

## Public–Private Partnerships in Canada: Reflections on Twenty Years of Practice

### Chapter Summary

For the past twenty years, both the federal government and most of the provincial governments have looked to Public-Private Partnerships (PPP) or P3's as a viable option when developing large scale infrastructure projects in Canada. A P3 is the partnership between a government and the private sector to build or develop a large infrastructure project. The author of this chapter notes that the discussion in this chapter, particularly regarding the practices, financing, and choice of P3's, has been garnered through a mixed methodology approach; in particular, interviews, a review of government documents and policies and participation in numerous conferences and workshops on the intricate workings of P3's.

The description of P3's and their practices is fairly ambiguous and can include many forms of project-delivery, financing, operations, and maintenance. Infrastructure projects are under the jurisdiction of provincial and municipal governments, not the federal government; thus, each province and municipality can initiate and develop their own P3 approach and model. According to the academic literature, there are four main reasons a government might choose to enter into a P3 agreement with a private sector company: new money for financing of infrastructure projects, provision of off-balance-sheet accounting, new public services, and driving value for money in public projects.

There are two waves identified for the use and development of P3 arrangements in Canada; the first wave was from the early 1990's to the early 2000's and the second wave from early 2000's to the current time. In the first wave, governments decided to utilize P3 agreements to fund infrastructure projects, like the Confederation Bridge or the toll road between Fredericton and Moncton in New Brunswick. Specifically, this project was designed not to add to the public debt but

to offset the cost of public infrastructure projects by raising new money through toll fees. By the second wave of P3's, government staff had been able to assess the limitations of these agreements. The author highlights several challenges to the P3 model, including the government lacking the experience to deal with complex agreements with the private sector, few assessments being conducted on the effectiveness of this alternative model, little transparency, and the possibility that governments can lose control of public assets through the P3 process.

## **Annotated Weblinks**

- 1) <http://www.infrastructure.gc.ca/prog/fond-p3-canada-fund-eng.html#downtown>

This is a federal government website that outlines the role of P3's in Canada and also how government projects are utilizing P3's in Canada.

- 2) <https://lop.parl.ca/Content/LOP/ResearchPublications/2015-50-e.html?cat=economics>

The report "Public-Private Partnerships: Are Canadians Getting the Full Picture?" by the Library of Parliament includes a discussion of financial reporting mechanisms for Public-Private Partnerships in Canada.

- 3) <https://buyandsell.gc.ca/policy-and-guidelines/supply-manual/section/9/60>

This site by Public Works and Government Services Canada outlines the Public-Private procurements for government to follow, specifically for delivery models, federal government roles and responsibilities, screening, and stages in P3 procurement processes.