



Summarized overview of the Twinning project and its activities

1. Background of the project

The Czech Republic has amongst its top priorities, the development of a PPP market in order to increase the efficiency of public investments in the infrastructure and public services, . The PPP Policy of the Czech government aims at transferring qualifications and efficiency of the private sector into the public services. The Czech Government has approved by its Decision no. 7/2004 as of 7 January 2004 a policy paper on PPP in the Czech Republic with the aim to introduce the PPP policy as a standardized instrument for ensuring the quality of the provision of public services and public infrastructure. As a result a PPP Centre and the Department (nowadays Office) for Regulation and Methodology of PPP Projects have been established within the Ministry of Finance in order to enhance the coordination among and facilitation of, the various PPP approaches pursued by line ministries and local self-government authorities. The role of the PPP Centrum is to advise the Ministry of Finance on key PPP decisions and to coordinate the preparation and implementation of the PPP projects. In accordance with the PPP policy a new legislation, i.e. Act no. 139/2006 Coll. On Concession Contracts and Concession Procedures (Concession Act) and other relevant regulations (Act no. 140/2006 Coll., and regulations to implement the law, and new Act on Public Contracts no. 137/2006 Coll.) were passed in order to be able to implement PPP.

2. Project purpose

The overall purpose of this Twinning project is to provide the Ministry of Finance, Department for Regulation of PPP projects, of the Czech Republic with Member State PPP-expertise in order to:

- increase efficiency of public investments in the infrastructure and the operation and management of public services as part of the Czech Republic public finance reform, and
- develop the PPP methodology and standards; supporting the introduction and implementation of PPP policy as a part of legal business environment in the Czech Republic.

The project activities are specifically designed to optimally contribute to reaching the required results. Please see paragraph 5 of this summary for a more detailed overview of the objectives of each of the project activities.

3. Participants to and organization of the project

Beneficiary Country Institutions

“The European Commission has entrusted the CFCU/AO of the Czech Republic with its contracting responsibilities with regard to this Twinning project. The CFCU/AO (‘Contracting Authority’) is authorized to disburse the various parts of the Twinning budget to the Member State contract party. On a continuous basis the Administrative Office will also assess and approve the efficient and effective (re-) allocation of the Twinning budget according to the EU- and national regulations involved. The Ministry of Finance, Department for Regulation of PPP projects, of the Czech Republic will be main beneficiary of the Twinning Project. The PPP Centrum contributes to the tasks of the Ministry of Finance in the field of PPP. The

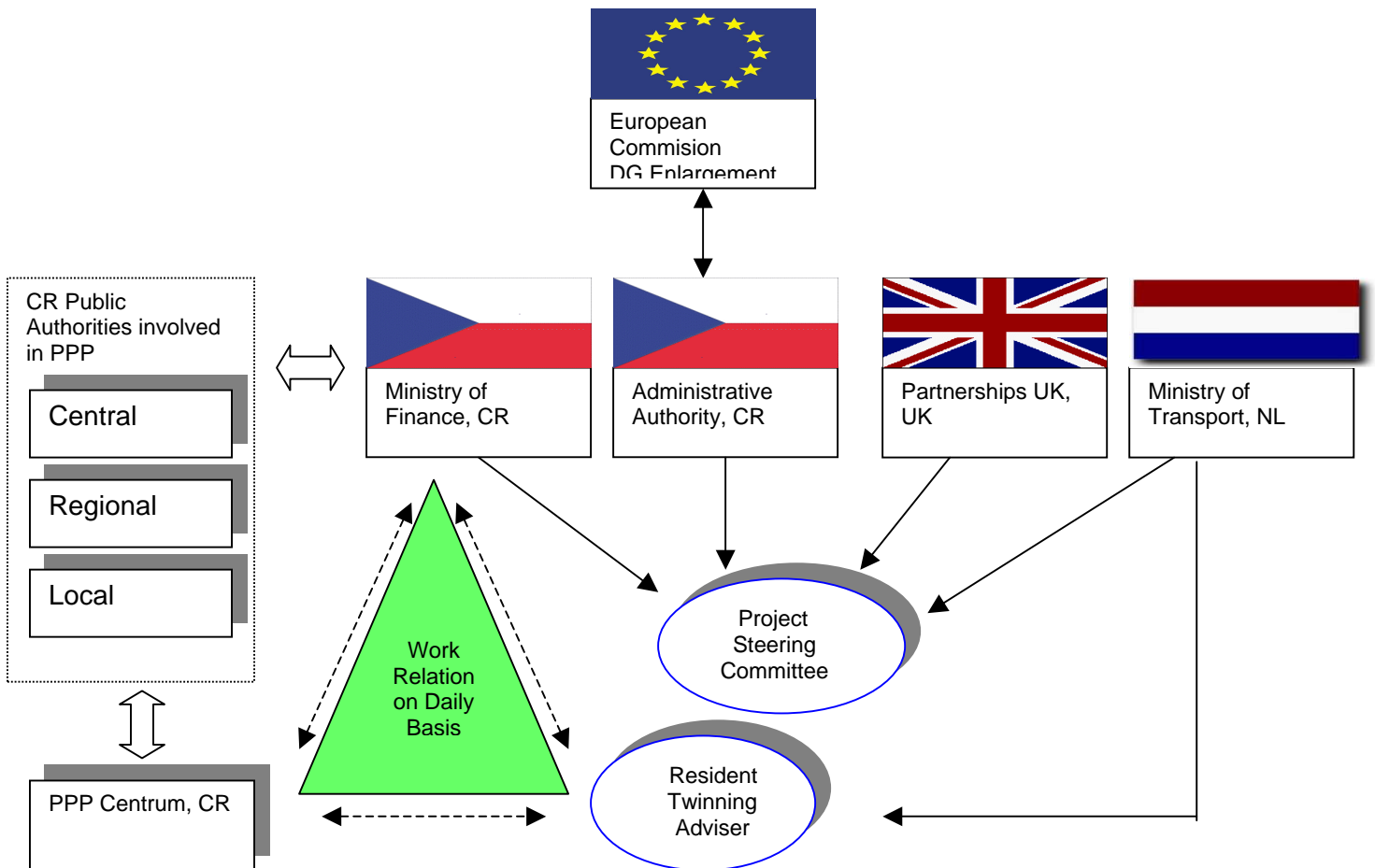


Czech Ministry of Finance ensures the full cooperation of the PPP Centrum in this Twinning project. Furthermore, various line Ministries and other Czech public sector authorities ('third parties') are involved in PPP projects. Due to the nature of this Twinning project these organizations will participate to some extent in its activities. The Ministry of Finance, Department for Regulation of PPP projects, will coordinate the third parties involvement".

Member State Institutions

The Ministry of Transport, Public Works and Water Management of the Kingdom of the Netherlands has formed a consortium with Partnerships UK of the United Kingdom in order to implement their part of the Twinning contract. Additionally, the Scottish Executive as well as the Ministry of Finance (Parública SA) of Portugal participate in this Twinning project. The Scottish and Portuguese experts involved will operate under Dutch authority. The Dutch Ministry of Transport is responsible for the overall project management. During the whole working period of the Twinning project a senior civil servant from the Dutch Ministry of Transport will act as Resident Twinning Adviser in order to carry out the day to day activities. He will perform his duties at the premises of the Ministry of Finance in Prague.

Representatives of the stakeholders mentioned above take part in the project steering committee, which will convene on a quarterly basis. The role of the Steering Committee is to monitor and evaluate the progress of the activities, authorise changes concerning the Twinning contract, resolve disputes (if any) between the Twinning partners, and accept (or reject) interim and final deliverables. The project organisation can be graphically expressed as follows:



Note: The list of third parties (i.e. CR Public Sector Authorities) involved in PPP includes but is not limited to: Ministry of Justice, Ministry of Transport, Ministry of Health, Ministry of Environment, Ministry of Regional



Development, Ministry of Education, Youth and Sports, Ministry of Interior, Ministry of Industry & Trade, regional authorities, local authorities.

4. Project management approach

The Dutch, UK, Scottish and Portuguese stakeholders to this Twinning project are committed to provide their Czech counterparts with high quality results according to best international practice. In order to deliver the required output according to the specifications of the Twinning Contract, a variety of well-qualified experts have been recruited. The Dutch management style is focused on honouring the actual Czech institutional context, in combination with a continuous search for opportunities for high quality performance based on a step-by-step approach.

5. Content of the Project Work Schedule

The Project Work Schedule is divided into seven modules / components, which are all composed of several activities. Each Component covers an essential field of interest, which is related to the project objectives. The results of the project activities will be made available at the Internet web page of the Ministry of Finance of the Czech Republic and / or at the web site of the Czech PPP Centrum. The Mandatory Results to be obtained for each Component are expressed in the table below.

Table 1: Mandatory Results specified for each Component

Component 1: Value for Money Methodology (VfM)
<ul style="list-style-type: none">• Draft project selection methodology (i.e. Public Private Comparator, PPC) and project implementation selection methodology (i.e. Public Sector Comparator, PSC) according to best international practice ready for approval by the BC authorities;• Experts Beneficiary Country adequately trained
Component 2: Risk assessment / evaluation Methodology
<ul style="list-style-type: none">• Draft Risk assessment/evaluation methodology according to best international practice ready for approval by the BC authorities;• Experts Beneficiary Country adequately trained
Component 3: PPP Tender Methodology
<ul style="list-style-type: none">• Draft PPP Procurement Methodology according to best international practice ready for approval by the BC Authorities;• Experts Beneficiary Country adequately trained
Component 4: Process Guidance and Programme Management
<ul style="list-style-type: none">• Draft PPP Guidance and PPP Programming Methodology according to best international practice ready for approval by the BC Authorities;• Experts Beneficiary Country adequately trained
Component 5: PPP and EU-Funding Mechanisms
<ul style="list-style-type: none">• Draft manual on convergence of EU-funding mechanisms and PPP according to best international ready for approval by the BC authorities;• Experts Beneficiary Country adequately trained



Component 6: PPP Pilot Project Assistance

- Based on the Beneficiary Country demand at present, general and specific institutional (sector related) Member State PPP expertise delivered to those CR Ministries, which run PPP pilot projects or which are involved in facilitating / monitoring PPP pilot provided this transfer of expertise is not (to be) addressed by other linked activities.

Component 7: Study visits to Member State Institutions

- Relevant Member State experiences (best practices) transferred in order to create optimal conditions for the institutional embeddedness of PPP programmes / in the Beneficiary Country.

The execution of the activities as part of the PPP programme related Components 1 to 5 will be conducted according to a uniform and transparent design. Each of these Components starts with a fact-finding mission which will be carried out by two experts (Note: each participating Member State deploys one expert). The results of their findings – including the proper recommendations for further action - will be included in an Inception Report. A total of 5 Inception Reports will be produced. Each report will be submitted to the Project Steering Committee for approval. The next stage is directed at creating the conditions for and the materialization of the recommendations. At this stage the Twinning experts will assist the employees of the Czech Ministry of Finance and the Czech PPP Centrum in creating new PPP manuals and / or enhancing the quality of the already existing manuals. This stage requires a substantial longer period of time. Finally, each Component will be completed by submitting the required draft-documentation for approval to the Project Steering Committee: For the Beneficiary Country experts involved a training course will be provided.

The Components 6 and 7 are of a more tailored made nature: the content of the Activities involved will be specified in more detail by the Project Steering Committee. With regard to Component 6 the remark can be made that for various PPP involved public sector institutions a one-day training course will be provided. Throughout the whole duration of the project implementation the Member State institutions will offer remote assistance to Czech PPP-experts (if required) free of charge.¹ Finally, the project comprises four study visits to Member State institutions in the UK, respectively the NL, Scotland and Portugal.

6. Key people involved in the Twinning project

The following persons occupy key-positions in the project:

- Beneficiary State Project Leader:
Mr. Bohdan Hejduk, Head Director of the public budget division, Czech Republic
- Senior Member State Project Leader:
Mr. Wouter van Zijst, Programme Manager Accession and Twinning Projects, Ministry of Transport, Public Works and Water Management, the Netherlands
- Junior Member State Project Leader
Mr. Edward Farquharson, Projects Director, Partnerships UK, the United Kingdom
- Representative BC Contracting Authority (Ministry of Finance, CFCU/OA)
Ms. Pavlina Štěpánková, Project Manager, Czech Republic

¹ This Member State facility cannot be used as a substitute for Technical Assistance, but is meant to assist BC public sector institution building in relation to specific PPP projects.



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7. Time schedule of the project

The working period of the Twinning project is fixed at 18 months (from 4th of October 2006 to the 3th of April 2008). The precise means and dates of the execution of the activities are flexible and will be based upon and conditioned by the Czech context at present.

A graphical overview of the anticipated Time Schedule of the project activities can be found in the table below.



Table 2: Project Working Period

Project Implementation	18 months Working Period																		
	2006			2007												2008			
Year	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Component 1	Value for Money Methodology (VfM)																		
Fact-finding																			
Drafting manual																			
Training																			
Component 2	Risk Assessment and Evaluation Methodology																		
Fact-finding																			
Drafting manual																			
Training																			
Component 3	PPP Tender Methodology																		
Fact-finding																			
Drafting manual																			
Training																			
Component 4	PPP Process Guidance and Programming Methodology																		
Fact-finding																			
Drafting manual																			
Training																			
Follow-up																			
Component 5	PPP and EU-Funding Mechanisms																		
Fact-finding																			
Drafting manual																			
Training																			
Component 6	PPP Pilot Project Assistance (specific training and assistance for relevant line Ministries involved in developing PPP projects)²																		
Training CZ MoT																			
Remote assist.																			
Training CZ MoJ																			
Remote assist.																			
Training CZ MoE																			
Remote assist.																			
Training CZ MfRD																			
Remote assist.																			
Training CZ MoH																			
Remote assist.																			
Training CZ Mol&T																			
Remote assist.																			
Training CZ Mol																			
Remote assist.																			
Training CZ MoEYS																			
Remote assist.																			
Component 7	Study visits to Member State Institutions																		
Study visit UK																			
Study visit Scotl																			
Study visit NL																			
Study visit Port.																			

² MoT = Ministry of Transport; MoJ = Ministry of Justice; MoE = Ministry of Environment; MfRD = Ministry for Regional Development; MoH = Ministry of Health; Mol&T = Ministry of Industry & Trade; Mo I = Ministry of Interior; MoEYS = Ministry of Education, Youth and Sports

