



Kosovo

Reporting PPPs

***STRENGTHENING GOVERNANCE OF
PUBLIC INFRASTRUCTURE***

NOVEMBER 12-15, 2019

Ilir Rama

Central PPP Department, Director

Kosovo—PPPs

- **Summary of PPP portfolio**

- ▶ *18 project in different stages*
- ▶ *Many project don't reach financial close*
- ▶ **Magnitude in % GDP by economic sector**
 - ◆ *Around 1.5% of GDP with current PPPs in implementation*
 - ◆ *Could reach 17-20% with new Power Plant BOT*
 - ◆ *Transport, Prishtina Airport ~120 mil.\$*
 - ◆ *Urban Development, Underground Parking, 15mil \$*
 - ◆ *Turisim, CP completion phase, 62mil \$*
- ▶ **Characteristics of main projects**
 - ◆ *Mainly concessions*
 - ◆ *Municipality of Prishtina working on first govt. funded project in education (4 primary education schools)*

Kosovo—PPPs continued

- **Issues, challenges, recommendation of recent IMF TA, progress so far**
 - ▶ PIMA 2016 and consecutive follow-ups
 - ◆ Increase transparency of budget documentation by including an annex for PPP and POE investments, and a statement of contingent liabilities.
 - ◆ The PPP Law gives the MoF a strong role in managing the potential fiscal costs and risks arising from investment projects procured as PPPs
 - ◆ The fiscal costs and fiscal risks associated with PPPs are neither systematically assessed nor reported
 - ◆ Current arrangements for the accounting and reporting of PPPs do not conform to good practice

Kosovo—Reporting PPPs

- **Legal framework**

- ▶ *Value for money*
- ▶ *Affordability*
- ▶ *All PPPs have to submit annual reports to the PPPC, but these reports include only limited information on fiscal risks.*

- **Reporting of PPPs**

- *Currently*

- ▶ There was no progress on PIMA's recommendation to include an annex to the budget for PPPs and POE investments until recently
- ▶ Administrative Instruction mf- no. 06/2019 on selection criteria and prioritizing of capital projects
- ▶ PFRAM for BOT in Energy
- ▶ Fiscal risk and contingent liabilities to be introduced in the new PPP law

Kosovo—Reporting PPPs

- **PPPs outside the central and general government**

- ▶ *Energy sector, large BOT project,*

- ◆ *PFRAM*

- ▶ *Final Condition Precedent from Gvt. side to be addressed for new PP project*

- ◆ *Sovereign guarantee*

Kosovo—Managing PPPs

- **Institutional framework**
 - ▶ **No changes planned**

