**Journal of Airport Engineering Technology (JAET)**
https://e-journal.poltekbangplg.ac.id/index.php/jaet
Volume: 1 No. 1 December, 2020; pp. 15-23
Submitted: 4-September-2020; Rivised: 22-November-2020; Accepted: 3-December-2020

# The Adoption of Public-Private Partnership Concessions for a Development Project in Emerging Economies

**Viktor Suryan[1], Pintanugra Persadanta[2], M Dimas Bara Alddi[3], Jhellyananda Putri[4]**
[1,3,4]Palembang Aviation Polytechnic, [2]Directorate General of Civil Aviation
*e-mail: viktor@poltekbangplg.ac.id

## Abstract

Public-private partnership define as a corporation between public as owner and private as manager and operational. This paper aims to describe the PPP development in infrastructure project in emerging economies. The result show the implementation of PPP conducted are based on the principle of a fair, open, transparent, and competitive. Also, the activities of Public-Private Partnership are important for all parties to understand each other, mission, functions and duties, rights, obligations of each as agents of development. It also do perception in the negotiation of partnership activities which is needed transparency, the commitment of development actors to the achievement of results mutual benefit. In addition, the need for the direct involvement of all parties, especially local government, parliament, the public, employees and others, the availability and access relevant data, easily, correctly and consistently. Hence, support for a clear and true to good decision giving the Central , Provincial or Regional (district or city ), auction eligibility criteria and negotiation clearly, transparent and consistent, and ability in mastering the material law, technical and finance.

**Keywords:** Public-Private Partnership, Infrastructure Project, Funding, Emerging Economies



## INTRODUCTION

Issues Infrastructure Crisis has strong linkages with the financial crisis and trades that hit the global economy. Infrastructure market liberalization is a key strategy to restore financial markets are dying (Fay and Yepes, 2003). Same with the invasion of food markets, agriculture, climate market, social insurance market, which all of whom are encouraged to help the stability of financial markets. Although the invasion of infrastructure are also considered important in order to facilitate investment flows and trade in all sectors, the most important goal is infrastructure investment itself and how to create a financial market wide for the private sector to absorb the state money and public finances in scale greater in order to enter in the infrastructure market .

Some of international financing institutions to be Infrastructure funding sources, which are:

1. Multilateral Development Banks including the World Bank, Asian Development Bank (ADB), and other financial institutions that become affiliates such as the Multilateral Investment Guarantee Association (MIGA). In a state of particular, these agencies can offer credit enhancements such as Partial collateral risk (PRGs) to the project company and the lenders (Merna and Njiru, 2002; Cerovic et al, 2013).
2. Foreign and Domestic Commercial Banks that provide debt financing for the project. It is possible to secure all domestic debt funding for projects smaller, but larger projects possible requires merging with government financing (Goldberg et al, 2000).
3. State Infrastructure Fund, in the case of Indonesia formally known as Indonesia Infrastructure Fund (IIF), funded by the Government of Indonesia (through PT Sarana Multi Infrastructure), multilateral development banks, the International Finance Corporation (IFC) and the Government of Germany to provide financing in the form of loans for infrastructure development in Indonesia (Alisjahbana, 2012).

4. ASEAN Infrastructure Fund (AIF). AIF is a financial institution ASEAN infrastructure set up to provide financial support for infrastructure development in ASEAN by utilizing excess liquidity in the area. AIF is a joint initiative of the Finance Ministers of ASEAN and Asian Development Bank (ADB) to provide financial support for infrastructure development in the ASEAN region. This initiative is motivated real differences in the level of development of infrastructure in countries ASEAN (infrastructure development gap). Also, the presence of excess domestic liquidity (national resources) should be absorbed and utilized for infrastructure development in ASEAN. AIF, its implementation will be embodied in a special purpose vehicle (SPV) to be managed by ADB (Bhattacharyay, 2009).

## LITERATURE REVIEW

This paper starts with describing that many factors should be considered to accept or reject a capital investment. One of the factors is the time of the value of money. It means a future returns is lower at present. There are many methods for evaluating investments such as net present value, internal rate of return, profitability index, and equivalent annual amount, capital recovery with a return, capitalized equivalent and payback period. Viewed from the standpoint of banking to date Infrastructure sector included in a group of industries that have high levels of risk and return at moderate level. In financing infrastructure, banking comprehensively considering various aspects, among others (World Bank, 2014):

a. Cost of Project relatively enormous so require syndication scheme / joint investment;
b. Tenor long-term general credit so has the level of risk high;
c. The need for self-financing large, so that only certain investors who are able to meet such requirements;
d. Provision of infrastructure services including tariff adjustments should be clearly set in the agreement and contract;
e. The potential for cost overrun risk, so in general banking requires a guarantee of project owners to bear the risk;
f. The possibility of risk of policy inconsistencies in infrastructure (among others tariff policy, underwriting policy of the Government)

Recognizing some of the advantages of regional cooperation for financing the above infrastructure, the countries in the African region in 2001 to form The Emerging Africa Infrastructure Fund (EAIF) (Ncube, 2010), a partnership of public-private partnership which provides long-term financing for the construction and development private infrastructure in 47 countries in sub-Saharan Africa (except Mauritius). EAIF providing $ 10 million to the 'US $ 36.5 million for projects in various sectors including telecommunications, transportation, water and electricity. EAIF established to address the lack of long-term financing for infrastructure projects in sub-Saharan Africa' (Briceño-Garmendia, 2008). EAIF offers loans in USD and EUR to private companies. This loan is for Greenfield projects or to upgrade or expansion. Funding comes from donor countries and by EAIF lent on commercial terms (Ncube, 2010).

On another hand, these loans are intended to supports projects that promote economic growth and reduce poverty, brings the benefits of a broad-based population group, discuss issues of equality and participate in furthering the rights of social, economic and cultural (Bayliss, 2008). In the Middle East region also has established The Middle East and North Africa (MENA) Infrastructure Fund. MENA has been created in the Dubai International Finance Centre (DIFC) is a regional investor, with a target to invest in the infrastructure sector and energy in the entire Middle East and North Africa. Funding MENA sponsored by three leading investors in the region Central and North Africa, namely Fajr Capital, HSBC Bank Middle East and Waha Capital (Briceño-Garmendia, 2008). a dedicated investment team utilizing the support of sponsors experienced to provide investment opportunities to investors, along with capital and financial expertise to companies in which it invests. MENA has become one of the largest infrastructure fund, and the most successful in the Middle East and North Africa (ibid).

In addition, there is another infrastructure fund which quite focus on financing in emerging economies namely AIF. ASEAN Infrastructure Fund (AIF) is a private finance company owned by the countries of ASEAN and the Asian Development Bank (ADB), which is domiciled in Malaysia. AIF was established to provide financing facilities infrastructure in the ASEAN region in order to enhance ASEAN connectivity (Das, 2013). The presence of AIF which specializes in infrastructure financing, expecting to mobilize long- term funding sources to encourage investment in projects infrastructure in the ASEAN region. AIF role is crucial because it will be catalyst to bridge long- term sources of funds with investments in projects infrastructure in ASEAN. AIF in its implementation embodied in a special purpose vehicle (SPV) managed by ADB (Das et al., 2013). Through the SPV, capital that has been formed will be leveraged. In the next stage, when the SPV is already has a bill on infrastructure projects it finances, this bill can then be securitized to improve liquidity to be increasing the lending capacity anyway. Thus, the SPV will be the mobilization of funds at a higher level (Shishido et al., 2013).

World Bank report (World Bank, 2013) stated that PPPs necessary to looked at by encouraging reduction ‘poverty' in a poor country. For instance, the authority would have used to fund its public project and now use other investments. In World Bank point of view, it makes significantly contribute to improving economic growth even though it is not directly way. In another hand, according to the World Bank, the bank group have the plan to increase impact for poor and disadvantaged people. The improvement of a PPPs project has been developed in middle-income countries (MICs) and two regions, Latin America and the Caribbean and East Asia and Pacific. In developing country has contributed between 15 and 20 percent of total investment during the last 10 years. PPPs now has been captured by 134 developing countries between 2002 and 2011. Not only in infrastructure but also transformational effect into ‘social support' in particular schools, hospitals, and health services.

Furthermore, supporting this scheme for multi-national funding agencies will give benefit such as a sustainable relationship with countries which are supported by, as an investment for funding itself. As many multi-national funding agencies, they always try to find the country will lend their extra money. However, the World Bank noted that from 4000 PPP projects around the world that studied, there are only 57 problem projects, and 185 projects were canceled (Reside, 2009). It indicates the public-private partnership scheme acceptable. PPPs as a new concept, it will bring new investment and bring the revenue for funding agencies. For instance, World Bank stated that the income from PPPs achieved higher every year. Even though this revenue is lower than their target, PPPs scheme still give benefit. The funding agencies believe that in a further implementation, PPPs will be a top priority for an infrastructure project. ‘The rationale for the World Bank group’s support to PPPs is based on the claim that PPPs have potential to close infrastructure gap by leveraging scarce public funding and introducing private sector technology and innovation to provide better quality public services through improved operational efficiency’ (World Bank, 2013; Mirna and Njiru, 2002). More than 50% of world bank supported PPP project were successful. However, the World Bank in PPP project tend to take higher risk than IFC’s investment. For instance, they are engages with the country who have low country credit rating (Reside, 2009).

## RESULT AND DISCUSSIONS

Not all infrastructure projects through cooperation was a successful, there was some of them were failure. Cuttaree (2008) show that examples of successful projects undertaken in collaboration with the private sector through PPP are a program toll roads in Chile. To test the market and reduce the risks faced by the private sector, the government started auctioning small projects. Toll road projects and industrial cooperation through the concept of PPP is considered to be very transparent and competitive, although the government just provides coverage for a minimum income. In contrast, the failed toll road projects through PPP cooperation occurred in Mexico. Private bidding concession period shortest won the bid with the maximum concession period of 15 years, but this has caused the toll rates highly high.

The lesson to be learned from cases in Chile and Mexico is a success cooperation through PPP projects in Chile due to several factors (Cuttaree and Mandri-Perrott, 2011; Cuttaree ,2008), which are (i) transparent procurement process, (ii) focus on creating public awareness (Tolling culture), and (iii) government's experience in developing programs and always make adjustments. While the failure of public projects in Mexico due to, among others, (i) term concession combination with low traffic usage tolls cause tolls to be expensive, (ii) the existence of a parallel road that is free of charge contributed to the financial difficulties concession holder, (iii) the situation exacerbated by the Tequila crisis, and (iv) program resulted in the government must bailing-out was massive.

Several other international experiences that can help identify causes of project failure through cooperation with a government (Cuttaree, 2008; Li et al. , 2005, Zhang, 2005) that is (i) poor legal framework and weak law enforcement, (ii) inadequate capacity institutional and PPP strategy, (iii) the estimated costs and revenues that are not realistic, (iv) lack of financial and economic analysis as a whole, (v) risk sharing between the government and private sectors that are less precise, (vi) projects less competitive auction, and (vi) the resistance of the public (the ability to pay never analysed). Procurement uncompetitive provide a high position in negotiations and could lead to lengthy delays and cost government excessive. This occurred in Bulgaria Trakia Motorway project.

The decline in the ability of government finances also led to more deterioration in the quality of infrastructure services and delayed development new infrastructure (Akintoye et al., 2003). Infrastructure network conditions like these will eventually increase user fees (user costs) are significant, inhibiting mobility economy, enhance the price of goods and complicate efforts to improve welfare community. Faced with the above conditions, and then one of the steps were taken by the government is to encourage private sector participation and the community in the development and infrastructure management. However, government efforts have faced several obstacles, which are: First, foreign private investment is still increasing, whereas most projects rely on loans to foreign partnerships. Second, the source of funds development of banking infrastructure is very limited because of the mismatch between a period of project completion and return of the loan period granted. In general, infrastructure projects take between 15-30 years to repay the investment, while banks are not interested in funding long-term projects (Guash, 2004).

The condition described above is not only experienced by developing a country, but almost all countries today are facing challenges in finding funding amid the global crisis. Attempts to access other sources of financing to finance infrastructure needs to be more efficient and value-added if there is an intensive regional cooperation. There are at least three benefits from the existence of regional cooperation, which are (Posner et al, 2009): (I) the funds raised will be greater, (ii) a particular project that crosses boundaries require national cooperation and coordination among one or more countries; (Iii) failure to address infrastructure bottlenecks will hamper cross-border development and intensification of regional supply networks can trigger a trade and income growth in the region.

One of the major benefit from PPP concept is that could save resources.it means authority can focus on their core project and delegates to another stakeholders (cumming, 2007). The private sector apparently have greater construction, labour capacity and resources than the public sector. Public and private sector will cross-transfer of skills, knowledge and expertise so it will be create innovation and efficiency (Edkins and Smyth, 2006). Payments to the private sector in PPP projects are usually based on their progress, hence it more efficient. It also decreasing of lifecycle-costs (Li and Akintoye, 2003). However, PPP scheme has indicated that political restrains (Algarni et al., 2007)

PPP is an alternative to the provision of facilities by the public sector, use of funding from tax revenue or public borrowing (Akintoye et al, 2003; Huang and chou, 2006). In the public sector procurement (known as 'design-build-bargaining'), a public authority establishes the specifications and design of the facility, look for deals by the detailed design, and pay for construction at the facility conducted by the private sector contractors. The public authorities must fund all construction costs including any costs. Operational and maintenance services are entirely managed by governments, and the contractor is not responsible for the long-term performance of the building of the facility after the warranty period (usually relatively short) has expired.

PPP easy to develop because it does not require an extensive public sector financing in the future (Posner et al, 2009). PPP uses the depreciation method of funding that comes from the PPP (Concession Model) or the state budget that is charged over the life of the contract (PFI model). PPP allows the public sector to escape the limitations of short-term investments in public infrastructure as a result of restrictions on debt, and tax revenues are small. PPP is often referred to as "off-balance-sheet" which means that PPP is not seen as borrowing by the public sector and the absence of capital costs in the budget (Bloomfield, 2006; Akintoye et al, 2003) .

Financing private sector on PPP is greater when compared with the method of public borrowing. Method public borrowing cheaper for state lenders do not bear the risk is significant different in public-private partnership scheme (Ho and Liu, 2002). But there is an alternative view that the public sector is more capable of spreading the risk compared to the private sector so that the financing is done by the public sector is actually lower than the private sector when it's done. But look more expensive despite the PPP, the public sector cannot make the entire investment that must be done as a result of restriction debt that PPP is the absolute choice (Zhang, 2005).

Although there are difficulties in assessing the risks of transfer, it remains an essential element of the argument value for money that supports PPP, where the risk is transferred, can be managed better by the private sector so that the costs will be lower. Value for money is not based only on the lowest cost but also include risk transfer, whole-life cost, and services provided as the basis for determining the selection the best of Value for Money (Grimsey and Lewis, 2005). Argument considered a political interest in supporting the PPP program (Ball and Maginn, 2005).

Elements of risk transfer in Value for Money always connected with the fact that the project cannot be removed from the public sector balance sheet except for the risk transfer to the private sector can do. PPP to encourage the public sector to identify project risks and to transfer risk that is not prevalent in the public sector procurement (Grimsey and Lewis, 2005). Therefore, PPP to accelerate investment in public infrastructure, in some cases a project built by the public sector in some parts can be constructed as a whole. The economies of scale of the construction can save capital cost, and also, the acceleration of construction can avoid the costs of inflation may raise the cost in the long run (ibid).

Whole life costing is perhaps the most important element in the Value For Money in PPP (Gramsey and Lewis, 2005). Due to the same investor responsible for the construction and maintenance of facilities, they will be motivated to design a project that provides the best whole life cost (Ball et al., 2007). Examples are spending enormous costs in the initial fee if it can save maintenance costs in larger quantities.

However, the transfer of risk is the greatest advantage of the PPP model (Li et al., 2005). Risks maintenance costs are transferred to the private sector. These fees are the most difficult to predict. Also, long-term contracts in the PPP will force the public sector to allocate costs for maintenance, and encourage the private sector to perform maintenance if maintenance costs are not paid (or minus) when maintenance is not carried out according to standards (Gramsey and Lewis, 2002).

When a service fee depending on the demand and are not guaranteed by the public authorities, the private sector is motivated to participate only on a good project. However, there is a danger for the ability to transfer some of the risks and not to some others will distort decisions regarding the execution of a project. The risk of development and maintenance of the new building is smaller than renovating old buildings. This will result in an auction participant has a bias against new buildings.

Sometimes from the government can borrow cheaper than through private parties. There is the fact that capital expenditures or funds incurred by the private sector accounting for an expenditure of government where at some stage in the economic cycle will complicate the various measures of government borrowing (Akintoye et al., 2003). Otherwise, Based on project financing is unsecured (non-recourse), creditors may only receive payment from the revenue generated by the business entity, unsecured (non-recourse) from investors. In a sense, the obligation of business entities separated from obligations of investors, and the debt secured by the cash flow from the project. Yescombe (2013) argued the project financing structure, in general, involves a substantial portion of the debt. In general, the proportion of debt represents 70 to 95 percent of the total financing. From the standpoint of the investor, it helps manage risk by limiting exposure to the project and allow investors to implement projects much larger than the contrast setting which is on bail (with recourse). For lenders, this arrangement requires creditors to apply due diligence, with a focus on project cash flows and contractual structure.

Although it is useful to raise funds for major investment with a high proportion of debt, there is a price to pay for the financing of the project. The interest rate on the debt for project financing more expensive than sovereign debt and often more expensive than the interest rate charged on the loan company that has been established. However, projects with high debt levels are also more vulnerable to the risk of default and bankruptcy (Ehrhardt and Irwin, 2004). Trams and Victoria Rail provides an example of PPP with high levels of debt-based financing which ended in failure to pay (ibid)

Since the procurement to get a public partner which do once at the beginning of the project. It might be possible to get a failure in further implementation. It means authority has a chance once to choose the partner for the long-term duration. It will take disadvantages for a government if they select the private sector correctly inappropriately. It will be different with the partial contract which means the owner have many chances to choose the best partner in each skill and area. For example, the owner can do bidding partial and have many options from a different private sector. It seems likely to benefit for the other stakeholders such as design and construction and the operation and maintenance have bargain position in the project. However, it takes a long time and high cost to do procurement as separately.

On the other hand, in the field transport, the renegotiation quite often happens, that the 55% number concession contracts and occur three years after the concession granted to investors (Guasch, 2004). Motif renegotiation of the contract in the field of transportation projects usually related over-estimated demand, which is not achieved due to a number of income investors Traffic is smaller than the quantity of traffic in the original projection. Other reasons this renegotiation is associated with operating costs and construction swell as well as issues around tariffs, such as prices, is considered unreachable or cannot be raised according to an agreed schedule. PPP projects are problematic continues with the commitment of investors, and government are realized by way of re-negotiation of rights and obligations of each party. Renegotiation of PPP projects involve the rate increase, the length of the concession period, the standard that must be met, ordinances payment, guarantee, the exclusive rights of investors, as well as an overall investment plan, including a schedule and the nominal project (Delmon, 2009). Renegotiation occurred in 300 projects 1000 projects a pattern of concessions in Latin America and the Caribbean in the period 1985 to 2000 (World Bank, 2012).

The World Bank has been instrumental in helping developing member countries that were hit by the economic crisis. However, the economic problems in the country, often loan from the World Bank just like a pile of issues in the coming years that seemed endless and instead become a ' boomerang ' for the country itself. If not managed properly, the debts could cause the collapse, where debt held far greater than the assets owned by the state itself. As World Bank stated that the one of the objectives to support the country, especially the developing country, is reduction poverty. However, Cammack (2004) argued that ‘what the Bank means by poverty reduction is ‘proletarianisation’, and ‘global competition among workers, as part of a larger transformation of social relations around the world'.

Engel et al. (2002) concluded that the extent to which PPP can help alleviate debt problems will depend on the nature of these constraints. PPP can relieve short-term liquidity constraints, allowing the implementation of a commercially viable PPP and financed by the user. However, Engel et al argued that the possibility of PPP is able to help a government would decline if the government cannot get the debt because the government is deemed insolvent. In this case, it may be difficult for the government to tie up long-term contracts that offer a potential revenue source in future forward credible, so that the PPP may not be deemed worthy by the investor. On the other hand, in a paper in 2011 on the Implementation of PPP in Chile, Engel et al explained how the multilateral involvement in a PPP can enhance the credibility of the government's commitment to the contract thereby increasing the potential for PPP to help the government overcome the debt.

Partnerships between governments and the private sector, or (PPP) intrinsically a form that is ideal, because it provides space their partnership the participation of the private sector to participate and encourage the development programs of government through a partnership. In a partnership based on the relationship between actors that rely on business ties and mutual support and also be mutually benefit, and mutual support based on the principles of equality and togetherness. Each actor has the potential, features and capabilities, although different sizes, types, the nature and place of business. With the advantages and the limitations of existing lead mutual interests in a cooperative relationship or partnership ties.

Efforts to involve the private sector in various government projects is not without good reason. This idea is mainly based on the idea that the fulfillment of public infrastructure requires substantial funding. Meanwhile, infrastructure needs continue to increase both because of the population growth as well as for replacement of old infrastructure that has been worn out. If the development is only relying on funds from the government, the business of providing the proper infrastructure would be difficult to realize. In the end, countries are becoming increasingly uncompetitive for failing to provide adequate infrastructure. Investment decisions under PPP contracts tend to be based on a long-term view rather than short-term concerns. It will transferring risk and work to the private sector which is able to manage the cost and achieve the best value.

Some of the reason why the concept of public-Private partnership has to be implemented, which are (i) fiscal capability and capacity of public sector is low, (ii) the achievement of quality and quantity services is moderate, (iii) acceleration of development slowed due to a wide range of issues, (iv) public demand infrastructure needs (v) enhancement of private sector participation in

## CONCLUSION

There are several problems that cannot be solved by applying PPP, or even be exacerbated by the implementation of PPP. First of all, the ability PPP resolve funding issues may appear higher than the actual circumstances, given the government's fiscal commitments on PPP may not necessarily be determined precisely. This could cause the government to bear the fiscal commitments and higher risk due to the application of PPP compared to an acceptable level based on public financial management which applies the principle of prudence. Although PPP can contribute to analysis better project as well as the adoption of ideas and practices that are innovative, most of the responsibility for the planning and selection of projects still lies in the public sector - Moreover, the fiscal costs are unclear, and stiffness PPP can complicate the implementation of tasks. The advantages of private sector efficiency in managing the investments, and better incentives to carry out routine maintenance, it also depends on the preparation of the PPP and efficient procurement by the government.

Infrastructure projects in general designed to deliver the benefits of sustainable economic development. The problem is, there is a different perspective between government and Private towards infrastructure projects. For the government, infrastructure projects planned and financed by government agencies are generally economically feasible, but are not commercially feasible. Infrastructure projects in general designed to deliver the benefits of sustainable economic development.

## REFERENCES


Akintoye, A., Beck, M., Hardcastle, C., 2003. Introduction: public– private partnership in infrastructure development. Blackwell Science Ltd. pp. xix–xxiv.

Akintoye, A., Jardcastle, C., Beck, M., Chinyio, E., Asenova, D., 2003. Achieving best value in private finance initiative project procurement. Construction Management and Economics. 21 (5), pp. 461–470.

Alisjahbana, A. 2012. Effective public spending: the case of infrastructure. *Jakarta: Ministry of National Development Planning/National Development Planning Agency Government of Indonesia*. [accessed 18 February 2016]. Available from: http://www.oecd.org/site/oecdgfd/49793186.pdf.

Aschauer, D.A., 1990. Why is infrastructure important?. In *Is There a Shortfall in Public Capital Investment? Proceedings of a Conference*. Pp 21-68.

Bakatjan, S., Arikan, M., Tiong, R.L.K., 2003. Optimal capital structure model for BOT power projects in Turkey. Journal of Construction Engineering and Management. 129 (1), pp. 89–97.

Battacharyay, B. N. 2009. Infrastructure Development for ASEAN Economic Integration. ADBI working paper series. 138.

Bain, R. and Wilkins, M. 2002. Infrastructure Finance: Traffic Risk in Start-Up Toll Facilities. London: Standard and Poor's.

Ball, R., Heafey, M. and King, D. 2007. The Private Finance Initiative in the UK: A value for money and economic analysis. *Public Management Review*. **9**(2), pp. 289-310.

Ball, M. And Maginn, P.J., 2005. Urban change and conflict: evaluating the role of partnerships in urban regeneration in the UK. Housing Studies. 20 (1),pp. 9–28.

Bayliss, K., 2009. *Private sector participation in African infrastructure: is it worth the risk.* International Policy Centre for Inclusive Growth. 55.

Berndt, E. R. and Hansson, B. 1991. Measuring the contribution of public infrastructure capital in Sweden. *National Bureu of economic research*. 3842.

Bloomfield, P., 2006. The Challenging Business of Long- Term Public–Private Partnerships: Reflections on Local Experience. *Public Administration Review*. **66**(3), pp. 400-411.

Briceño-Garmendia, C., Smits, K. and Foster, V. 2008. Financing public infrastructure in sub-Saharan Africa: Patterns and emerging issues. *Background Paper*. 15.

Calderón, C. and Servén, L. 2004. *The effects of infrastructure development on growth and income distribution* (No. 270). World Bank Publications.

Cammack, P. 2004. What the world bank means by poverty reduction, and why it matters. New Political Economy. **29**(2). Pp. 189-211.

Cumming, D., 2007. Government policy towards entrepreneurial finance. Innovation investment funds. Journal of Business Venturing. **22**(2), pp. 193–235.

Cuttaree, V. and Mandri-Perrott, X.C., 2011. Public-private partnerships in Europe and Central Asia: designing crisis-resilient strategies and bankable projects. *World Bank Publications*.

Cuttaree, V., 2008. Successes and failures of PPP projects. *Washington, DC: World Bank*.

Das, S.B., 2013. Understanding the MPAC. *Enhancing ASEAN's Connectivity*, pp.3-8.

Das, S.B., Menon, J., Severino, R.C. and Shrestha, O.L. eds., 2013. The ASEAN economic community: A work in progress. *Institute of Southeast Asian Studies*. 14.

Delmon, J., 2009. Private *sector investment in infrastructure: Project finance, PPP projects and risks*. Kluwer Law International.

Ehrhardt, D. and Irwin, T. C. 2004. Avoiding Customer and Taxpayer Bailouts in Private Infrastructure Projects: Policy toward Leverage, Risk Allocation, and Bankruptcy. *World Bank Policy Research Working Paper*. 3274.

Engel, Eduardo, Fischer, R. And Galetovic, A. 2002. A New Approach to Private Roads. *Regulation*. pp 18-22.

Engel, E., Fischer, R. and Galetovic, A. 2011. Public-private partnerships to revamp us infrastructure. *Hamilton Policy Brief, Brookings Institution*.

Fay, M and Yepes, T. 2003. Investing in Infrastructure, what is needed from 2000 to 2010?. *Policy research working paper*. 3102.

Farquharson, Edward, Torres de Mästle, C., Yescombe, E. R. and Encinas, J. 2011. How to Engage with the Private Sector in Public-Private Partnerships in Emerging Markets. World Bank, Washington, D.C.

Grimsey, D. and Lewis, M.K. 2002. Evaluating the risks of public private partnerships for infrastructure projects. *International Journal of Project Management*. **20**(2), pp. 107-118.

Goldberg, L., Dages, B. G., and Kinney, D. 2000. Foreign and domestic bank participation in emerging markets: Lessons from Mexico and Argentina. *National bureau of economic research*. 7714.

Guasch, J.L., 2004. Granting and renegotiating infrastructure concessions: doing it right. *World Bank Publications*.

Hart, O., 2003. Incomplete contracts and public ownership: remarks, and an application to public–private partnerships. *The Economic Journal*. 113 (486), pp. c69–c76.

Hodge, G., and Greve, C. 2007. Public-private partnership: an international performance review. Public Administration Review. Pp. 545-558.

Li, B., Akintoye, A., Edwards, P.J. and Hardcastle, C., 2005. Critical success factors for PPP/PFI projects in the UK construction industry. *Construction management and economics*. **23**(5), pp. 459-471.

Levy, S. M. 2011. *Public-private partnership: case studies on infrastructure development*. Reston, Va: ASCE press.

Merna, T. And Njiru, C. 2002. *Financing Infrastructure project*. London: Thomas Telford Ltd.

Morrison, C. J., And A. E. Schwartz. 1992. State Infrastructure and Productive Performance. *National Bureau of Economic Research Working Paper*. 3981.

Ncube, M. 2010. Financing and managing infrastructure in Africa. *Journal of African Economies*. **19**(1), pp. 114-164.

Posner, P., Ryu, S. K. and Tkachenko. 2009. Public-private partnerships: the relevance of budgeting. OECD Journal on Budgeting. 2009(1), pp. 49-74.

Zhang, X. 2005. Critical success factors for public–private partnerships in infrastructure development. *Journal of construction engineering and management*. **131**(1), pp.3-14.

Schwartz, Gerd, Corbacho, A. and Funke, K. 2008. Public Investment and Public- Private Partnerships: Addressing Infrastructure Challenges and Managing Fiscal Risks. Washington, D.C : International Monetary Fund.

Shishido, H., Sugiyama, S. and Zen, F., 2013. Moving MPAC Forward: Strengthening Public-Private Partnership, Improving Project Portfolio and in Search of Practical Financing Schemes. *ERIA Discussion Paper Series*. 21.

Wong, J. and Chan, S. 2003. China-ASEAN Free Trade Agreement: Shaping Future Economic Relations. Asian Survey. 43(3), pp. 507-526.

World Bank. 2014. Public-private partnership: reference guide, version 2.0. Washington, D.C.

World Bank. 2013. Value-for-Money Analysis Practices and Challenges : How governments choose when to use PPP to deliver public infrastructures and services. Washington, D.C.

World Bank. 2012. Best Practices in Public-Private Partnerships Financing in Latin America: the role of subsidy mechanisms. Washington, D.C.

Yescombe, E. R. 2013. 2nd edition. Public-Private Partnerships: Principles of Policy and Finance. Oxford: Elsevier Science.