International Experience and World Tendencies of Developing State-Private Partnership

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Abstract: The article provides that an essential condition for the functioning of a market economy is the constructive interaction of business and government, showed that the nature of this interaction, methods and specific forms may differ depending on the maturity and the national characteristics of market relations. The state is never free from their socially responsible functions related to the public interest and business, in turn, has always remained a source and mechanism for the development and increase of social wealth. Therefore, in the last decade in the economies of several countries add up the special relationship between business and the state, which are called public-private partnership. Summarized that public-private partnership is the institutional and organizational alliance of the government and the private sector in order to implement socially significant projects in a wide range of activities - from the development of strategically important sectors of the economy to the provision of public services across the country or individual territories. Determined that the rapid development of various forms of public-private partnership in all regions of the world, they are widely used in various industries allows us to treat this form of interaction between government and business as a characteristic feature of the modern mixed economy. For most of the CIS countries experience in the development of public-private partnerships in foreign countries is very important, as reflected in our study.

Key words: World tendencies • Economic globalization • World cooperation • National economy • State-private partnership • Privatization

INTRODUCTION

Modern world, as well as present era of economic globalization, requires attraction of the private sector of economy to the participation in the renewal and development of the branches which traditionally belonged to the sovereign rights of the state: main pipelines, seaports and airports, systems of water, gas, heat and electricity supply and other infrastructural objects and networks. The level of competitiveness of such basic branches of the national economy influences the investment attractiveness of the other constituents of economy and general competitiveness of the country on the world markets. Availability of modern infrastructural networks, together with the human capital, efficient legal system, distribution of property rights, effective state management and other institutional basics determine the position of the country in the modern system of the international distribution of labor.

The most efficient tool for the promotion of the new system of values is SPP which “always existed as the element of mixed economy” [1] and was directed at the “reforming of the state property with the aim of its organic integration into the system of market relations”, as an “alternative to privatization of the vitally important strategic objects of the state property” [2].

SPP aims at the development of infrastructure for the benefit of the society by means of the integration of resources and experience of every partner, realization of the socially important projects with the minimal expenses and risks on condition of providing high quality services to the subjects of economy. This global phenomenon having complicated the differentiation of terms “state” and “private”, “national” and “international” led to the considerable change of the usual participation of the state in the economy and social life. Image of the state as economic subject capable of participating not only in the
Within the recent years the organization of functioning and developing of the public services on the market principles accounting for approximately 2/3 of GDP and employees in OECD countries [3] and 80% of the European capital assets [4] is considered more efficient than the traditional organization based on the state monopoly. The era of competition of the “continental” and “Anglo-Saxon” model of the provision of public services finished with the victory of the latter, which prioritizes the principles of the New Public Management built on the commercial grounds and directed at decrease of the state expenses for the provision of public services [5].

Economic character of SPP is the result of establishing traditional mechanisms of economic cooperation between the state and market sector with the aim of developing, planning, financing construction and exploitation of the infrastructural objects. Such circumstances necessitate determination of priorities for the development of SPP for the country, as well as for the separate regions, cities, branches, projects, etc. In connection with the above mentioned necessity, we conducted analytical research of the experience of foreign countries with the aim of revealing world tendencies of attracting SPP to the development of economy.

Analysis of 836 accidentally selected foreign SPP projects [6] in the countries with different level of economic development achieved with the assistance of the SPP in 2000-2009 proved that similar partnerships are efficient in transport (roads, railways, airports, seaports, pipelines) and social infrastructure (health protection, education, entertainment), public utilities (water, electricity and gas supply, etc.) and other sectors (prisons, military objects). Transport infrastructure is leading in the world on both number of projects and volumes of investments being followed by the social infrastructure: health protection and education (Figure 1).

But the analysis of using SPP projects by countries (in accordance with the classification on the level of social and economic development by the UNO) shows the differences depending on the level of development. Figure 2 depicts the distribution of 615 accidentally selected SPP projects on branches in the Group of Seven, i.e. the USA, Great Britain, Germany, Italy, Canada, France and Japan.
Table 1: Distribution of SPP projects on branches in the countries of the Group of Seven

<table>
<thead>
<tr>
<th>Branch</th>
<th>Great Britain</th>
<th>Italy</th>
<th>Germany</th>
<th>Canada</th>
<th>USA</th>
<th>France</th>
<th>Japan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health protection</td>
<td>123</td>
<td>32</td>
<td>3</td>
<td>14</td>
<td>-</td>
<td>12</td>
<td>-</td>
<td>184</td>
</tr>
<tr>
<td>Education</td>
<td>113</td>
<td>-</td>
<td>24</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>138</td>
</tr>
<tr>
<td>Roads</td>
<td>12</td>
<td>23</td>
<td>10</td>
<td>10</td>
<td>32</td>
<td>5</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td>Public utilities</td>
<td>33</td>
<td>15</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51</td>
</tr>
<tr>
<td>Construction</td>
<td>22</td>
<td>7</td>
<td>-</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>-</td>
<td>37</td>
</tr>
<tr>
<td>Other transport</td>
<td>11</td>
<td>13</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>Military protection</td>
<td>18</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
<td>7</td>
<td>16</td>
<td>11</td>
<td>1</td>
<td>7</td>
<td>1</td>
<td>63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>352</strong></td>
<td><strong>97</strong></td>
<td><strong>56</strong></td>
<td><strong>42</strong></td>
<td><strong>36</strong></td>
<td><strong>31</strong></td>
<td><strong>1</strong></td>
<td><strong>615</strong></td>
</tr>
</tbody>
</table>

Table 2: Distribution of SPP projects on branches in the countries with the transitional economy

<table>
<thead>
<tr>
<th>Branch</th>
<th>Hungary</th>
<th>Poland</th>
<th>Romania</th>
<th>Croatia</th>
<th>Bulgaria</th>
<th>Latvia</th>
<th>Ukraine</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>-</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td>Other transport</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Construction</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Health protection</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Education</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>7</strong></td>
<td><strong>7</strong></td>
<td><strong>5</strong></td>
<td><strong>4</strong></td>
<td><strong>2</strong></td>
<td><strong>1</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

Simple comparison (Figure 1 and Figure 2) shows the different priority of SPP projects in the countries of the Group of Seven [7] which concentrate on the social projects: health protection is on the first place (184 out of 615 projects), education is on the second place (138 projects) and roads are on the third place (92 projects).

More detailed analysis on countries proves the existence of national priorities in every country constituting the Group of Seven. The USA concentrate on the roads (32 out of 36 projects), Great Britain prioritizes health protection and education (236 out of 352 projects), Germany highlights education (24 out of 56 projects), Italy, Canada and France - health protection (Figure 1). Thus, SPP is used as the instrument for the development of the social infrastructure in the countries characterized by the high level of labor efficiency, GDP consumption per capita and social guarantees.

We are going to concentrate on other developed countries (Figure 3, Table 2), which in accordance with the UNO classification include Australia, Ireland, Spain, Portugal, Greece, Republic of South Africa, the Netherlands. This group of countries has recently demonstrated high rates of social and economic growth and used SPP as the instrument of macroeconomic policy.

As depicted by Figure 3, the branches leading in the number of completed SPP projects include the branches connected with the development of the general infrastructure, i.e. roads, transport and public utilities (141 out of 217 projects) and social projects constitute comparatively inconsiderable share (49 projects).

Comparative analysis of the results (Table 1, Table 2 and Figure 3, Figure 4) on the countries of the Group of Seven and other developed countries proves the existence in both cases of the three leading investment directions within the limits of SPP: health protection, education and road construction, but their priority varies within the countries depending on their level of development. Common tendency shows the shift...
of the projects from the social to the general infrastructure.

The correctness of the above mentioned statement means that the countries with the transitional economy do not prioritize the above mentioned branches (with the exception of road construction). Due to the lower level of the social and economic development, such countries concentrate on the attraction of investments to the transport infrastructure. To either confirm or disprove the statement above, we will concentrate on several countries with the transitional economy (36 out of 615 projects). In accordance with the UNO classification the following countries belong to the group of countries with the transitional economy: countries of the Central and Eastern Europe (Hungary, Croatia, Poland and Romania), Baltic (Latvia) and CIS countries (Ukraine).

Figure 4 and Table 2 show that the branches of the social infrastructure are symbolic, not represented in most countries with the transitional economy (3 out of 36 projects) and underline the leading position of SPP projects related to the general infrastructure (29 out of 36 projects). Such results realistically reflect the condition of economy in the counties of the group.

Similar situation is typical for the developing countries, i.e. India, Brazil, Chili, Mexico, Saudi Arabia, the united Arab Emirates and Taiwan (22 out of 615 projects). As in the previous group, SPP general infrastructural projects (roads, airports, public utilities) are in the lead (17 out of 22 projects).

Thus, the analysis of symmetric subgroups (seven countries from every group) permits to make the following conclusions concerning general world tendencies of using SPP:

- There is certain connection between the level of the social and economic development of the country and general SPP priorities;
- There is the possibility to determine national priorities for the development of SPP projects in every separate country (independently of the level of its development);
- General distribution tendency shows almost logarithmic decrease of the number of SPP projects in the subgroup of countries: the symmetric selection of 21 countries deals with 275 out of 615 projects, while the rest of the world (150 countries) deals with 340 projects.

Judging from the results of the analysis, we consider SPP experience of the developed EU countries and separate projects in the countries of the Central and Eastern Europe, being on the one hand similar to Ukraine due to the transitional processes in the economy and on the other hand capable of performing the national projects within the limits of SPP legislation adapted to the EU standards, to be the most relevant for our research.

As already mentioned Great Britain started extensive development of SPP in the 90-es of XX century and for the time being remains the leader in the number of SPP projects on the European continent. Thus, the consideration of the specific “British” model of partnership as the earliest and the most advanced becomes the starting point for learning experience of other countries of the world. British governments, both Labor and Conservative, have made considerable contribution into SPP development since 1992. The process started from the implementation of the model “Private Financial Initiative” (PFI) in 1992 which considered SPP to be the instrument for the development of constructive relations between the state and the private sectors for the renewal of the public infrastructure in such sectors as railways, reconstruction of buildings, public utilities and child care. The document determined the three main goals of SPP: supply of more qualitative public services due to the quick increase of volumes and quality of investments; realization of economic potential of the state sector including state enterprises and consequent growth of welfare of population as a result of general growth of economy; guarantee of receiving fair share of SPP income by all the partners, including private partners, consumers of services, tax payers and employed workers [8].

Great Britain took the following measures for the SPP development:

- Implemented the system of special (separate from budget) SPP/PFI assignments for the Treasury of Great Britain;
- Approved the program of SPP events and projects by 2010;
- Founded special state agency: National Commercial Office for Project Management;
- Granted authorities to the National Audit Office on the independent monitoring of SPP projects.
As of the beginning of 2009 641 contracts were concluded within the limits of PFI for 63.8 billion GBP with the future payments for the approximate amount 240 billion GBP [9]. The most expensive contracts were concluded in the sectors of health protection (24%), education (20%), transport (18%) and military services (16%), the most numerous contracts were concluded in the sectors of health protection (30%) and education (25%), which totally cover 55% of quantity and 44% of cost of SPP projects in Great Britain. Regionally London deals with the largest amounts and quantity of signed contracts - 116, Scotland - 99, Wales 77.

PFI will receive 10-15% of all the future investments in the sector of public services, in particular more than 200 projects for the amount 26 billion GBP will be realized within the next five years. Thus, PFI becomes one of the largest SPP programs in the world [10].

Considering the example of France, it must be mentioned that France did not conduct privatization in such important sectors of infrastructure as energy and communications preferring contract-concessional system of relations and promoting SPP in the construction of roads and prisons. In the latter case the role of private sector was limited to construction and concentrated on the responsibility for the civil safety. Simultaneously, private sector in Great Britain cooperates with the state bodies in designing, building, maintaining, financing and managing prisons, as well as in escorting the convicted to the institutions of confinement starting from 1993.

In accordance with the data of the European Investment Bank (EIB), more than 1000 of SPP contracts were signed in EU countries for the amount exceeding 200 billion EUR, out of which 95% (from the total number of EU SPP projects) are attributed to the six countries (Great Britain, Spain, France, Germany, Italy and Portugal). Taking in to account volume of investments, Great Britain takes 58% from the total cost of EU SPP projects. The other five countries take approximately 30% of investments in SPP. The other peculiarity of Great Britain is that transport projects covering 6% of the quantity of contracts make 36% of their total cost taking into account the dominant role of transport sector in the EU continental part (60% of quantity and 84% of cost of all the projects) [11].

Despite the increase of the general number and volumes of SPP in the EU countries, the projects acquired the real macroeconomic value only in Great Britain, Spain and Portugal; in other EU countries SPP investments remain inconsiderable in comparison with the traditional schemes of the state procurements. Simultaneously, SPP has sufficient political support in France, Germany, Italy, Greece, Poland, Czech Republic, which is reflected in the development and adoption of the corresponding legislation. SPP share in the state capital expenses of France, Germany, Great Britain and Poland makes 10-15%.

Distribution of responsibility of the state and the private sector on branches differs in different countries and regions. Thus, production of electricity in Australia, France and Switzerland is conducted by the state sector, while in Spain - by the private sector. In general, leading role of the state in the EU presupposes constant provision of the high level and quality of life and it does not matter much whether the state provides the public services itself or delegates their provisions to the private sector [12]. In the continental countries of the EU the predominant share of investments in the infrastructure (46 and 35%) on the basis of SPP is occupied by the railways and roadways, 7% by electricity and the rest - by transport and communications [13].

In general, SPP in the EU is widely used with the aim of strengthening economic, territorial and social connections between the separate parts of the single economic space. Partnership contributes into the development of the territories and implementation of the regional policy; supports the sustainable development of branches competitive on the internal and external markets, especially in the key trans-European sectors. Distribution of SPP with the foreign experience in the EU raises the problem of improvement of the public service standards for the EU countries. The lack of well-developed widely-recognized European policy of standardization of quality, unification and compatibility to cover all the countries raises concerns of the experts of the European Union.

Considering the situation with SPP in the countries EU members the World Bank states that Poland leads on the general volume of SPP project financing (investments: 18 billion EUR), being followed by Hungary - 17.4 billion EUR and Czech Republic - 16.4 billion EUR. These three countries contribute 71% of investments into the SPP projects among the countries of the Central and Eastern Europe. Transport infrastructure is on the first place in the SPP structure taking 69%, energy remains on the second place (57 projects in electric power engineering and 17 in gas sector) - 23.6% from the total volume of investments [14]. Projects on the attraction of private investments to the extension of road network, modernization of ports, airports, etc. in the countries of Central and Eastern Europe are realized with the active EU support, but the experience turned out to be dubious: successful solutions are alternating with the inefficient decisions.
The demonstrative example of the effective SPP project is the expansion and modernization of the international airport in Warsaw. More than 85% of passengers of the international flights were using Warsaw airport and consequently the passenger and luggage traffic had to be increased in two times in the shortest possible terms. The realization of the project would be impossible without the attraction of the private capital and know-how. On the results of the opened European tender the German company “Hochtief AG” as private partner of the project developed special model of SPP financing for the airports in the countries of the Central and Eastern Europe. Special consortium (general contractor “Hochtief Airport GmbH”) was established including small and medium enterprises of Poland and Germany as partners. Private financing was provided by the consortium of banks headed by the JSC “Citibank” and the state agency “Polish Airports PPL” was the recipient of the loans and state partner of the project. The cost of project was 153.5 million EUR and 80% of its financing was contributed by the private investments. The state company LOT became a party of loan agreement on financial guarantees and agreement of airport usage. The successful completion of works led to further participation of the general contractor in SPP projects dealing with the reconstruction of airports in Dusseldorf, Hamburg and Sidney.

The SPP success is recognized by the national and international institutions such as UNO which actively supports SPP programs throughout the world. Many countries receive financing for the SPP projects from such organizations as the World Bank, Organization of Economic Cooperation and Development (OECD), European Investment Bank. The considerable share of financing is directed at the SPP infrastructural projects such as transport, water supply and telecommunications. OECD report “Infrastructure by 2030” highlights the growing needs for the investments into telecommunications, transfer and distribution of electricity and water by 2030 proposing SPP as the main approach to the realization of such projects [15].

Thus, having analyzed the modern SPP from the point of globalization tendencies, we are ready to divide it into two types connected with the participation of the state sector of the national economy in the economic processes on the international level:

- Attraction of the foreign capital to the realization of the SPP projects in the national economy;
- State support of any form of the national capital (state, mixed, private) in the external economic activities.

SPP with the foreign capital favors the integration of the country into the world economy and access to the advanced knowledge and technologies. In the political sector such SPP presupposes usage of methods of economic diplomacy for stimulating the development of the national economy: the state cooperates with other states, international organizations and transnational corporations in the global context, while the economic importance of the state continues its growth despite gradual decrease of its specific weight in the national economy.

In the collective work of the French scientists edited by R. Drago and published in the late XX and early XXI centuries the famous researcher L. Fabius states that “state-partner comes to replace the state-owner [...] in the epoch of synthesizing the influence of the state and the market for making the state more efficient and opened. In the conditions of active interstate integration, as well as mutual penetration of the international traffic of money and goods SPP becomes the most important instrument of the economic development” [16].

To mark the unity of infrastructural projects, the EU uses the term “general economic services”, in which the adjective “public” (civil, state) is absent. The EU rules are neutral in relation to the form of property (state, private, mixed) of the companies providing similar services. The main precondition is that the similar objects shall function reliably without limiting the competition.

Simultaneously, the state did not withdraw from the processes of international cooperation as “markets and globalization may function as the instruments for reaching the development goals and improving the life standards but only on condition that the actions of the state remain the constituent of the development strategy” [17].

It may be stated that the globalization shifts the center of economic power from the governments to the private sector [18]. At the same time national states as the subject of economic diplomacy and essential SPP element on the external market own and use influence tools being as previously key players with the different functions.

At present SPP with the foreign private investment is the process of active development, state support facilitates the intensification of business activities abroad and foreign direct investments (FDI) in SPP projects are
more widely used in the infrastructure traditionally owned or managed by the state. In accordance with the UNCTD data companies of the structural branches were not represented among the 50 largest non-financial transnational corporations of the world in 1990-es. They constituted one third from the total number ten years ago. In 2005 transnational corporations from this sector in the EU countries were heading the list of the top 100 largest non-financial groups of the world, for example (state share 37.5%), France Telecom (32.5%), EON (12.5%) etc.

Transnational corporations with the support of the state successfully compete on the external markets in the conditions of globalization. P. Friedenson explains the reasons of their success by the international technical cooperation (for example, in the form of concessional-contractual SPP schemes), readiness to create joint ventures, provide extensive investments, transfer technologies, etc. which were clearly demonstrated by the participation of the foreign economic agents (pension funds of the USA and Great Britain) in the privatization of several structural objects in France [19].

While at the beginning of 1990-es FDI in the transnational corporations dealing with the public services constituted less than 5% from the worldwide volumes, the mid of the decade showed considerable inflow of the foreign investments. In 2005 the transnational corporations owned 2/3 of the world FDI (in comparison with 49% in 1995) and share of structural branches grew in absolute and relative values [21].

These years brought more than 300 mergers and takeovers with the participation of the structural companies which actively established new foreign objects participating in SPP investment projects: within 1995-2006 the share of such companies in the total number of mergers and takeovers increased from 4.3 to 9.2%, while the cost grew from 17 to 27%; the sector of public services was the party of more than a half of such contacts within the period from 1987 to 2006 [22]. For example, state energy company Gas de France merged with the private transnational company SUEZ in 2008, forming the second largest energy company in Europe with its cost exceeding 100 billion EUR.

Further increase of the share of foreign capital in the EU infrastructural projects raises the problem of improving the system of standards, the lack of which in the sector of public services raises concerns of the analysts of the European Union. Average annual growth rates of productivity in the sphere of public services (GDP per working hour) in the EU decreased from 2.4% in 1973-1995 to 1.5% in 1995-2006, while in the USA they increased from 1.2 to 2.3%. Present development of cooperation in the structural branches of the EU is expected to benefit the growth of productivity in future [23].

The other aspect of SPP development is the problem of market concentration resulting from the consolidation of efforts of the large state and private companies which may threaten monopolization in the branches of economy connected with infrastructure questioning the priorities of public interests. The most efficient counteractions to the threats of market monopolization by SPP projects capable of providing transparency, non-discriminating investments in the infrastructure and access to the networks for the new market players include diversification of activities on the production, transportation, sale and distribution (e.g. energy sources). The above mentioned measures include not only legal parting but also separation of property rights for assets.

Further development of SPP projects with the participation of partners - transnational companies may raise the question about their national ownership for guaranteeing that the private partner will follow the principle of public interest priority and rule of law of the country of residence. But for the time being no such laws were developed in any country of the world. This is most frequently explained by concerns that foreign companies with the participation of the state may breach the principles of equal competition.

As mentioned in the report of UNCTD such situation is aggravated by the transformation of the separate developing countries (for example, India, China, Russia, Malaysia and Brasilia) from the recipients of the capital into its exporters [24]. Thus, the SPP approximates the interests not only of the state and the private partner but also of the state and private (including transnational) companies from different parts of the world. Therefore, the tendencies of the modern globalized world on the one hand aggravate the competitiveness between the countries and the private companies and on the other hand enhance SPP on the international level with the attraction of the foreign, state, private and mixed corporations.

Modern state more actively participates in the processes of the international cooperation as “markets and globalization may become the instrument for reaching the goals of the state leading to the improvement of life
conditions, but only on condition that the actions of the state remain constituents of its development strategy”. This means recognition of SPP perspectives presupposing that the state as the representative of public interests dealing with the improvement of conditions for the economic activities directly influences the national competitiveness. This raises the issue of generalizing on the basis of international experience of the factors which determine success of SPP on the institutional level and favor more efficient practices of SPP project realization. The main factors favoring the realization of SPP projects include:

- Assessment of actual possibilities and perspectives of the projects by the state;
- Independent determination by the state bodies of technical and financial requirements to projects, cost of public services on the alternative basis;
- Transparent and unified regulation directed at balancing the interests of the private partners and consumers which presupposes adequate growth of quality of services and tariffs;
- Introduction of innovative technologies in SPP projects in compliance with the advanced standards of environmental protection;
- Attraction of the international consulting companies and application of the international experience which guarantee reaching public and economic goals by the project;
- Provision of effective communication between the project participants due to the fact that in present conditions the local partners shall cooperate with the international investors, suppliers, guarantors with the aim of concluding mutually beneficial agreements.

Thus, analysis of the SPP experience in the world allows making certain conclusions for Ukraine. In the first place, political will of the country leaders is needed for the conscious and active implementation of such form of cooperation between the state and private sectors of economy with the aim of more efficient realization of public interests.

Starting point for the development of this process in our mind shall be institutional environment for SPP regulation. At present several corresponding laws were adapted including the laws of Ukraine “On Concessions”, “On Concessions for Building and Exploitation of Roadways”, “On Leasing”, etc. But the problem of frame law “On Basics of State-Private Partnership in Ukraine” and sub-laws for the practical realization of provisions of current legislation still remains unsolved.

Basic principles for the legislative regulation of the state-private partnership include equality, openness, transparency and competition. Ukraine shall also prepare “Strategies for the development of the state-private partnership” on the national and international levels which presuppose:

- Establishment of the single central state body which would coordinate SPP projects, assess their effectiveness and represent the state interests in such projects, etc.;
- Preparation of list of the state and private objects for the transfer to private sector within the SPP;
- Delegation of authorities to the local self-governance bodies for taking decisions on local objects and their transfer to private sector on the basis of SPP mechanism;
- Development of single mechanism of conducting tenders for the participation of private companies in SPP projects;
- Training of specialists for SPP project management;
- Distribution of the advanced experience of SPP realization in Ukraine.
Thus, SPP experience in the world for the last 25 years permits to define the criteria necessary for the successful realization of the projects:

- Presence of political will to develop SPP on part of the state;
- Presence and constant improvement of the institutional (in particular, legislative) base for the national SPP model;
- Acceptable tax load for SPP projects with the aim of making them attractive for the investors.

Importance of all the factors for the successful promotion of SPP for different countries may vary, but their lack precludes the implementation of the national SPP model. Thus, our research requires the analysis of the present potential for the SPP development in Ukraine as the key precondition for increasing effectiveness of the state sector of national economy.

REFERENCES

