Abstract. The national economic significance of PPP Projects places them on the high level of utilisation in financing various projects in Slovakia. A current tax legislation in Slovakia attracts private investors to participate in PPP projects. The projects bring to the investors certain benefits and also benefits for the national economy, on the other hand, as well as, there are certain shortcomings with their implementation though. A proposed scientific paper theoretically deals with the problem existing in the area of finance, which is a missing definition for the PPP projects and problems Slovak entities involved in the Public-Private Partnership (PPP) projects are facing, taking into account a current legislation related to the PPP in Slovakia and the EU in effect at the moment. The paper presents the analysis of the development in that area in Slovakia and other European Union member states, examines the legal and financing matters within the period of 2006-2014.

Keywords: management, sustainable growth, abstract

1 Introduction

There are so many interests in public management spheres competing to get a portion of the eternally scarce capital resources from the state budget or from the investors. The financial crisis affected the availability of resources or public financing and as well their amount. Capital provided by banks and other financial institutions (e.g. leasing companies, etc.) have been frequently utilized for financing these public projects. Under such conditions investors look up the secure investments or wait with investing until financial turmoils get clearer. As a consequence of capital shortage in state budgets and lack of secure investment opportunities for investors a public–private partnership has complemented an offer of possible solutions.

A key motivation for governments considering public private partnerships is an alternative of obtaining a capital resources for funding public infrastructure and service needs. (Barlow, Roehrich and Wright, 2010). It is important to understand the main mechanisms for infrastructure projects, the principal investors in developing countries, sources of finance (debt, equity, etc.), the typical project finance structure, and key issues arising from developing project financed transactions (WHO, 2013).

A public–private partnership (PPP) is a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. An increasing number of developed and developing country governments are showing interest in using Public-Private Partnerships (PPPs) to provide public infrastructure assets and services. These schemes are sometimes referred to as PPP, P3 or P.
2 Public-Private Partnerships – PPP in literature review

There is no consistent, international standard which would define Public Private Partnership - so called PPP projects and describe different types of PPP contracts. The unified definition for Public Private Partnership is not known. It is an innovated form of legal contractual relations among the private business sector entities i.e. the entrepreneurs and Public Administration authorities. The object of these contracts are public services provided as services in the public interest for example as infrastructure financing, construction or reconstruction of certain operating entities performed by the contractor instead of the public government authorities. The contractor is paid directly from the public resources (state budget, EU resources). Slovak government as an executor of the state power decides on fundamental measurements in order to secure executing the projects of this kind.

PPP projects are financed from the public finance resources with long-term consequences in the form of direct assistance (direct instalments) and indirect assistance (state guarantees, bank guarantees, tax deferrals or paying taxes in instalments etc.), as well. Public Private Partnership can be defined in a simplified way as the relation between public authorities representing the state and (private) entrepreneurial sector with intention to benefit from the private investments and financial resources from the state budget to finance public infrastructures and services which are managed by the one private partner. The form of Public Private Partnership enables the public customer to control contractor’s performance via reliable indicators.

World Bank defines “a long-term contract between a private party and a government entity, as a tool for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance”. (World Bank, 2014) The private party is in charge for implementation of project functions such as design, construction, financing, operations, and maintenance, it may be the combination of them depending on the contract itself, but the private company participating in PPP is accountable for project performance, and bears significant risk and management responsibility in all cases. It is valid for contracts in many sectors and for many services, assuming that there is a public interest in the provision of the service, and the project involves long-life assets linked to the long term of the PPP contract.

According to the World Bank’s perspective PPP projects are classified very often taking into account the following three primary characteristics: 1) the definition of demanded assets or services; 2) PPP is a bundle of multiple project phases or functions in which a defining feature of PPP contracts is to assign responsibility to the private party for a specified standard over the life of the contract; 3) PPP payment mechanism.

PPP projects are characterized based on the following parameters:

1) type of asset involved;
2) what functions the private party is responsible for (design, build or rehabilitate, finance, maintain, operate)
3) how the private party is paid. (World Bank, 2014).
Table 1: PPP project parameters

<table>
<thead>
<tr>
<th>A. PPPs assets</th>
<th>Private companies is responsible for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>new assets</td>
<td>PFI projects</td>
</tr>
<tr>
<td>existing assets</td>
<td>greenfield’ projects</td>
</tr>
<tr>
<td></td>
<td>brownfield’ projects</td>
</tr>
<tr>
<td></td>
<td>franchises</td>
</tr>
<tr>
<td></td>
<td>building, and managing new public assets, from schools and hospitals to defense facilities</td>
</tr>
<tr>
<td></td>
<td>accepting transferred responsibility for upgrading and managing existing assets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Functions - DBRFMO</th>
<th>Responsibilities of the private party are:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>Development of the project from initial concept and output requirements to construction-ready design specifications</td>
</tr>
<tr>
<td>Build</td>
<td>Construction of the asset and installation of all equipment</td>
</tr>
<tr>
<td>Rehabilitate</td>
<td>for rehabilitating or extending the asset</td>
</tr>
<tr>
<td>Finance</td>
<td>to build or rehabilitate the asset and finance all or part of the necessary capital expenditure</td>
</tr>
<tr>
<td>Maintain</td>
<td>To maintain an infrastructure asset for a specified standard over the life of the contract.</td>
</tr>
</tbody>
</table>

| Operate depends on underlying asset and associated service. | a) a bulk water treatment plant |
|                                                           | b) a PPP for a water distribution system |
|                                                           | c) PPP for a school building that includes janitorial service |
|                                                           | 1. For technical operation of an asset, support services and |
|                                                           | 2a) providing a bulk service to a government off-taker |
|                                                           | 2b) providing services directly to users |
|                                                           | 2c) but with the government agency remaining responsible for delivering the public service to users |

<table>
<thead>
<tr>
<th>C. Payment mechanism</th>
<th>The private party (PP) can be paid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a) by collecting fees from service users</td>
</tr>
<tr>
<td></td>
<td>b) by the government</td>
</tr>
<tr>
<td></td>
<td>c) or by a combination of the two</td>
</tr>
<tr>
<td>‘user pays’ PPP</td>
<td>PP generates revenue by charging users for a service provided to users. Fees such as tariffs, or tolls can be supplemented by subsidies paid by government, which may be performance-based (e.g. conditional on the service availability at a particular quality), or output-based (e.g. payments per user)</td>
</tr>
<tr>
<td>e.g. PPPs, such as toll roads</td>
<td>a) performance-based</td>
</tr>
<tr>
<td>a) performance-based</td>
<td></td>
</tr>
<tr>
<td>b) output-based</td>
<td></td>
</tr>
<tr>
<td>‘government pays’ PPPs</td>
<td>the government is the only source of revenue for the PP</td>
</tr>
<tr>
<td>a) “availability” payments</td>
<td>a) Government payments can depend on the asset or service being available at a contractually-defined quality</td>
</tr>
<tr>
<td>b) “output-based payments e.g. a “shadow toll” road users-free</td>
<td>b) output-based payments for services delivered to users, but for which the government pays a fee per driver to the operator</td>
</tr>
</tbody>
</table>

Adapted from the World Bank (2014).

According to Hilvert and Swindell definitions of public-private partnerships vary widely between municipalities, one of the definitions was that “PPP projects are agreements for any number of activities, when in truth the relationship is contractual, a franchise, or the load shedding of some previously public service to a private or nonprofit entity.” A more general term for such agreements is "shared service delivery" — municipalities joining together, with private firms, or with nonprofits to provide services to citizens. (Hilvert, Swindell, 2013).
Unlike classical public procurements, PPP projects are long-term contracts within which a private sector is shed a certain portion of functions from the public sector. The private sector is also committed to provide goods and services to the public instead of the public sector, getting rewards in the form of payments from the public budgets or gaining rights to collect certain payments from the public. Contracts within PPP projects are very often associated with obtaining certain monopoly status (Pavel, 2007).

Delmon classifies PPPs by five factors, similar to the characteristics described above: (1) whether the PPP is a new or existing business or asset; (2) the responsibility of the private party for construction; (3) the level of private finance involved; (4) the nature of the project company’s service delivery obligations (bulk supply or retail level); and (5) the source of revenue stream. (Delmon, 2010) (Delmon & Delmon, 2012). See the figure 1.

We propose the definition for PPP project as a complex project in which participants i.e. a public and private sector cooperate together in order to achieve the goal jointly agreed on, the goal is to provide services or to build the infrastructure for public sector making use of the private, profit or non-profit sector. Participants of the PPP projects share the risk, which has to be specified in the contract signed. The public sector remunerates the private company for the output (e.g. standard or high quality public services as contractually determined) and the private sector is in charge of outputs (it includes also providing the infrastructure that is required to achieve the outputs.) For instance, a private company makes a plan, finances, constructs and operates and then maintain the motorway and the state pays cash to the private company or tolls from the users of the motorways are collected and given to the private company.

Figure 1: PPP projects versus PurePrivate Projects
3 PPP & Legislation

PPP projects are very frequent projects in the EU, to be more precise more in the western EU member states than in the Eastern EU member states. They can be considered as the investments where investors are state and entrepreneurs and the emphasis is on the requirements as appropriate quality and price offered and no discrimination in the process of selecting the contractor. The PPP projects can be financed with the state subsidy and therefore European Union directions are applied not to break the rules of the economic competition, not to provide inappropriate economic advantage, or not permitted government aid repugnant in internal market of the EU.

There are Public-Private Partnerships being executed (PPP) in contemporary Slovakia aimed at improving a regional infrastructure and their development. It is a newer type of legal framework, which hasn’t had long tradition in Slovakia so far, and may be named as a new form of the business-judicial system with a special form of concession.

The Slovak legislation, in accordance with the Act on Public Procurement N. 25/2006, §15.1 considers the “Building work concession as a contract of the same type as a building work contract, except for the fact that the consideration for the building work to be carried out consists either solely of the right to exploit the work for an agreed time or of that right together with payment”. Since the subject of the business-judicial system may be also the concession for services, the mentioned Act, its §15.2 enacts: “Service concession” is a contract of the same type as a service contract, except for the fact that the consideration for the services to be provided consists either solely of the right to exploit the services provided for an agreed time or of that right together with payment”.

It is an execution of a certain contract in exchange of certain payments obtained from public procurement. The parties of these contracts are: on one side: public procurer - a public customer, i.e. the state government authority, municipal government authority and on the other hand it is counterparty – a contractor, concessionaire (sole proprietor or limited company or corporation) who sign the concessionary contract where they agree on the mutual conditions, rights and duties and the delivery date. The title to the construction property belongs to the public customer (the state) which has been constructed in accordance with the requirements in the contract. The strategy of the PPP projects realization was accepted by the Regulation of the government of Slovak Republic, N. 914/2005 dated 23rd November, 2005.

As already mentioned the absence of the official definition of PPP in the European Union has resulted in the preparation of a proposed draft of the PPP definition in the Green Book on PPP by the European Commission. According to this Paper, ‘PPP is a form of cooperation between the public and private sector for the purpose of financing, construction, reconstruction, operation and maintenance of infrastructure and the provision of services through this infrastructure.’

Public procurement is considered the tool supporting the world economy growth. Numerous international organizations are accepting the rules related to public procurement. Organization of the United Nations consists of several professional commissions. Apart from the Commission for international law there is also the Commission for international business law functioning (UNCITRAL 1966), which role is to support the development of the world trade. Within its history of existence it has initiated the acceptance of significant international documents, for instance:

a) UNCITRAL Legislative Guide on Privately Financed Infrastructure Projects (2000)

These documents cannot be considered mandatory statutes but they support determination of the public procurement rules. Agreement on Government Procurement (1994) is a binding statute belonging to the group of multilateral agreements of World Trade Organization (stated in the appendix N.4 for the Agreement on the establishment of WTO) (Úradný vestník ES C 256, 3.9.1996, s. 1.)

Agreement on Government Procurement constitutes international procedures for reporting, consulting, controlling and tackling the clashes in order that speedy, just and efficient enforcement of international measurements for government procurement may be ensured. In the time stated contractual parties must comply with this agreement to make their markets mutually available and to enable them participation in government procurement under prenegotiated and transparent conditions. The purpose of the agreement is to achieve higher level of liberalization, expansion and quality improvement in international trade. This agreement is implemented in accordance with the Act n. 25/2006 on public procurement into which relevant and legal measurements of the EU are transponed.

The agreement on Government Procurement was amended by the resolution of the European Council about closing the protocol from December 2, 2013 by which the Agreement on the Government Procurement was modified. (OJ EÚ, 2014). Amended Agreement constitutes an increased international regulation of the public procurement procedures, it leads to unified rules and procedures of public procurers and emphasizes the need for electronic means usage in government (public) procurement. The agreement ought to enable the development of a free movement of goods, labour and services and ought to prevent against giving an advantage to domestic investors participating in public procurement.

3.1 European Legal Framework for PPP Projects

Current legal theory and practice of the European Union does not treat the problematics of PPP projects. Due to this reason general rules and principles are applied which have been accepted by the primary EU legislation referring to the free entrepreneurship and service providing. Taking into account that the law of the EU is a part of Slovak legal system, Treaty on the Functioning of the European Union is an universal legal framework regulating the area of public services emphasizing an equal treatment, transparency, subsidiarity and proportionality and all principles of free movement of goods, freedom of providing services and the right to settle down. Moreover, except for the primary legislation also the secondary legal treaties of the EU have an impact on the PPP project execution. The most important secondary legislation comprises:

- Green Paper on the modernisation of EU public procurement policy (EC, 2011).”

Under the influence of the EU law national legislation of the member states were amended which had a positive effect on the freedom of service providing and on the movement of capital. Removing the obstacles in the area of the EU internal market legislation has positive consequences on the economic growth.

3.2 Slovak Legal Framework for PPP Projects

The Act number 25/2006 on Government Procurement constitutes the rules of public procurement of the contractual work in Slovakia, into which the secondary legislation of the EU has already been transponed (for example directives 2004/18/ES, 2004/17/ES). The contractual work which can be publicly procured includes delivery of the goods, contracts on the building construction work, service
delivery, concessions on the building construction projects, design competition and also management of the public procurement. (§1.1 n. 25/2006 on Public Procurement). The act on Government Procurement defines equal conditions for the domestic applicants and for the applicants of the other member states participating on the public procurement of the PPP projects.

Act n. 136/2001 on protection of economic competition is an important legal tool influencing PPP projects executions. The procedure of selecting a private partner is required to be in accordance with the rules of public procurement, this requirement is an effective tool of the economic competition protection. The enactment in §39 of the Act on protection of economic competition regulates that the selection of a private partner by the public partner have to be based on the objective and transparent criteria in order that offering an opportunity in PPP project participation will not be understood as giving an advantage to a certain entrepreneur i.e. de facto the limitation of economic competition. Objective and transparent selection of a concessionaire enables to minimalize the risk of infringement of rules related to economic competition. The mentioned matter is regulated in the following paragraphs: § 8.5, § 9.1, § 9.5, § 10.1 and § 10.2 of the Act on Protection of Economic Competition.

The method of PPP projects financing is the government aid. Government aid is an economic tool owing to the one the acceptor of the aid obtains the competitive advantage (privileged capital resources not obtainable otherwise) and its position in the market is getting improved. The common feature of all PPP projects is that the private partner assumes significant business risks related to the given project and is paid for doing so.

Table 2: Government Aid.

<table>
<thead>
<tr>
<th>GOVERNMENT AID</th>
<th>IS PROVIDED: FROM THE PUBLIC RESOURCES ⇒ TO THE INVESTOR (RISK BEARER)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form of the AID</td>
<td>The source of the AID</td>
</tr>
<tr>
<td>Aid in any form for doing business</td>
<td>By the capital provider a) from the state budget directly or indirectly, b) its own budget, c) from investors’ own resources</td>
</tr>
<tr>
<td>The common feature of all PPP projects:</td>
<td>the private partner assumes significant business risks related to the given project and is paid for doing so.</td>
</tr>
</tbody>
</table>

Adapted from the source: Article 1.2 of the Act on Government AID.

Whether the government aid rules are not infringed in the cases of PPP projects having been executed, it is required to apply enactment of the Article 107 of the Treaty on the functioning of the EU. For the need of providing the financial capital for the executing PPP projects it is mandatory to follow the enactments of the following paragraphs: § 1.1, § 1.2, § 2, § 4, § 5 of the Act on the Government Aid.

Nowadays no system of analytical investigation is implemented, whether concessionary (licence) contract or the following modifications of the concessionary contract are in accordance with the Act on Government Aid or with other relevant legislation of the EU. The responsible government body should be the Ministry of Finance of the Slovak Republic, which is responsible for the government aid coordination. It should work within its responsibility frontiers and it should not assess the offers according the Act on public procurement, because this is the competence of the Public Procurement Authority. Ministry of Finance has 1) a regulative function, 2) methodological, supportive and supervisory function, 3) function of knowledge and communication centre. Regarding the facts that have already been mentioned it is necessary to highlight the another significant fact, which is: no legislation exists for regulations of the relations between PPP projects and government aid. Apart from the mentioned legal rules designated for the PPP projects there are another legal rules, directions and legal acts for the PPP projects e.g. (legal acts n. 278/1993 on Public Asset Management, Act n. 523/2004 on Public Budget Administration rules, the Act n. 583/2004 Z.z. on Public Budget rules of...
Municipal and regional Government. To conclude discussed issues for the PPP project execution there are several legal acts in effect, not only international and European documents but also, on the other hand legal acts and directions of the Slovak Republic. The proposal for definitions of concession and quasiconcession (implied concession) taking into account §15 and §15a of the Act on Public procurement is as follows:

Figure 2 Concession and Implied concession (Quasiconcession)

Concession is a contract between a public procurer & a private partner – the concessionaire, for performing construction work or providing services;
• on financial liabilities for construction work or provided services that should take place which is linked to the right to accept benefits from operating the asset or providing the service for an agreed period of time (financial payment);
• concessionaire bears: risk of construction & risk of demand to the significant extent.

Quasiconcession is the contract between a public procurer & a private partner – the quasiconcessionaire to perform construction work or provide the services
• public procurer must pay cash for construction works or provided services and or together with possibility of accepting benefits from operating the constructed asset or providing the service
• concessionaire bears the risk of construction and availability, NOT the risk of demand.

Adapted from the Act on Procurement (2006)

A public sector comparator is utilised by some governments for calculating the financial benefit of a public private partnership. Key risks are recommended to be considered, allocated and managed to ensure the successful financing of the project. Not always is the private sector the most competent to manage these risks in a cost-effective way. However, project sponsors, lenders and governments have a choice from a number of mechanisms products available in the market to mitigate some of the project risks, for instance hedging and futures contracts; insurance; and risk mitigation products provided by international finance institution. (UNISDR, 2012).

4 PPP Financing in Slovakia and the European market

European Commission in its communication on PPPs highlighted investments in public sector infrastructure as an important means of new sources maintaining economic activity. As a consequence of PPPs’ significant role in the development of public sector infrastructure, and moreover the complexity of such transactions, the European PPP Expertise Centre (EPEC) was formed to support public-sector capacity in order to implement PPPs and to assist in exchanging the experiences on PPPs. (EC, 2009).

PPP project (see in the table 3) that is examined, was completed in Slovakia and comprised the construction, financing, operational management and maintenance of speedy motorway R1 Nitra – Tekovské Nemce and Banská Bystrica – Northern bypass. According to the contractual terms the construction time was 4,5 years and the concessionary period is 30 years.
Table 3: PPP project Motorway R1

<table>
<thead>
<tr>
<th>Finance source of the private investors</th>
<th>Long term financing in EUR</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity resources</td>
<td>146,800,000 €</td>
<td>13%</td>
</tr>
<tr>
<td>Debt resources - senior loan provided by bank consortium for private investors</td>
<td>980,800,000 €</td>
<td>87%</td>
</tr>
</tbody>
</table>

**Private investors:**
- **VINCI Concessions Slovakia, s.r.o.**, Pri Trati 25/A, 82106 Bratislava, Slovensko. 50% share
- **Meridiam Infrastructure Slovakia S.r.l.**, 5, Allee Scheffer, L-2520 Luxemburg 50% share

**Objective:** positive effects for citizens and also for business entities

**Improvement of travelling for people living in Central Slovakia**

Adapted from the source: http://www.finance.gov.sk/PPP_Projects

From 1990 to 2009 nearly 1,400 PPP deals were signed in the European Union, representing a capital value of approximately €260 billion. (Hill Report, 2014). Since the financial crisis influenced economic activity in 2008, estimates suggest that the number of PPP deals closed fell more than 40 percent. The economic activity has been recovering since 2012.

The results of the year 2014 in the activity of Public-Private –Partnership Projects within European countries were following:

- the aggregate value of PPP transactions which reached financial close in the European market (including EU-28, countries of the Western Balkans and Turkey) totalled EUR 18.7 billion, a 15% increase over 2013 (EUR 16.3 billion); 82 PPP transactions reached financial close (compared to 80 in 2013); the average transaction size increased to reach EUR 229 million (EUR 203 million in 2013).
- 11 large transactions that means deals exceeding EUR 500 million in value, compared to six in 2013, their aggregate value amounted to EUR 11 billion, which represented around 60% of the total market value of the projects approved in these countries.

The most successful countries of the EU that obtained capital resources for PPP projects were:
- United Kingdom (24 transactions closed, compared to 31 in 2013) for a value of about EUR 6.6 billion (EUR 6 billion in 2013);
- Turkey (EUR 3.5 billion)
- Germany (EUR 1.5 billion).

Poland closes the first 13 successful recipients of the capital for PPP projects from the EU budget. The figure 3 points out the development of European Public-Private-Partnership market in the period of 2005-2014.
Figure 3: European PPP Market 2005-2014 by value and number of projects

Adapted from the source: (EPEC, 2014)

The figure 4 highlights the countries the most active in utilising PPP projects financing and the number of deals that reached financial close, where it is a clear that Great Britain is a leader in PPP market.

Figure 4: European PPP Market 2005-2014 by value/number of projects in the Country

Adapted from the source: (EPEC, 2014)

In 2014 the most successful sectors of the PPP projects were transport, health care, environment and education, general public services, housing and community services, public order and safety, telecommunications, recreation and culture.
The figure 5 highlights countries of the EU with the highest volume of the capital obtained and the most significant projects of the PPPs.

Figure 5: Largest European PPP Projects in 2014

Adapted from the source: (EPEC, 2014)

4.1 Future PPP projects to be realized

The European Commission informed on the selection of nineteen projects (19) selected for the first phase of the 5G public private partnership (5G-PPP) which will be funded by EU in the amount of 128 million euros involving top-class academic and industry researchers and more than 100 companies. “The selected 5G projects address a large diversity of key technological challenges ranging from new radio air interfaces and architectures to core network flexibility based on network virtualisation techniques. For illustration we present one project called METIS-II -Mobile and wireless communications Enablers for Twenty-twenty (2020) Information Society-II. Key objectives of the project are to develop the overall 5G radio access network design and to provide the technical enablers needed for an efficient integration and use of the various 5G technologies and components currently developed. The innovation pillars that will allow METIS-II to achieve this goal are:

- a holistic spectrum management architecture addressing the spectrum crunch,
- an air interface harmonisation framework enabling an efficient integration of new and legacy air interfaces,
- an agile Resource Management (RM) framework providing the dynamics required to efficiently adapt the integrated 5G air interfaces and radio concepts to the varying traffic demand and service requirements,
• a cross-layer and cross-air-interface system access and mobility framework ensuring an ubiquitous access continuum,
• and a common control and user plane framework providing the means for an efficient support of the broad versatility of services expected for 5G as well as a future-proof and cost-efficient implementation of the 5G integration.” (Eucnc, 2015).

Project participants:
ERICSSON AB SE
ALCATEL-LUCENT DEUTSCHLAND AG DE
DEUTSCHE TELEKOM AG DE
DOCOMO COMMUNICATIONS LABORATORIES EUROPE GMBH DE
KABUSHIKI GAISHA ENU TI TI DOKOMO JP
Huawei Technologies Duesseldorf GmbH DE
HUAWEI TECHNOLOGIES CO LTD CN
INSTITUT DE L’AUDIOVISUEL ET DES TELECOMMUNICATIONS EN EUROPE – IDATE FR
INTEL MOBILE COMMUNICATIONS GMBH DE
INDUSTRIAL TECHNOLOGY RESEARCH INSTITUTE INCORPORATED TW
JANMEDIA INTERACTIVE SPOLKA ZOO PL
KUNGILGA TEKNISKA HOEGSKOLAN SE
NOKIA SOLUTIONS AND NETWORKS MANAGEMENT INTERNATIONAL GMBH DE
NOKIA SOLUTIONS AND NETWORKS OY FI
NOKIA SOLUTIONS AND NETWORKS SP ZOO PL
POLYTECHNIC INSTITUTE OF NEW YORK UNIVERSITY CORP US
ORANGE SA FR
SAMSUNG ELECTRONICS (UK) LIMITED UK
TELECOM ITALIA SPA IT
TELEFONICA INVESTIGACION Y DESARROLLO SA ES
TECHNISCHE UNIVERSITAET KAIERSLAUTERN DE
UNIVERSITAT POLITECNICA DE VALENCIA ES
RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY US

As it is demonstrated it is very strong consortium with partners from all regions with strong 5G R&D initiatives (EU, US, China, Japan, Korea) and the most of the major international vendors, major operators, and key researchers are participants of METIS-II will have the unique capability to drive consensus building on a global level. The METIS-II proposal addresses the Strand “Radio network architecture and technologies” in the ICT14-2014 call in the H2020 program. METIS-II is committed to actively drive the collaboration with the 5G-PPP. (Eucnc, 2015).

5 Results

The Public Private Partnership is an effective link for European industry (large players and SMEs), researchers, academia and the European Commission in order to cooperate in data research and innovation, they will assist setting the foundations for a thriving data-driven economy in Europe. “The data PPP will contribute to the development of technology and application sand accelerate take-up.”It aims to enhance the recognition of benchmarks and formation of new skills and competences of vendors, users, in private and public organisations as well as citizens in general.” (Factsheet, 2015).

We may say that Slovakia has hardly any experience in public-private-partnership projects implementation. It still requires certain amendments in legislation although the legislation enables to carry them out. From the PPP projects that were implemented in Slovakia we concluded the following
positive and negative aspects of theirs, that were shared by Slovak participants of PPP projects and researchers.

Table 4: Prons and Cons of PPP projects

<table>
<thead>
<tr>
<th>PRONS</th>
<th>CONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private capital mobilization</td>
<td>Possible Increases in the prices</td>
</tr>
<tr>
<td>Focus on Life cycle investment</td>
<td>Capital resources - more expensive</td>
</tr>
<tr>
<td>Guaranteed future cash flows for the private partner</td>
<td>Time demanding and consuming project</td>
</tr>
<tr>
<td>Reduction of the costs within the period of the realization</td>
<td>Ethical problems</td>
</tr>
<tr>
<td>Strengthening of public management</td>
<td>Moral hazards</td>
</tr>
<tr>
<td>New and innovative proposals and implementations</td>
<td>Conflict of the quality and risk</td>
</tr>
<tr>
<td>Attractiveness for the private investors increases the investors’ competitiveness and the quality of the PPP</td>
<td>Lower flexibility (contractual terms)</td>
</tr>
<tr>
<td>Wider availability of skills, knowledge and technologies</td>
<td>Missing legislation (the private sector is not responsible towards the public).</td>
</tr>
<tr>
<td>PPP project is a complex project (not separated into architect, proposal, construction, operations, technology, maintenance)</td>
<td></td>
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<td>The effort to complete the project within the time determined</td>
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<td>Better Risk spread (diversification) and better risk management</td>
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<td>Motivation for the performance improvement –quality, design, security</td>
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<td>Own elaboration</td>
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6 Conclusion

PPPs provide a unique perspective on the collaborative and network aspects of public management. The advancement of PPPs, as a concept and a practice, is a product of the new public management of the late 20th century and globalization pressures. The subject of how to combine European Union grant funding and PPPs has been of great interest in recent years, results are promising. The idea of leveraging grant funding with private sector financing through PPP structures is appealing to many Member States in their current fiscal position. It is recommended to EU member countries to utilize the consultation process on the draft regulations for the 2014-2020 programming period, which explain the general provisions for the use of a number of EU funds, in addition it is essential to learn how to prepare a project that fulfills all criteria set by European Commission to obtain the EU funding. owing to lack of capital in the state budgets the knowledge how to combine private finance in a PPP structure with EU funds will continue to be a relevant for the foreseeable future.

References


‘FactsheetData PPP.’ Accessed March 5, 2015.


