures, schemes for attracting financing, specific projects implemented, standard documents. So far, this PFI has been amended and revised several times to create a favorable environment for PPPs, thereby adapting the conditions for the private sector to suit the economic situation in the country. To date, the concept has been revised and the tasks of the new concept have been defined. Accordingly, the tasks are as follows: creating favorable conditions for attracting additional debt funds, developing the investment environment, expanding the range of institutional investors, reducing risks by concluding new contracts. The main goal of the new concept is to increase the efficiency of project costs, expand the possibilities of using financing sources, and ensure the balance between risk and profit (Guseva, Amelkina, Dmitrieva, 2016).

Another major PPP project is the railway connecting Great Britain and France. It is a 108 km long tunnel in the English Channel, costing 46.5 million pounds. This project is a technically complex project and its aim is to simplify communication between the two countries. When all estimates of daily population migration between the two countries were calculated, the project was deemed a success. However, after the project was completed, the return on investment turned out to be less than half of what was expected, and the reason for this was the low prices that were later offered by various airlines and ferry companies.

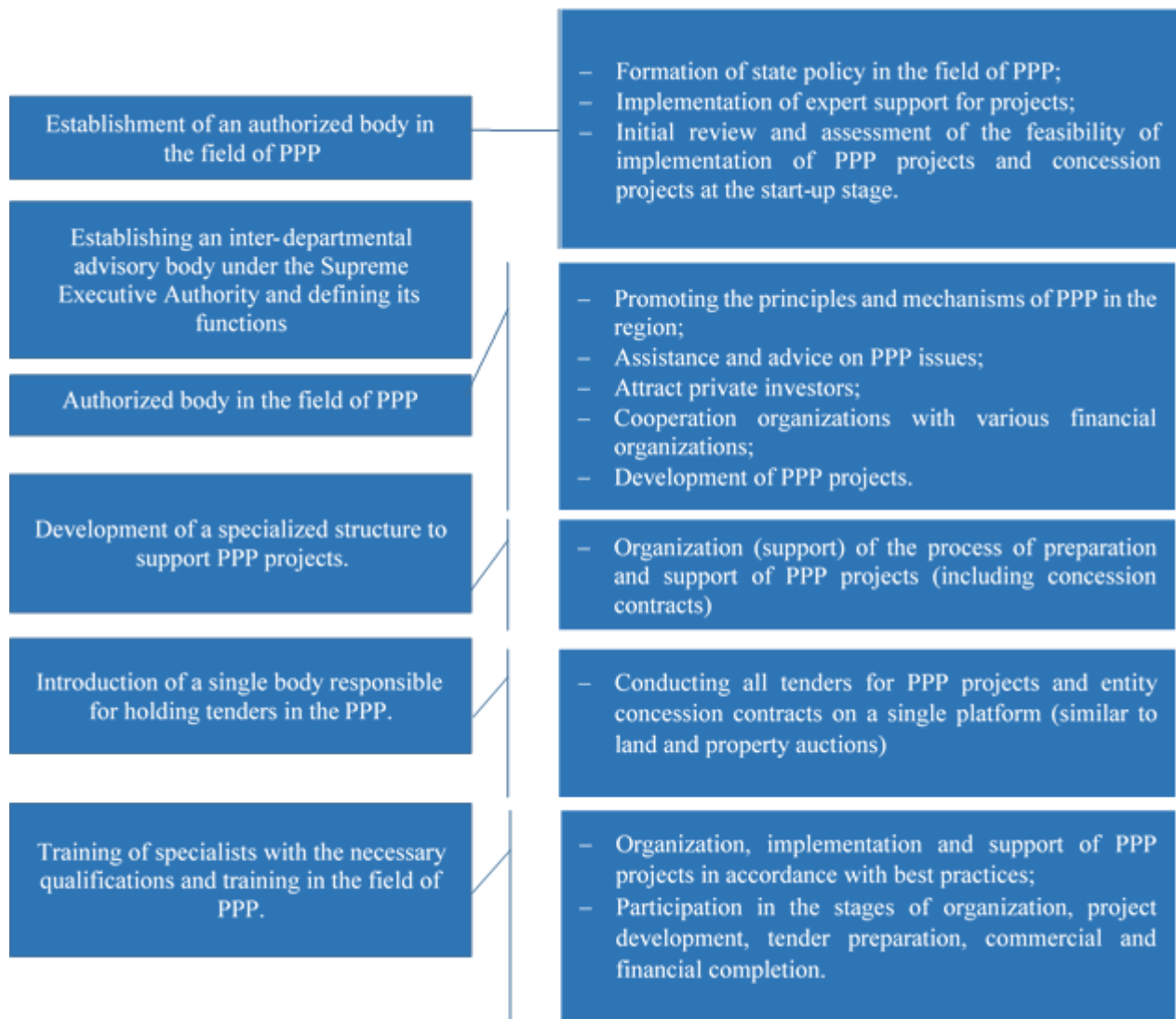


Figure 1. Effective management of the PPP mechanism in the Russian Federation Structure

Figure 1 shows the necessary components of the effective management system of the PPP mechanism in the Russian Federation and recommendations on their implementation in the state administration practice at the regional level.

The need to implement the state policy of the PPP mechanism in the Russian Federation and to introduce a body authorized to define it in regional legal documents and to define its functions is important for the implementation of investment projects through the PPP mechanism.

The regulations of the constituent entities of the Russian Federation stipulate the regulation of the powers of the regional competent body in the field of PPP. At the same time, the authorized body or development institution is entrusted with the function of "single window", the main goal of which is to simplify the procedures of cooperation in the PPP mechanism and to attract potential investors.

Establishing an interdepartmental advisory body under the supreme executive authority and defining its functions in the PPP project management mechanism. This body belongs to the Russian Federation and will have the authority to formulate state policy and bilateral conditions in the field of PPP, to carry out expertise and evaluation of investment projects. One of the tasks of the body is to initiate investment projects developed on the basis of the PPP mechanism and to ensure their subsequent control over them in accordance with these agreements.

At the same time, the establishment of an interdepartmental advisory body under the Supreme Executive Authority creates the need to adopt the "Regulation on the Coordinating Council for the

Development of State Infrastructure of the Russian Federation with Extra-budgetary Funding", and thereby increase the effectiveness of PPP mechanisms and investment projects. the possibility of increasing the number may increase even more. The composition of this council may include representatives of authorities, commercial organizations, consultants and public representatives. The format of the work is coordinated in accordance with the strategic plans of the subject in accordance with the procedure established by law (Guseva, Amelkina, Dmitrieva, 2016).

Development of a specialized structure to support PPP projects. A suitable structure for the "Regional Development Corporation" will be developed in the organizational and legal form of the Development Institute, whose 100 percent share will be at the disposal of the Russian Federation.

Introduction of a single body responsible for holding tenders in the PPP. Establishment of a single body for conducting tenders (through a single platform) for PPP projects and subject concession contracts. Its functions include preparing for the selection of private partners (concessionaires) on the basis of a competition and making changes to the legal framework in order to strengthen the transfer (providing) powers. (similar to land and property auctions).

Training of specialists with the necessary qualifications and training in the field of PPP. Creating a regional and municipal management-employee training system for the formation of a project team in the field of PPP is very important for the effective implementation of PPP and concession projects.

CONCLUSION

Based on the above, the following recommendations are offered:

1. In the process of setting goals, take into account PPP mechanisms in various documents and develop a set of measures aimed at this, including:

- integration of PPP in documents aimed at socio-economic development;
- Making changes and amendments to the existing or prepared target documents, taking into account the specific features of the development and implementation of the PPP;
- Development of an investment strategy of the subject using PPP mechanisms or working on a separate concept of PPP mechanisms development (it can be a socio-economic development strategy or a plan for the implementation of such a strategy).

2. In the process of developing and implementing state and municipal programs, create a certain system taking into account PPP mechanisms, including concession mechanisms, and implement a set of measures aimed at this.

We can include the following in such complex measures:

- taking into account and correcting the possibility and appropriateness of step-by-step application of PPP mechanisms according to the order of development and implementation of state or municipal programs and other planning/program documents;
- implementation of infrastructure projects as a certain method and form, the process of integrating PPP into existing and revised planning and program documents.

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