

# CIB NEWS ARTICLE

# International Council for Research and Innovation in Building and Construction

Providing a global network for international exchange and cooperation in research and innovation in building and construction, in support of an improved building process and of improved performance of the built environment.

August 2008

# **Around the Task Groups and Working Commissions**

**TG72 - Public Private Partnership** 

# Introducing a new Task Group

The CIB Programme Committee established a new Task Group: TG72 on Public Private Partnership, with Prof. Akintola Akintoye from the University of Central Lancashire (UCLan) and Prof. Mohan Kumaraswamy from the University of Hong Kong as its Joint Coordinators. A short description of the Task Group and a brief introduction of the Coordinators follows.

#### **Background**

Public Private Partnerships are now commonly used in many countries to accelerate economic growth, development and infrastructure delivery and to achieve quality service delivery and good governance. OECD notes that this is developed in many countries around the world in the context of radical programmes of 'new public management' reform. The nature and types of public private partnerships (PPPs) are overwhelming, making a definition of a PPP difficult. Given the changing economic, social and political environment, coupled with globalisation and budgetary constraints, PPP has become unavoidable and indeed desirable in many countries (developed and developing). For many countries that are facing major challenges in the provision of infrastructure, PPP has become about the only show in town in order to control public sector borrowing. The need for PPP in the developing countries, for example, has been exacerbated by the public sector realisation of the vital role of modern infrastructure in economic growth and poverty alleviation, which cannot be supported by the existing level of public sector income. Over \$842 billion worth of Private Participation in Infrastructure Investment (Management and Lease Contracts; Concession, Greenfield Projects and Divestitures) has been achieved in the developing countries by 2004. PPP is now used successfully in many developed countries in Europe, North America, and so also in counties like South Korea, Japan, Australia, etc.

Given this, PPPs have been recognised as an important avenue for funding major public sector infrastructure capital projects. PPPs are joint ventures in which business and government co-operate, each applying its

strengths to develop a project more quickly and more efficiently than government could accomplish on its own. The private sector may be responsible for the designing, financing, constructing, owning and/or operating the entire project. The private sector may want to be assured that the public-private partnership structure is designed to provide competitive rates of return commensurate with a financial rate of return that they could earn on alternative projects of comparable risk.

There are many ongoing studies in the field of public private partnership for infrastructure, facilities and services delivery in the construction environment that need to be coordinated to develop a body of knowledge across the world. This will allow various features of PPP (social, economical, political, cultural, etc.) to be captured and documented.

### The Aim and Objectives of the Task Group

The Task Group will address public private partnership on an international level by providing a forum to facilitate exchange and synthesis of research on the issues (social, economic, political, cultural, environmental, etc.) that underpin PPP. It will identify emerging international practices within PPP in facilities and construction development.

The Task Group's objective is to develop a thriving international research community within the field of public private partnership through involving practitioners and experts in the field to collaborate on distinct scholarly tasks. This will be undertaken by identifying champions from each continent to coordinate PPP practices from that region. A template will be developed for capturing practices involved in PPP development across countries and regions.

## **Work Programme**

During its three-year programme the Task Group will engage in the following tasks by working closely with Working Commission W092 on Procurement Systems:



- Organise a series of international meetings to align with CIB W092 meetings
- Organise an international conference that will bring together practitioners and academics to articulate current PPP issues at international level
- Establish a thriving international research and practice community within the field of public private partnership. This will be developed through a web-based discussion forum to share knowledge and research data and to assist in the development of a virtual community
- Based on the international conference on PPP, produce an international review of public private partnerships
- Based on international data gathering, establish burning issues that have impacts on the developments and implementation of PPP worldwide.

The following TG72 events and activities are foreseen to take place in 2008-2009:

- 2008-September: PPP book launch at the RICS COBRA Conference in Dublin
- 2008-October: Announcement of PPP TG72 formation at an Asian Forum in Indonesia
- 2009-February: PPP Questionnaire for International data gathering
- 2009-February: PPP Seminar/Workshop in Hong Kong
- 2009: PPP Session at the CIB W092 Conference
- 2009-mid-September: PPP Session at TG71 Programme at Loughborough
- 2009-September: PPP Session at COBRA Conference in South Africa (provisional)
- 2009: Special Issue on PPP in the Journal of Financial Management of Property and Construction

# **TG72 Joint Coordinators**

The activities of the Task Group will be coordinated by Prof Akintola Akintoye and Prof Mohan Kumaraswamy.

Prof. Akintola Akintoye



Akintola Akintoye is a Professor of Construction Economics and Management at the School of Built and Natural Environment at the University of Central Lancashire (UCLan). He is a Chartered Surveyor and a Chartered Builder. Before his academic career, he worked as a Quantity Surveyor and a construction planner on major building and civil engineering projects. He was past Chairman of the UK-based Association of Researchers in Construction Management (ARCOM) and is the Co-editor of the Journal of Financial Management of Property and Construction. He has gained international recognition for his scholarly work in construction risk management and procurement. He was a Visiting Professor to the Department of Civil Engineering, Asian Institute of Technology and the Department of Building and Real Estate, Hong Kong Polytechnic University. He was a distinguished scholar of the University of Cape Town, South Africa. He is a co-editor of two PPP books (i) Public Private Partnership: Managing Risks and Opportunities that was published by Blackwell Science and (ii) Policy, Finance and Management for Public Private Partnership published by Blackwell-Wiley.

**Prof. Mohan Kumaraswamy** 



Mohan M. Kumaraswamy is a Professor at the University of Hong Kong. After a B.Sc. (Eng.) from Sri Lanka, he worked on designs, construction and construction management in Sri Lanka and Nigeria, before his M.Sc. in Construction Management, and Ph.D., from Loughborough University, U.K. As a Construction Manager and then a Director of the first construction project management company in Sri Lanka, he led many projects and internationally funded consultancies. He is active in professional bodies and is the Executive Director of the Centre for Infrastructure & Construction Industry Development based at The University of Hong Kong. He has researched and published widely on PPPs, co-organised a Conference on PPPs in 2005, and is also conducting joint research into PPPs in Singapore in collaboration with academics at the National University of Singapore.

#### **Additional Information**

For additional information about the CIB TG72 please contact the Coordinators: Akintola Akintoye <a href="mailto:aakintoye@uclan.ac.uk">aakintoye@uclan.ac.uk</a> and Mohan Kumaraswamy <a href="mailto:mohan@hkucc.hku.hk">mohan@hkucc.hku.hk</a>.

You also can find more information on the activities of CIB TG72 at <a href="www.cibworld.nl">www.cibworld.nl</a> - section Databases - database Commissions - type TG72 in the search field Commission number.