



Ensuring a sustainable SWM PPP Project:
Technical and Commercial Challenges & Success Factors

Conference on Sustainable Urban and Rural Infrastructure
Solid Waste Management PPPs for Municipalities and Regions

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Presentation of
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CV - Klaus Tritscher

Personal data/education:

- Austrian citizen, born 1961, living in Vienna
- University degree in Law; postgraduate in export business

Export and Project Financing (1988–2000):

- Focus on capital goods & infrastructure projects at
 - **Creditanstalt** (now Unicredit) Leasing
 - **IBM Central Europe & Russia**
 - **VA Tech Finance** (hydropower, water and waste water focus)



Waste Management and Renewable Energy (2000–2013):

- 2000 -2008 **Saubermacher** – Head of Internat. Dept. (**waste management PPP's** and subsidiaries in in **ALB, CZ, HR, SLO, HU**; market entry into **BUL, RO**)
- 2008-2011 **STRABAG Environment** – Head of Business Unit Environmental Services - **waste management** (City of Sofia – collection, cleaning, winter services), **waste consulting** (Libya – master plan for 5 regions) & renewables.
- Since 2011 – **EnTri Consulting** – founder and managing director



Technical and Commercial Challenges & Success Factors

Typical Situation - Municipal Companies:

- Limited/low budget
- Highly dependent on political decisions
- Usually not very profitable
- Tendentially overstaffed
- (Out)dated equipment
- Limited experience/know-how reg. modern waste management technologies/ solutions
- Public procurement with complex decision process
- Excellent local knowledge



Technical and Commercial Challenges & Success Factors

Typical Situation –Private Waste Management Companies:

- Availability of funding sources
- Usually profitable and rather quick decision process
- Tendentially understaffed
- Mixture of used and new equipment
- Strong procurement channels and purchasing power
- Good offtake channels for output- (recycling-, etc.) material
- Strong know-how reg. latest waste management technology
- Limited knowledge about local situation



Technical and Commercial Challenges & Success Factors

Public Sector Partner

Limitations of a PPP	Opportunities of a PPP
Reduced influence	Increase of service level
Commercial vs. political decisions	Technical modernization
Private partner requires profitability	Sharing of costs and risks
Inappropriate tender regulations	New procurement /offtake channels



Technical and Commercial Challenges & Success Factors Private Sector Partner

Limitations of a PPP	Opportunities of a PPP
Limited further regional expansion	New market /gain of local know-how
Political uncertainties (opposition)	Stable, long-term business
Sharing of profits	Sharing of costs and risks
(Pre-/post-) election standstill	Strong position towards competition



Technical and Commercial Challenges & Success Factors

Summary - Major **Challenges:**

- **Unrealistic Expectations** (low budget/fees vs. latest technology; low environmental awareness vs. service quality)
- **Service Fee – Dilemma**
 - Public partner: fee as low as possible for the local citizens
 - Private partner: fee as high as possible to enable profitability
- **Political vs. Commercial Decisions** (tactical games of opposition; calls for re-communalization, etc.)
- **Distribution of Profit/Funds** (for re-investments, sponsoring)
- **Appointment and remuneration of Key Personnel**



Technical and Commercial Challenges & Success Factors

Summary - Major **Success Factors**:

PPP is a long term decision!

- **Contract wording** is crucial, specifically regarding:
 - Distribution of profits
 - Payment of reserve liability (in case of losses)
 - Financing / guarantees for investments
 - Appointment/dismissal of key staff
 - Rules for cases of disagreement/ veto rights
- **Selection of right partner** (tender constraints)
- **Balanced influence** of shareholders is mandatory
- **Proper management & team spirit**