



cutting through complexity

PPP Project Delivery in Canada

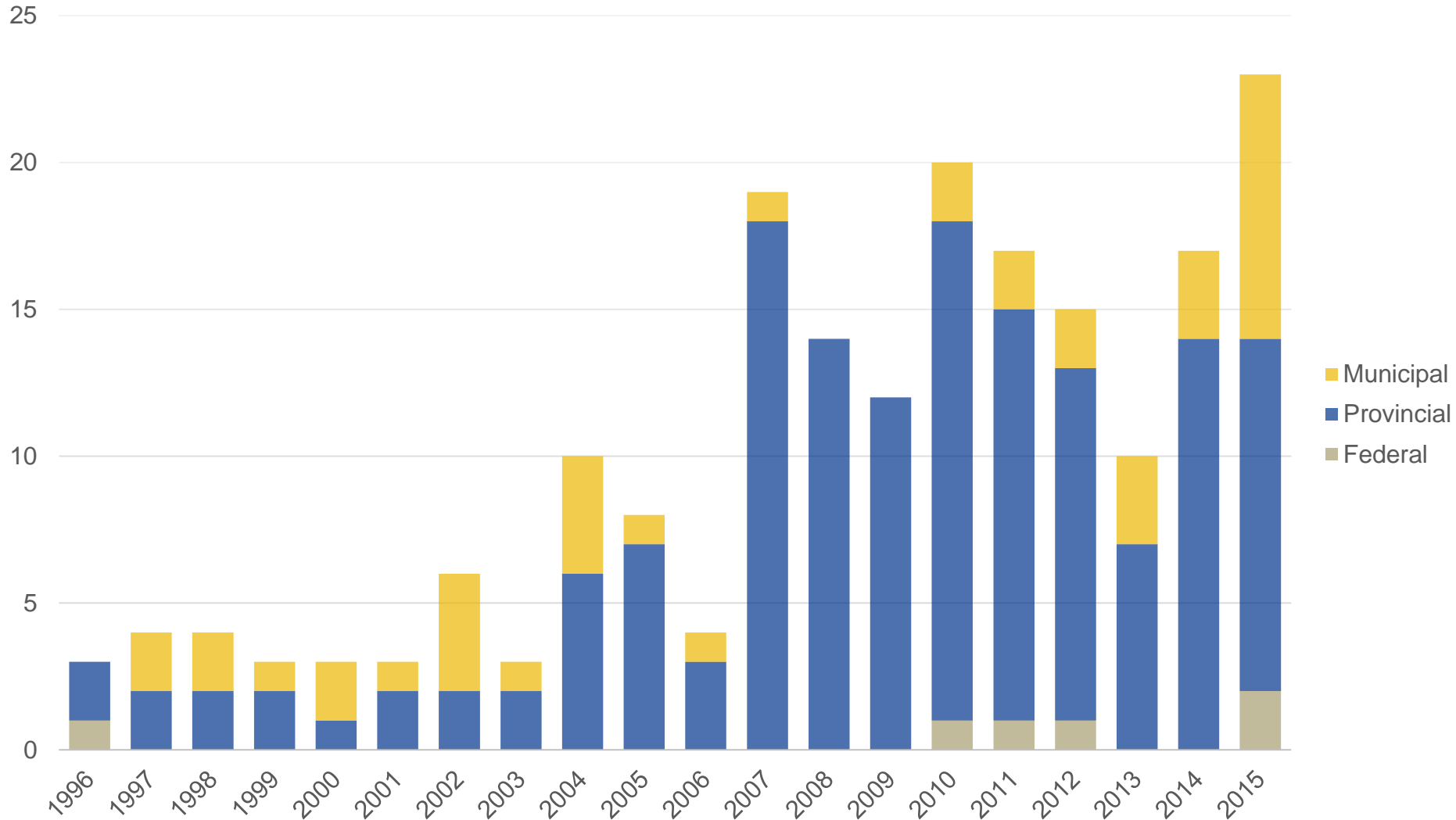
NCSL Pre-Conference

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Canadian PPP Market : Deal Flow



Canadian PPP Deals by Sector

Sector	# of deals
Transportation	56
Health	91
Justice/corrections	19
Recreation and culture	16
Energy	11
Education	14
Water & Wastewater	18
Other	15
Total	240

Canadian PPP Deals by Jurisdiction

Province	Number
Alberta	19
British Columbia	42
Manitoba	5
New Brunswick	12
Newfoundland & Labrador	1
Nova Scotia	3
Northwest Territories	2
Nunavut	2
Ontario	124
Québec	18
Saskatchewan	10
Federal	2
Total	240

Canadian PPP Market: Deal Structures

Model	# in use
Build Finance	36
Build Finance Maintain	4
Design Build Finance	22
Design Build Finance Maintain	77
Design Build Finance Maintain Operate	63
Design Build Finance Operate	19
Other	19
Total	240

Elements of Success in Canada

- **Political Commitment**

Generally-Accepted Tool

- **Policy Framework**

Capital Standard

Legislation not required

- **Delivery Institutions**

Commercial agency

Internal advisory

- **Continuous deal flow**

Benefits Perceived by Policy-Makers

- **Improved project planning and governance**
- **Value-for-Money**
 - Higher costs of capital and planning more than offset by benefits
 - risk transfer
 - efficiencies
 - whole life-cycle asset management
- **Innovation**
- **NOT about avoiding balance sheet or debt ceilings**

Key Features of Canadian PPP Deals

- **Similar approaches across the country**
- **High degree of competition with thin margins**
 - Increased market players
 - Transparent, collaborative procurement
- **High rate of closures without delay or renegotiation**
- **Converged interests between infrastructure financing and bank/capital markets**
 - Optimized financing
- **Evaluation encourages innovation**

Starting Out in BC...

- **Highlight negative experiences with major capital projects**
- **Build on history of Design-Build and out-sourcing in transportation**
- **Partnerships BC was The Force**
 - Reliance on Partnerships UK and Australia experience
 - Attract international bidders
 - PBC directly involved in deal flow – not just an advisor
- **Designated first PPP projects**
- **PPPs have fundamentally different benefits than privatization**



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