

THESIS

Course code:
BE300E

Name / Candidate no.:
Anzhelika Biletska / 1

Peculiarities of spreading of public-private
partnerships in a developing country - the
case of Ukraine

Date: 19 May 2019

Total number of pages: 92

ABSTRACT

The purpose of this study is to investigate peculiarities of spreading of PPPs in the context of a developing county, using example of Ukraine.

PPP projects are an effective form of public sector cooperation with the private sector, which is created to attract private investment in the provision of public services to the public.

In the context of PPP, it is worth paying attention to three main aspects legislative, financial and institutional.

In many countries, challenges of PPP implementation are based mainly on the first two aspects, which is a peculiarity of implementation and spreading. Thus, many scientists argue that the peculiarities of Ukrainian legislation influence on the implementation of PPP to a large extent.

This study shows distinctive results. Applying a balanced system of SWOT-analysis, it was possible to consider all the factors that affect the PPP, from internal to external. As a result, the unexpected finding was the fact that the lack of experience turned out to be one of the most constraining factors for the spreading of PPP in Ukraine, besides bureaucracy and corruption. Thus, knowledge and experience is the basis for the effective development of PPP. Understanding of the essence of PPP by all main stakeholders can significantly affect the implementation of PPP in a developing country.

Key words: government, population, private sector, public-private partnership, PPP project, risk allocation, stakeholders, SWOT-analysis, value for money.

ACKNOWLEDGEMENTS

Foremost, I would like to thank my master's thesis advisors Olga Iermolenko at Nord University and Euvgenia Nosova at Taras Shevchenko National University of Kyiv for their patience and great support. They were always open to help me when I ran into a problem or I had questions about my research. They sent me in the right direction whenever they thought that I needed it, but at the same time they gave me the opportunity to make an independent decision because they wanted this research to be my own achievements. However, I consider that without their great support I would not have been able to cope on my own because there were many challenges and obstacles in my way, but they did not allow me to give up.

I would also like to thank Anatoli Bourmistrov and Veronika Vakulenko for the constructive criticism and useful advice. This greatly influenced the process of writing my master's thesis and helped to concretize my range of attention. I want to say thanks to Igor Lyutyy and Nataliia Plieshakova for the huge moral support. For the fact that they accelerated my work process and provided all the necessary points of access to the information I needed.

I would also like to thank the experts who participated in the verification survey for this research project. Without their keen participation and contribution, a validation study could not have been successfully completed.

Finally, I must express my deep gratitude to my family and friends for giving me constant support throughout the entire period of study and in the process of researching and writing the master thesis. This achievement would not have been possible without them.

Thank You! I sincerely appreciate it.

CONTENT

ABSTRACT	1
ACKNOWLEDGEMENTS	2
CONTENT	3
LIST OF FIGURES:	5
LIST OF TABLES	6
LIST OF ACRONYMS	7
INTRODUCTION	8
1.1 Background	8
1.2. Relevance of the research and need for knowledge	8
1.3. Why is it interesting to study PPP in the context of a developing country as Ukraine? ..	10
THEORETICAL PART	14
2.1 The notion of PPP and its application in the world	14
2.1.1 PPP in well-developed countries	17
2.1.2 PPP in developing countries	24
2.2 Types of PPP in the worldwide practice	32
2.3 Benefits and risks of PPP	35
2.6 Understanding the strength, weaknesses, opportunities and threats of PPP – SWOT- analysis and the conceptual framework of PPP	39
RESEARCH METHODOLOGY	44
3.1 Philosophical foundation	44
3.2 Research design	45
3.3 Data collection and analysis	47
3.4 Validity and reliability	52
3.5 Obstacles and limitations	53
EMPIRICAL PART	55
4.1 PPP in the Ukrainian context	55
4.2 Policy of public-private partnership in Ukraine	56

4.3 Legal framework of the public-private partnership in Ukraine	59
4.4 Processes and institutional responsibilities in Ukraine	61
4.5 Financial aspects	63
4.6 Other actors	64
4.7 Risks of PPP in Ukraine	66
ANALYSIS AND DISCUSSION	69
5.1. “How has PPP developed in Ukraine over the last two decades?”	69
5.2 “How do public and private sector actors see strength, weaknesses, opportunities and threats of PPP in Ukraine?”	73
5.3 “What can be done in order to encourage the public sector, private sector and citizens/users to commit themselves to spreading PPP in Ukraine?”	75
5.4 Obstacles of PPP spreading in Ukraine	79
CONCLUSION, CONTRIBUTIONS AND IMPLICATIONS	81
6.1 Summary of the study	81
6.2 Contributions	82
6.3 Limitation of the research	83
6.4 Research opportunities and recommendations for further research	84
BIBLIOGRAPHY	85
APPENDIXES	93

LIST OF FIGURES:

Figure 1. SWOT-analysis of PPP	40
Figure 2. The conceptual framework of PPP	42
Figure 3. Targets of explanatory study	45
Figure 4. The main components of explanatory study	46
Figure 5. Timeline of legal framework on PPP in Ukraine	56
Figure 6. The structure of public-private partnership projects in Ukraine (MEDT; 2019)	58
Figure 7. The six stages of PPP project (Matviishyn & Fabryka, 2014)	62
Figure 8. Information on the results of PPP implementation for 2018 (MEDT, 2019)	66
Figure 9. SWOT-analysis of PPP	74
Figure 10. Directions of activating PPP in developing countries on the example of Ukraine	77

LIST OF TABLES

Table 1. EU-supported PPPs for the period 2000-2016	16
Table 2. Cross-country view on PPP in well-developed countries	23
Table 3. Cross-country view on PPP in developing countries	31
Table 4. Advantages and disadvantages of PPP types	34
Table 5. Motivation of PPP for public and private sector	37
Table 6. Risks of PPP and their factors in worldwide practice	37
Table 7. The components of the conceptual framework of PPP	41
Table 8. Information about Interviewees	50
Table 9. The main challenges and risks of the implementation of PPP projects and possible ways to address them	71

LIST OF ACRONYMS

EBRD	European Bank for Reconstruction and Development
ECA	European Court of Auditors
ECE	Economic Commission for Europe
EDB	Eurasian Development Bank
EIB	European Investment Bank
EPEC	European PPP Expertise Centre
EU	European Union
ICE	Interreg Central Europe
JESSICA	Joint European Support for Sustainable Investment in City Areas
IFC	International Finance Corporation
KPI	Key Performance Indicator
LGTT	Loan Guarantee Instrument for Trans-European Transport
MEDT	Ministry of Economic Development and Trade of Ukraine
NPM	New Public Management
OECD	Organisation for Economic Co-operation and Development
OPSR	Office of Public Service Reform
PBI	Project Bond Initiative
PFI	Private Finance Initiative
PFPP	Privately Financed Project
PPIAF	Public-Private Infrastructure Advisory Facility
PPP	Public-Private Partnership
PPPLRC	The Public-Private Partnership Legal Resource Centre
VfM	Value for Money
WB	The World Bank

INTRODUCTION

1.1 Background

Nowadays, the demand for providing qualitative service has a high value for both, public and private sectors, citizens and other users around the world (Wettenhall, 2003; Kavishea & Chileshe, 2018). Over the recent years, public and private sectors have prioritized providing qualitative services such as building roads, safely constructed infrastructure, quality education and law enforcement services to local citizens, using the new schemes of cooperation, such as public-private partnerships (PPPs).

PPP is a mutual beneficial cooperation between public sector and private sector, presented in the form of contract, which combines resources of government and a private investor with the aim of delivering better value for money (VfM). In other words, this means the provision of services by the private sector of the same level of quality at a lower price or higher quality of services while keeping their sustainability of their value in relation of public finances for citizens and users. (Akintoye et al., 2003; Li et al., 2005; Alpatov et al., 2010; Sobuza, 2010; Moskalyk, 2011; Wojewnik-Filipkowska & Trojanowski, 2013; Hodge & Greve, 2017).

PPPs are organized and operated differently in well-developed and developing countries (Edwards & Shaoul, 2003; Wettenhall, 2005; Chou & Pramudawardhani, 2015). The contextual peculiarities may include specific aspects of historical foundation and driving forces of PPP spreading, key benefits and risks for both public and private sectors in different countries highlighting the features of policy and legal framework, financial support and the main aspects of the government focus concerning PPP.

The purpose of this thesis is to analyze peculiarities of the development of PPP in a developing country, using example of Ukraine.

1.2. Relevance of the research and need for knowledge

In general, PPPs are widespread in such areas as transport, health, education, etc. and utilities such as electricity or gas supply, water and wastewater as PPPs are

becoming more and more common (Grimsey & Lewis, 2002). PPPs are considered a more preferable form of an agreement with governments around the world, in both well-developed and developing countries (Edwards & Shaoul 2003; Hart 2003; Broadbent & Laughlin, 2003; Newberry & Pallot, 2003; English & Guthrie 2003; Saussier & Tra Tran, 2012; Wojewnik-Filipkowska & Trojanowski, 2013; Rossi & Civitillo, 2014; Gibson et al., 2017; Hodge & Greve, 2017).

The advantages of PPP are an opportunity to provide public services on long-term agreement not only from organizations owned and controlled by the public sector, but also from the public and private sectors in partnership; efficient meeting deadlines of public services delivery; efficient risk allocation among partners or optimal risk transfer to a private partner; providing well-qualitative public services for the lowest cost (VfM) (Jamali, 2004; Eaton et al., 2006; Cheung et al., 2012; Abdymanapova et al., 2016).

Over the years many researchers have considered PPP an «answer» to economic and social challenges. They state that PPP is an essential approach of creation and implementation of economic development strategies (Mullin, 2002; Rossi & Civitillo, 2014).

In order to better understand the peculiarities of development of PPP in Ukraine – a case of the developing country, I need to understand the key distinction of PPPs between well-developed countries and developing countries. Therefore, I start with comparative analysis of PPP in these two groups with the orientation on three main aspects such as legislative, institutional and financial. I find it useful to review the articles published on the topic of peculiarities of development of PPP across countries in order to understand the differences in the development of PPP policies and institutions and their implications for the implementation of PPPs in different contexts.

The attention is concentrated mainly on the historical basis of the creation of PPP, driving forces, goals and challenges on the way of implementation PPP. Then the focus is oriented towards how central governments in five major countries for each category of countries: five countries among well-developed (the United Kingdom (the UK), New Zealand, Australia, France and Italy) and five countries among developing

ones (Turkey, Poland, Slovak Republic, Czech Republic, Republic of Slovenia) support the development of PPPs by providing institutions that promote PPPs, including clear policies and political commitment, relevant legal and regulatory frameworks and special units supporting PPPs (Broadbent & Laughlin, (2003); Bing et al., (2005); Singh & Kalidindi (2006); Ke et al., (2010); Jin (2010); Xu et al., (2010); Li & Zou (2011); Chan et al., (2011); Cheung & Chan (2011); Heravi & Hajihosseini (2012); Hwang et al., (2013); Chou & Pramudawardhani (2015); Appuhami & Perera (2016)).

It brings me up to the idea to build a conceptual framework which provides an opportunity to understand the similarities and differences between countries in terms of state support for PPPs with different levels of PPP implementation in these countries. It includes five main components: policy, legal framework, processes and institutional responsibilities, Financial aspects and Other actors (Verhoest et al., 2015). Based on this framework, Ukraine is analyzed in the empirical part.

Generally, there are two main laws that regulate PPP in Ukraine: PPP Law and Concession Law. Nevertheless, a lot of researchers argue that these laws are vague and ambiguous discussing them for many years (Samoylenko, 2012; Zapatrina et al., 2015; Afanasieva & Shemayev, 2016). It is a time when Ukraine is on the verge of a breakthrough in PPP due to the fact that the circle of interested private investors is increasing every day and the state is increasingly paying attention to PPP as an effective mechanism. This study discusses what changes have already occurred and what further actions of the government to develop PPP.

1.3. Why is it interesting to study PPP in the context of a developing country as Ukraine?

Listed below are a number of reasons why Ukraine is good context to explore.

Firstly, Ukraine is an example of a country in transition from the planned to market economy. It is a relatively young country that has undergone major transformations in all sectors of life in the last decades, including the provision of public services. A lot of issues are unresolved to date, as for example the modernization

of the health sector, infrastructure, education, etc. – those sectors that are potentially the best areas for PPPs (Zapatrina et al., 2015; Zapatrina, 2018; Levochkin, 2016). Additionally, the government of Ukraine does not have the required amount of financial resources to invest in projects in certain industries; the government therefore requires external assistance and support from private companies/organizations.

Secondly, private businesses seem to be interested in investing in Ukraine. Also, foreign investors are potentially attracted to Ukraine because Ukraine has a low cost of labor unlike Eastern European countries. Ukraine also has a relatively low cost of resources, investments gain a higher level of profitability, compared to other countries. However, problems with PPP often arise because investments are not protected due to the weak law system and a lack of appropriate policies that secure business and investments. The political situation in Ukraine is unstable and the conditions of doing business are constantly changing due to ever-changing business and political environment. In such conditions, the situation may occur when risks outweigh the benefits for the private investors.

Thirdly, there are only limited number of studies undressing the issues of PPP in Ukraine, available in English language (Fedulova, 2011; Stepanova, 2015; Sabetska & Grigorov, 2018). All this together makes it very relevant and interesting to study PPPs in the context of a developing country, such as Ukraine.

Thus, this study aims to investigate peculiarities of spreading of PPPs in the context of a developing county, using example of Ukraine.

Consequently, this means to enrich our understanding of the key benefits of PPP and the risks for the public sector and the private sector in the context of Ukraine, and recognize PPP's value for the population in the context of developing countries, such as Ukraine.

These are the main **research questions of this study:**

- *How has PPP developed in Ukraine over the last two decades?*
- *How do public and private sector actors see strength, weaknesses, opportunities and threats of PPP in Ukraine?*

➤ *What can be done in order to encourage the public sector, private sector and citizens/users to commit themselves to spreading PPP in Ukraine?*

The research questions are called to distinguish the major issues appearing on the way of conducting PPP in the case of Ukraine and define the paths of solving them. The experience of Ukraine can serve as an example to other developing countries and help them to develop PPP.

To answer this question, there are interviews with representatives of the public and private sectors (five interviewees) who have a direct relationship to PPP. Especially, three of them are already engaged in the implementation of PPP in healthcare sphere and infrastructure sphere. This is the reason for the lack of doubt in the validity and reliability of their information. In addition, secondary information was used to support the validity for the study from project documentation, published literature, official publications (European Bank for Reconstruction and Development (EBRD); European Court of Auditors (ECA); European Investment Bank (EIB); European PPP Expertise Centre (EPEC); European Union (EU); Interreg Central Europe (ICE); International Finance Corporation (IFC); Ministry of Economic Development and Trade of Ukraine (MEDT); OECD; Office of Public Service Reform (OPSR); Public-Private Infrastructure Advisory Facility (PPIAF); The Public-Private Partnership Legal Resource Centre (PPPLRC); The World Bank (WB)) that are related to the topic, such as reports, standards, laws, etc.

1.4. Structure of the thesis

This master thesis is structured as follows. Chapter 1 is an introductory chapter that explains the background of the problem showing the relevance of the study in Ukraine. Also, the chapter provides a brief description of the master thesis structure.

Chapter 2 is a literature review that represents the value of PPP and its types. With the aim of deeper understanding of the experience in various states, the chapter provides a comparison between well-developed countries and developing countries

that emphasize the peculiarities of PPP development. I emphasize the major benefits and risks of PPP for the public and private sector.

Then, I discuss SWOT-analysis regarding PPP and the conceptual framework as useful tools of exploring my empirical data.

Chapter 3 describes specific methods for collecting and analyzing information, as well as providing arguments for the validity and reliability of data and determines the limitations of the study with the aim of further investigation.

The specification of **Chapter 4** is that it considers empirical data of Ukraine, after which the gathered, reviewed data is analyzed in **Chapter 5**.

Eventually, there are conclusions, contributions and some recommendations for further research in **Chapter 6**.

THEORETICAL PART

In order to achieve the purpose of this thesis, which is to investigate peculiarities of spreading of PPPs in the context of a developing county, using example of Ukraine.

I analyze both, the literature that discusses experiences in PPP in developed countries that seems to have been successfully adopting PPPs in different spheres of life (e.g. infrastructure, health services, etc.) for a few decades now, but also experiences of PPP in developing counties.

This chapter also presents the, specific points of PPP organization, its risks and benefits. After I provide a review of SWOT-analysis regarding PPP with the aim to understand strengths/weaknesses/opportunities/threats that appear in the result of the partnerships. Finally, I represent the conceptual framework that leads to the presentation and analysis of my empirical data.

2.1 The notion of PPP and its application in the world

PPP is an agreement where public sector bodies enter into long-term contractual agreement with private sector for the construction or management of public sector facilities by the private sector, or the provision of services (using facilities) by the private sector to the citizens and users on behalf of a public sector (Grimsey & Lewis, 2002).

The first reference to the term «PPP» appeared in France in 1950 as a joint organization of a state and a non-profit organization in the framework of social services delivery such as educational programs or jails, etc. (Wettenhall, 2005; Wojewnik-Filipkowska & Trojanowski, 2013). Many researchers state that PPP became popular in early 1990s in well-developed countries such as the UK, New Zealand, Australia, France and Italy (Broadbent & Laughlin, 2003; Newberry & Pallot, 2003; English & Guthrie 2003; Li et al., 2005; Eaton et al., 2006; Wilson et al., 2010; Saussier & Tra Tran, 2012; Cheung et al., 2012; Wojewnik-Filipkowska & Trojanowski, 2013; Rossi & Civitillo, 2014; Carbonara & Pellegrino, 2014).

Although the official application of PPPs became widespread in the UK with the incoming Labor Administration in 1997 but it was entirely based on Private Finance

Initiative (PFI) (Broadbent & Laughlin, 2003). PFI means financing of public sector projects through the private sector, which directly eases the government and taxpayers with the burden of raising capital for these projects (Eaton et al., 2006; Mustafa, 1999).

The new view on cooperation between public and private sectors has introduced PPP as a synergy between both sectors where the purpose is the quality of public service including transportation, health services, education, electricity, gas and water supply, etc. for delivering to all citizens.

As a result of the development of a market economy, a significant need of spreading PPP has shifted to developing countries such as Turkey, Poland, Slovak Republic, Czech Republic, Republic of Slovenia, etc. The government of such countries assumed that the PPP could help to cope with difficulties in the macroeconomic environment, for instance, burden on government budgets and excessive government debts (Appuhami et al., 2011; Jamali, 2004; Appuhami & Perera, 2016).

As reported in the EU in the first half of 2016, 40 PPP projects with a total value of 7.8 billion Euro were abandoned due to lack of financial ability. Compared to the first half of 2015, the increase was 72%, 9 countries completed at least one PPP project (EIB, 2018). Among the most well-known accomplished PPP projects, construction of the three highways A355- France, A94 - Germany and D4 / R7 - Slovakia, as well as the developed Phase II pilot training system in the UK. These projects amounted to 45% of the total value of PPP projects in the first half of 2016. The table 1 provides information on the implementation of PPP projects in the EU (2000-2016), detailing the number of projects, their total cost and the contribution of the EU in percentage.

As the table 1 shows 84 PPP projects worth 29,242 million Euro were realized in all countries of the Euro zone between 2000 and 2016 with the contribution of the EU of 5640 million Euro (ECA, 2018).

The given table depicts that many projects embody around the world but the largest number of PPP projects are implemented in the following countries:

France - 21, Germany - 14, Slovenia - 10, and Greece - 8. In the UK 3212 million Euro was expended in total cost. In Portugal 3 projects account for 2379 million Euro.

Table 1. EU-supported PPPs for the period 2000-2016

Countries	Number of projects	Total Cost	EU Contribution	% of EU contribution
Greece	8	6 806	3 301	58.53 %
Portugal	3	2 379	564	10.00 %
France	21	9 856	324	5.74 %
Spain	4	2 422	311	5.51 %
Poland	4	388	272	4.82 %
Germany	14	2 147	254	4.50 %
Italy	6	553	210	3.72 %
United Kingdom	3	2 212	110	1.95 %
Belgium	2	686	101	1.79 %
Ireland	3	1 286	81	1.44 %
Lithuania	3	99	40	0.71 %
Slovakia	10	52	36	0.64 %
Croatia	1	331	20	0.35 %
Malta	1	21	12	0.21 %
Estonia	1	4	4	0.07 %
Grand Total	84	29 242	5 640	100.00 %

Source: ECA, 2018.¹

In Spain 4 projects were estimated in value 4 222 million Euro. At the same time, Germany spent 2147 million Euro on the implementation of 14 projects, while in Slovenia, 52 million Euro was used to finance 10 projects.

The highest costs for an infrastructure project were in well-developed countries from 2000 to 2016 (see Appendix A). The most expensive projects were in such countries as Greece (850.8 million Euro), Portugal (793.0 million Euro) and Great

¹Table elaborated by ECA on the basis of data provided by the Commission, EPEC. The sources for the EU contribution were: ERDF, Cohesion Fund, Marguerite Fund, Loan Guarantee Instrument for Trans-European Transport (LGTT), Project Bond Initiative (PBI) and Joint European Support for Sustainable Investment in City Areas JESSICA.

Britain (737.3 million Euro). Spain (605.5 million Euro), France (469.3) and Ireland (428.7 million Euro) follow. By contrast, the cost of a project in such countries as Belgium (343.0 million Euro), Croatia (331.0 million Euro), Germany (153.4 million Euro), Italy (92.2 million Euro) is significantly different among well-developed countries in this period. This may indicate the effectiveness of a private investor since it bears the costs for the entire project or the difference in the scale of projects between given countries.

In the opposite case, in developing countries such as Estonia (4.0 million Euro), Slovakia (5.2 million Euro) Malta (21.0 million Euro), Lithuania (33.0 million Euro) project costs are the lowest. Significantly more expensive project was in Poland (97.0 million Euro). This indicates the financial ability of a private investor to provide more large-scale project but also to use more expensive materials, which ultimately affects the cost of the services provided.

2.1.1 PPP in well-developed countries

In the UK, Australia, New Zealand, France, Italy and many other OECD countries, methods of organizing, providing and financing public services have been reformed as a result of a number of subtle ideological, political and administrative reforms that fall under the broad control of the New Public Management (NPM) (Hood, 1995).

These reforms were aimed at setting standards of accountability, delegation of authority and delegation of decisions from the central level to the level of local government, a flexible and responsive administration that meets the diverse aspirations of consumers and promotes choices for public service «users» (OPSR, 2002).

The NPM itself is oriented on citizens as far as they are the recipient of the services or customers to the public sector (Andrews & Van de Walle, 2013). And customers have rights to choose service delivery system or refuse it at all under the NPM reforms (Chapman & Duncan, 2007; Daft & Marcic, 2014; Eckerd & Heidelberg, 2015).

Therefore, PPP adheres to the spirit of NPM reform and introduces a radical turn from traditional Labour values, reflecting NPM ideas about the role of the private sector in public services (Greener, 2005:4).

As previously mentioned in well-developed countries such as the United Kingdom, New Zealand, Australia, France and Italy certain steps have already been taken to create and develop a policy and legal framework of PPPs from the 1990s.

It is important to note that a huge range of contracts entered into between public and private sectors in France in 1950 (Wojewnik-Filipkowska & Trojanowski, 2013) and this generated the conception of idea PPP (Wettenhall, 2005).

A prime example (before the beginning of existence PFI/PPP) of that is a project of Channel tunnel joining the UK to mainland Europe between the French and British governments but it failed due to weak involvement of private investor, in particular, lack of private finance (Broadbent & Laughlin, 2003; Rossi & Civitillo, 2014).

Over time, the UK has been a political coup derive from a shift from the aggressive privatization in the 1970s and 1980s to PFI in the 1990s (Eaton, 2006). It has created a new climate to generate a modern approach continuing with project of Channel tunnel (Broadbent & Laughlin, 2003). Its essence has consisted of private sector was contracted to finance, manage, and complete the project while government provided rights to manage by a facility in state ownership. By way of an advantage for private sector have made their money back through long-term rewards from the government (Li et al., 2005; Verhoest et al., 2015). Consequently, public sector in the result of PPP have had opportunities to decrease level of government debt, to remain the level of taxes, to perform effectively government Key Performance Indicators (KPIs) providing better quality of service, better VfM and affordability to users (Cheung et al., 2012). Finally, the project of Channel tunnel was successfully implemented due to efficient communication between the involved parties regarding risk allocation. This project was successful for everyone (government, citizens, users and customers), with the exception of a private investor. Despite the great success, the total cost of the project significantly exceeds over the benefits. The cost overrun from unforeseen circumstances (two fire incidents in 22 years) led to a negative NPV. Apart

from this the case of Channel tunnel have played a key role in spreading of PPP and served as an inspiration for the UK and around the world concerning of better PPP perception (Broadbent & Laughlin, 2003).

Although in many countries the emergence of the beginning of a PPP has come in the same decade, many scholars argue solid that the UK is the pioneer of the becoming and spreading of PPP (Broadbent & Laughlin, 2003; Newberry & Pallot, 2003; English & Guthrie 2003; Li et al., 2005; Eaton et al., 2006; Wilson et al., 2010; Saussier & Tra Tran, 2012; Cheung et al., 2012; Wojewnik-Filipkowska & Trojanowski, 2013; Rossi & Civitillo, 2014; Carbonara & Pellegrino, 2014).

In 1990s there was a period of upheaval in the history of the UK. According to Lonsdale (2005), the existence of PFI could have disappeared if new government New Labour (1997) did not believe the third way approach.

The third way approach aims to reach the social investment state by providing equality of opportunities (Keman, 2009). In government transformation time, it was a crucial point to attract a private investor in order to create public facilities, support state budget and at the same time transfer the risk to the private partner.

Thus, New Labor promoted PPP not only in the central government but also in influence into all departments of central and local government (Broadbent & Laughlin, 2003). The goal of PPP promotion was to bring VfM. It was extremely necessary for New Labor as far as they needed to embody the belief of society after win in the election (1997). Consequently, the UK example have influenced on other countries. (Broadbent & Laughlin, 2003; Newberry & Pallot, 2003; English & Guthrie 2003; Saussier & Tra Tran, 2012; Wojewnik-Filipkowska & Trojanowski, 2013; Rossi & Civitillo, 2014; Gibson et al., 2017).

Australia has followed the UK experience and occupied position as one of the earliest countries that implemented PPP (Wilson et al., 2010). The demand for economic development and more facilities and the need for high standard of services caused the engagement of private sector. However, in the beginning, it was represented as a strategy in infrastructure procurement with long-term contracts, sharing risks and

rewards among partners. As English & Guthrie (2003) defined, it was named Privately Financed Projects (PFP) that is so-called to PPP.

At the same time, the political and economic problems in New Zealand necessitated to reform the authorities (Newberry & Pallot, 2003). Albeit New Zealand has occupied the first place of NPM reforms, they did not well experience in PPP implementation till 2000s. It is rather curious since one of development of NPM is PPP as a service delivery through the private sector providing for direct control systems between the public and private sectors (that also influenced on the UK and Australia) (Chapman & Duncan, 2007).

Besides many driving forces exist such as providing of modern infrastructure, better quality of services, equally risk allocation, benefits for local, economic and social development which required for New Zealand. It has brought the government to PPP and leads New Zealand to key advantages of PPP such as a ‘whole of life’ perspective that provides greater cost certainty and optimization payment for good performance and abatement for poor performance active management and optimal allocation of risk, wider benefits to New Zealand’s infrastructure sector (Newberry & Pallot, 2003).

Although in France the provision of public services was carried out with the help of private investment from ancient times, after 1950, the government abandoned private initiative as a result of the development of the welfare system, replacing them with public organizations. Only in 2004, the French government decided to return to a system where a private sector participation is possible in order to provide better services and save the state fund, but under the terms of PPP agreements. A major reason why public-private partnerships were initially developed was to enable France to make up for lost ground in relation to other countries such as Great Britain, which had instituted PFI contracts in the early 1990s, and so already had a comparable tool’ (Saussier & Tra Tran, 2012). Noticeable is the fact that in 2011, the number of contracts for the year significantly exceeded even the number of PPP contracts signed in the UK (Saussier & Tra Tran, 2012).

Taking into account the history of the development of PPP in Italy, that wave of change began there only in the 2000s (Carbonara & Pellegrino, 2014). Although the official use PPPs for the provision of public services began in Italy already in 1994 and 1998, the Merloni Law decided on a framework for the use of private sector contractors, it was only later that a special working group on PPPs was created (Rossi & Civitillo, 2014). The key point in creating a PPP in Italy was the shortage of the state budget, which demanded alternative financing instruments in order to avoid blocking public works with further negative consequences for the growth and development of the country (Carbonara & Pellegrino, 2014).

Concerning development of policy, legal framework and financial aspects there are many similarities among well-developed countries (Zhang, 2005; Chou & Pramudawardhani, 2015; Verhoest et al., 2015; Hodge & Greve, 2017)

As it is well known, in the UK, New Zealand, Australia is a widespread a Common law system while a Civil law exist in France and Italy (Saussier & Tra Tran, 2012; Carbonara & Pellegrino, 2014). The common law system is considered more flexible for a private partner because it is less prescriptive and does not include a large number of provisions that govern the contract. In other words, partners have the right to prescribe the contract in more detail on agreed terms within the framework of existing legislation, without violating it.

The civil law system acts completely different. There are certain attributes of the law (written constitution, codes of civil, commercial, public contracts) are based on administrative law, which must be followed. This greatly complicates the process of creating a PPP, which negatively affects the attractiveness of PPP projects for a private partner (Rossi & Civitillo, 2014). The peculiar fact is that none of the reviewed countries there is no special law on PPPs, they are governed by decrees and rules (France), standards (New Zealand), regulations (the UK), code (Italy) and guidelines (Australia) (PPPLRC, 2019).

Therefore, the opinion of researchers is divided into the account of the special law on PPP. Some argue, the Law on PPP does not exist in the reviewed well-developed countries, since it is not claimed. This is explained by the fact that there is sufficient

flexibility and certainty within the law and common law to recognize and allow PPPs (Gibson et al., 2017). Others underline the setting of a certain PPP law is extremely necessary to avoid ambiguities and uncertainties, to evoke understanding such processes as the design, construction, management, to prescribe optimal VfM and appropriate timing of project, to define standards for feasibility study, etc. (Rossi & Civitillo, 2014).

However, the absence of a law does not allow all state bodies the right to enter into agreements on PPP. Here such state bodies come into action as Treasury those that allow certain public sector bodies to conclude a PPP contract with private sectors, depending on their vested powers (Krumm, 2016). In addition, in many countries, special PPP development institutions within the structure of Treasury have been established: agencies (UK, Australia), state corporations (Italy, New Zealand), and associations (France). The institutions are responsible for ensuring intellectual support for complex PPP projects.

One of the benefits to the Treasury is that under PFI, capital expenditures are considered to be the costs of the contractor and are not counted as government expenses, although payments to the contractor also exist. This off-balance sheet financing plays an important role for the country's budget today, since it reduces overall government spending, but increases future liabilities. Regarding the ownership of the asset, it can remain as a contractor until the expiration of the contract or move to the public sector, depending on the terms of the contract (Broadbent & Laughlin, 2003).

In all the above-mentioned countries, the same approach to the distribution of financial responsibility. Based on the fact that the most prevalent types of PPP are DBFO & DBFMO, the public authority usually pays for availability and quality (Newberry & Pallot, 2003; English & Guthrie 2003; Saussier & Tra Tran, 2012; Rossi & Civitillo, 2014). If productivity falls below the required standard, the government deducts from the annual remuneration of the private sector. This allows to evenly distribute financial risk among partners, so the project remains financially attractive for the private sector (Saussier & Tra Tran, 2012; Rossi & Civitillo, 2014; Hodge & Greve, 2017).

In well-developed countries, the health care industry prioritizes PPP projects, but countries such as the UK, Australia and New Zealand are paying considerable attention to education, and this is followed by the road construction and reconstruction industry (Chou& Pramudawardhani, 2015; Verhoest et al., 2015).

To sum up, countries such as New Zealand, France and Italy still have certain limitations concerning administration procedures, finances, rules and laws which prevents to reach the level of well-adopted PPPs. And it not strange that all of them are tied to the existing legislative and regulated mechanisms. For instance, New Zealand needs to work out on accounting-related legislation for well spreading PPP (Newberry & Pallot, 2003) while the complexity of PPP wide spreading in Italy and France exists due to the Civil law system, especially, strict administrative procedures and complexity of correct risk sharing. (Saussier & Tra Tran, 2012; Rossi & Civitillo, 2014; Carbonara & Pellegrino, 2014). The table 2 provides more details and concludes all the major elements of aforementioned.

Table 2. Cross-country view on PPP in well-developed countries

Country	Legislation	Driving forces	Objectives of PPP	Adaptation of PPP	Article
United Kingdom	Common law	Private initiative; Lack of government financing; Providing economic development and more facilities; Avoiding public investment constraints.	VfM; proper risk allocation; gaining more resources, equipment, capital (money).	Widely adopted	Broadbent & Laughlin, 2003 Chou & Pramudawardhani, 2015 Baker, 2003
New Zealand	Common law	Providing of modern infrastructure, Benefits for local, economic and social development.	VfM; efficient risk allocation; timely provision of public services.	Adopted	Newberry & Pallot, 2003
Australia	Common law	Demand for economic development and more facilities; The need for high standard of services.	VfM; risk allocation; output-orientation, transparency, accountability.	Widely adopted	English & Guthrie, 2003

France	PPP legislation, regulations and other administrative rules	Providing of a good quality public service for the lowest cost; Staying within budget up; Enhance the scope of public facilities to users.	VfM; objective risk allocation; engaging private investments; competitiveness.	Adopted	Saussier & Tra Tran, 2012
Italy	Civil law (Public Contracts Code)	Pushing force from investment crisis (2005); Alternative funds; Avoiding block of public works; Granting growth and development; Bankability	VfM; optimal risk transfer; financial sustainability.	Adopted	Rossi & Civitillo, 2014; Carbonara & Pellegrino, 2014

Source: developed by author.

Based on the analysis of the practice of application and support of PPP in the well- developed countries, it can be argued that each country uses its own tools to promote the development of public-private partnership. The high level of its use involves the coordinated activities of governments, state and local authorities and private partners.

2.1.2 PPP in developing countries

Regarding practice PPP in developing countries there are the high levels of uncertainty, in particular resulting from local factors (e.g. political instability, poor legal and regulatory frameworks), and certain unique characteristics of PPP arrangements (e.g. scale, complexity and their long-term nature) make it difficult to draft complete contractual agreements to cover all contingencies. Thus, the progress of performance PPP is relatively slow in developing countries in comparison with industrialized countries. That influence on opportunity to achieve better VfM and bypass the difficulty in transferring risk (Appuhami & Perera 2016).

Nevertheless, there are many cases of the application of PPP in developing counties. A lot of them successfully applied it causes which is the reason to consider them (Cheung et al., 2012, Appuhami & Perera 2016, Chan et al., 2011, Chen & Doloi, 2008). Similarly, there are many cases with failures of the application of PPP (Zhang, 2005; Verhoest et al., 2015; Kavishea & Chileshe 2018) and it is important to figure out the challenges appeared in different developing counties.

The fact of the matter is that the evolution of PPP came to developing countries (Turkey, Poland, Slovak Republic, Czech Republic, Republic of Slovenia) later than in well-developed countries. In fact, PPP projects for the EU is a rather attractive choice of partnership for the provision of public services. Thus, PPP projects can be financed by a government subsidy, and therefore the guidelines of the EU are applied in order not to violate the rules of economic competition, not to provide an inappropriate economic advantage or not permitted government aid repugnant in internal market of the EU (Nováčková & Saxunová, 2015).

The first attempts to cultivate PPP in aforementioned countries began in the 2000s (Tičar & Zajc, 2010; Strempek et al., 2010; Wojewnik-Filipkowska & Trojanowski, 2013; Ehrenberger, 2014; Birgonul et al., 2015).

Of all the countries above, Turkey is the leader of spreading PPP. Despite the fact that the country has a complex legal framework, Turkey has extensive experience in PPP. In Turkey it all started with the fact that there was always a need for infrastructure development, but the country's budget did not enable for its high-level development. Then there was a need for additional funding from the private sector. Prime Minister Turgut Ozal issued Law No: 3096, which allowed for the participation of a private investor in the provision of public services (it was originally established in 1980, but was failed since it was found to contradict other applicable laws) (Birgonul et al., 2015).

Formally, the development of PPP started from 2001. Ministry of Development was chosen as a responsible body for PPP. The complexity of the legislative base is explained by the fact that for each type of PPP which is equally well-spread there is a separate law for a particular sphere but there is no single concept of PPP (Birgonul et al., 2015).

Nevertheless, the PPP Rules comply with the EU standards and follow the principles of transparency, fairness, competition and efficiency, which is attractive to investors. Although there is no specific PPP unit, and the roles of the participating institutions are not clearly defined, the success of previous PPP projects is determined by strong support from the government in Turkey. According Birgonul et al., (2015)

Turkish PPP legislation needs to be combined into a sole PPP law with the aim to create an effective monitoring and evaluation system.

In the case of Poland, PPP have been appeared in early 2000s but many researchers omit existence of PPP before the first Act of PPP in 2005 (Zieniewsk & Sześciło, 2008; Wojewnik-Filipkowska & Trojanowski, 2013). According to Wojewnik-Filipkowska & Trojanowski, (2013) there are many specific points that are cause to accelerate spreading of PPP in Poland such as infrastructure development, improving quality of the public services, increasing innovation in the services' provision, reduction of total project costs and more efficient use of public money. Additionally, Sześciło (2009) states there are non-legal obstacles in the public sector with respect to the involvement of private in the delivery of public services the first PPP Act was called to remove them. Over time, it was canceled and two completely new laws (the PPP Law and the Concession Law) were adopted to eliminate bottlenecks such as uncertainty and ambiguity of interpretation.

Nevertheless, the development of the PPP market in Poland is still characterized as slow. Zysnarski and Wojewnik-Filipkowska describe it in such a way that there are many contradictions, the main of which is that there is a low qualification of government officials in project management and operation, but due to lack of experience working with the private sector, uncertainty arises which limits such partnership (Zysnarski, 2003; Wojewnik-Filipkowska, 2008).

However, they emphasize that the participation of a private investor is necessary to reduce the growing state deficit and limit the state budget. Although Zieniewsk & Sześciło (2008) characterize the legislative base as restrictive and very strict, which does not provide financial benefits to the investor and does not contribute to the development of PPP in Poland. They base their statement that PPP is best implemented in those countries where it is not regulated by separate and special laws (United Kingdom, Australia). This is the reason why in Poland the most common type of PPP design - build (DB), where a private investor only designs and delivers, and the state bears all risks (Wojewnik-Filipkowska, 2008; Cenkier, 2011).

In Poland, in 2008, the Center for PPP Foundation was established, which includes banks, law firms, consulting firms, companies, regional development agencies, foundations, associations, chambers and business associations. The purpose of this fund is to develop appropriate legislation and guidelines for PPP, as well as to provide professional assistance (financial, intellectual) on the way to the creation of PPP. However, this does not change the fact that there is a need to create a PPP unit whose tasks and activities will be adapted to the needs of public actors and the requirements of public interest. The Center for PPP Foundation represents interests from private sector more than on strengthening the capacity of PPPs (Zieniewsk & Sześciło, 2008).

So, the opinion of scientists regarding new laws on PPP is opposite. Some scholars argue that the new legal framework for PPP is groundless (Zieniewsk & Sześciło, 2008; Sześciło, 2009) because barriers are more likely to be connected with political or institutional factors, rather than legislative basis. They emphasize that in this case it would be possible to make certain edits to the first law of PPP, and not to abolish it. Conversely, other scholars firmly believe in the power of new laws, which offer benefits both to the government and to the private investor, by explaining the main points related to the partnership (wide participation of the private partner, transfer of risk, preferential tax treatment) (Wojewnik-Filipkowska, 2008; Cenkier, 2011). However, all scholars agree that the Concession Law is more attractive for the public sector, since it is considered more distinct and not so complicated in financial terms.

In the Czech Republic the PPP policy appeared officially in 2004 (Ehrenberger, 2014). Following the PPP policy in the Czech Republic, the government firmly believe that the systematic and programmed use of PPP will lead to a better use and allocation of public funds through the participation of a private investor. It is also an opportunity for the timely and high-quality development of public service. The authorities consider PPP as a tool for stable economic growth (Pavel, 2009). In 2004, the Czech Republic established the PPP Association for Infrastructure Development, which supports PPPs through the creation of conditions and rules that ensure transparency of investments

and public services. About 30 organizations are members of the Association, including Deloitte, KPMG, UniCredit Bank.

PPP in the Czech Republic is considered adapted; they have known success at the municipal level in such projects as water management, football stadium construction, energy efficiency, swimming pool, bus stops, etc. Albeit there are a number of projects that were determined by politicians, in particular, due to the contradiction of the legislation, lack of funding and experience and inconsistencies of contracts with the EU Directive (Dostalova, 2014; Klee, 2014).

Ehrenberger (2014) argues that although there are certain obstacles in the law (discrepancy of the EU Directives, a long decision process, the uncertainty of a qualified body to resolve the dispute) that need to be ruled, this is not the biggest obstacle to creating a PPP. More significant problems are lack of experience and corruption. Dostalova (2014), believes that the level of high professionalism of government officials is the most effective way to deal with corruption. Grigorian, 2014 confirms the hiring of specialists from the private sector, the fastest way to get the right experience and knowledge.

Taking into account the experience of Slovak Republic, according to the policy PPP defined as a way to improve regional infrastructure and their development in addition to reduction of risks to the public administration budget. There is no a sole PPP law, but existing legislation allow PPPs implementation: The Act on Government Procurement, The Act on protection of economic competition (Strempek et al., 2010). Nováčková & Saxunová (2015:424) stated «the law of the EU is a part of Slovak legal system, Treaty on the Functioning of the EU 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». Another important fact is that the special Act on the Government Aid exist for PPP projects.

A great benefit for a private investor in providing such aid is privileged capital resources that cannot be obtained in any other way this extremely affects the image of a private partner in the market. In general, sources of funding can come from the state

budget directly or indirectly, from investors' own funds, but the commonly accepted feature for PPP is that the main role of a private partner to bear the risks associated with the project then the state reward him.

The responsible authority in Slovak Republic is Ministry of Finance co-operates with the Statistical Office of the Slovak Republic. Their liability is to issue statements to designs of contracts for PPP projects regarding their impact on reporting of the public administration debt in the uniform methodology ESA 2010² applicable to the EU (Nováčková & Saxunová, 2015). Besides there is the PPP Association which includes attorney's offices, financial, developer, consulting, construction and technical companies.

Along with this there can be defined the uncertainty in political support and weaknesses of institutional capacity. Strempek et. al. (2010) explain this links to underdevelopment of domestic capital markets and modest success of existed PPP projects particularly in the transport sector.

There is another peculiar experience of PPP among European countries exist in Slovenia. Although rumors were about the practice of PPP even before the 2000s, a large level of public risk in Slovenia (early 1990) did not allow private investment to be attracted and large public projects were financed from public funds (highways) (Tičar & Zajc, 2010). Thus, financial weakness appeared among municipalities that causes on underdeveloped PPP, also Ministry of Finance was characterized as passive, in other words, did not stimulate a private partner into cooperation. After 2000, the situation in the country began to change and a law on PPP was adopted already in 2006.

The two main aims chased in Slovenia by spreading PPP (Tičar & Zajc, 2010). They include enabling private investment in the public services and ensuring transparency, competition, non-discrimination, and fair procedures for the formation, conclusion, and performance of specific forms of PPPs, as well as protecting the public interests in those relationships (ICE, 2016). There is also regulated by Ministry of

² ESA 2010 - the European System of National and Regional Accounts that comprises binding methodological rules to secure comparability of national accounts aggregates, and a compulsory data transmission programme.

Finance accompanied a unique council of the Government for PPP, which joins experts on legal, economic and other fields.

Currently, PPP in Slovenia is mainly used at the local level (social housing, kindergartens, waste management, sports, cultural buildings) but on a small scale (Tičar & Zajc, 2010). In general, the most active sectors in the implementation of PPP are energy projects and sanitary installations. Albeit it is worth noting that Slovenia is not extremely attractive for external investors since the projects at the central level are almost unrealized (EBRD, 2014). Among the main challenges of the implementation of PPPs that Slovenia has encountered can be identified: the opposition of people against PPPs as a way of public privatization service; lack of political support; there are no guidelines for working with PPPs; state and local communities believe that PPP can solve all issues, although the standards of the services provided and uncertainty in protecting public interests.

Equally important question of financing is prevalent among all countries. Generally, there are three main sources of funding for PPP projects: the EU common funds, national funds, private capital. Despite the fact that the lack of funding for PPP projects is the biggest obstacle in all developing countries, financial support comes from IFC and EBRD.

Although, «domestic banks are not willing to supply long-term funding, because their funding structure is based on short-term deposits» (Birgonul et al., 2015:341).

In all of the above countries, PPP is funded under general conditions, which means that a private investor finances the project and bears the risks of the project then charges users or receives remuneration from the state. In Slovakia, there is a Law on Government aid, as privileged capital resources, which gives a private partner a competitive advantage in the market.

It should be clarified that the special influence on the development of PPP, its distribution and adaptation in the European countries has the EU legislation. In this way, the national legislation of the member states is modified in accordance with EU legislation on the basis of the provisions outlined in the European Commission's 2004 PPP Green Paper (Economic Commission for Europe (ECE), 2004). Albeit each

country has its own specific instants (political situation; level of economic development; willingness to change and modernize the economic and political systems; well-being of the population), PPP cannot be regulated uniformly (Tičar & Zajc, 2010). This is the major reason why PPPs have adapted differently in diverse countries and have been adopted by people who are ready (or not) to accept changes such as the modernization of providing public services. The table 3 provides more details and summarizes all the significant elements of aforementioned.

Table 3. Cross-country view on PPP in developing countries

Country	Legislation	Driving forces	Objectives of PPP	Adaptati on of PPP	Article
Poland	Specific law on PPP	Reduction of public deficits and public budgets limitations; Development of infrastructure; Supplying public services; Private initiative.	VfM; budgetary responsibility; optimal risk transfer; efficiency	Adopted	I.Wojewnik-Filipkowska & Trojanowski, 2013; Zieniewsk & Sześciło, 2008; Cenquier, 2011.
Turkey	Specific law on PPP	Infrastructure demand; Increasing attractiveness for investment; Economic growth; Transparency.	VfM; endurable long-term contracting and appealing for the market; transferring risk; competitiveness	Widely adopted	Dikmen et al, 2005; Birgonul et al, 2015; Bülbül, 2017.
Slovak Republic	Specific Act on Public Procurement that regulates PPP	Improvement of a regional infrastructure; Reduction of risks to the public administration budget.	VfM; transparency; risk sharing among partners	Adopted	Nováčková & Saxunová, 2015; Strempek et al, 2010
Czech Republic	Specific law on Concession that regulates PPP	A better utilisation and allocation of public funds; Development of public infrastructures timely; Economic growth; Co-financing share taken by the private sector; Boost of direct international investments	VfM; transfer material risk to private sector; specification of public service standards; maintenance of public assets value; ensuring innovation and competition	Adopted	Ehrenberger, M., 2014; Dostalova, 2014; Pavel, 2009; Grigorian, 2014; Klee, 2014.
Republic of Slovenia	Specific law on PPP	The performance of commercial public services; Transparency; The building of public infrastructure	VfM; equally allocated risk; affordability; timely provision, competitiveness.	Adopted	Tičar & Zajc, 2010.

Source: developed by author.

The main conclusion can be drawn that the EU has a great influence on the foregoing countries. Taking into account that the development level of these countries

and modernization is proportionally depended on specific features. Thus, developing countries demand flexible approach in condition of unexpected political, social and economic situations. That is why the public partner should provide a firm regulatory framework, transparency and political stability which are influenced on number of bids received for PPP projects. Otherwise, minimizing risk in PPPs in developing countries will be impossible (Tičar & Zajc, 2010; Ehrenberger, M., 2014; Verhoest et al., 2015; Appuhami & Perera, 2016; Kavishea & Chileshe 2018).

2.2 Types of PPP in the worldwide practice

In accordance with Nováčková & Saxunová (2015) the following elements PPP projects are distinguished in different types:

- type of asset involved;
- the assigned functions to the private sector (design, build or reconstruction, finance, maintain, operate)
- how the private sector gains income.

In worldwide practice, there are many types of PPP agreements, the most common are:

Build – Operate – Transfer (BOT). According to the BOT model the private sector carries out the construction and operation of a particular object within a specified time, after which the object is transferred to the state property. Typically, this simple structure is used for the construction of highways (the UK, Australia, Italy, Spain, South Korea), pipelines (Germany), power plants (Turkey, India, Thailand), airports (Egypt, Greece, Canada), tunnels (France), stadiums and others objects that require significant investment, but must remain owned by the state (Grimsey & Lewis, 2002, Zhang, 2005; Chou, & Pramudawardhani, 2015).

Build – Own – Operate – Transfer (BOOT). This is the most commonly used model for educational programs or health services. The private sector builds an object, carries out its exploitation, owns this object within a certain period, after which the object becomes the property of the state (Bashiri, 2011).

Build – Own – Operate (BOO). Public sector builds an object and carries out its subsequent exploitation, owning it on the right of ownership, the term of which is not limited. BOO generally used for water or electricity supply (Grimsey & Lewis, 2002).

Design – Build (DB). The contract type allows save time, money, share risk among partners or shift risk to private sector. Also, the type is more reliable because there is only one private partner rather than association. Private partner is responsible for designing and building a facility based on specification in the PPP. This is the simplest form and is used for both large and small projects in any field (Wojewnik-Filipkowska & Trojanowski, 2013).

Design – Build – Finance – Operate or Design– Build– Finance– Maintain– Operate (DBFO & DBFMO). The private sector carries out designs and builds including financial investments and provides services for several years, typically 25 to 30 years, the asset itself remains in the public sector, the government pays an annual reward to the private sector for quality service. A big advantage of the type is that all authority and responsibility for design, building, financing, (maintain) and operation are tied together and transferred to a private partner. This is the most common form for transport infrastructure, especially, bridges and tollways (Pollitt, 2002; Koppenjan, 2008).

Design – Build – Maintain – Finance (DBMF). This is a type which generally leads to the creation of PPP prisons. The private sector builds the facility based on specifications from the government body and leases it back to them (Posner et al., 2009; Oshima, 2016).

Operation & Maintenance (O&M). In an O&M contract, a private partner operates and maintains the object of the project while the public sector is the owner of the object. Usually a private partner obtains performance pay for qualitative results, but a fixed fee is also possible. The type is more commonly used for water supply and sanitation (Eaton & Akbiyikli, 2006).

Concessions. The private sector creates or reconstructs a state-owned property at its own expense, after the contract expires (from 5 to 50 years) a private investor charges a fee from users. Under this type of PPP contracts electricity, gas, heat, water supply

and wastewater systems, highways, health, education are carried out. (Engel et al., 2013).

There are the main advantages and disadvantages of each type (table 4).

Table 4. Advantages and disadvantages of PPP types

Type of PPP	Advantages	Disadvantages
BOT	Using private sector investment instead of government, transferring all risks to the private sector and transferring technical knowledge.	The complexity of technical and financial issues and the need for high-level experts and consultants, this increases user costs during operation process.
BOOT	Strong financial incentives for the private sector, the transfer of construction and long-term operational risks, the active use of innovations to have the most effective projects, high responsibility for asset design, construction and provision of services through reimbursement of costs and expanding experience and knowledge of project management, which reduces the cost of structuring a company.	The strict selection process of a private investor, the higher cost of projects, the management takes a lot of resources and time, monitoring the operating contract.
BOO	As for BOOT, plus, full responsibility of the private investor during the contract.	As for BOOT, plus, cannot be transferred to the public sector until the end of the contract, the large number of parties involved and the corresponding number of contracts that must be interconnected cannot be transferred to the public sector.
DB	Transfer of project and construction risk to the private sector, there is a potential to accelerate the construction program, the facility is financed and is in state ownership.	Possible conflict between planning and environmental considerations, increased operational risk, lack of financing from a private investor.
DBFO DBFMO DBMF	Attraction of investments from the private sector, more predictable and coordinated project costs, accelerated construction program, increased risk transfer system.	Possible conflict between planning and environmental considerations, more complex contract structure, the process of choosing a private investor takes more time, guarantees of financing are necessary, and large costs for re-entering the business if the operator is unsatisfactory.
O & M	There is no risk of loss of income, since payment and operation and maintenance to a private investor is carried out in advance, a high level of attractiveness for the private sector, a simple financing system.	The need for enhanced monitoring by the public sector, the income risk for the public sector, limited incentives to improve the quality of services provided.

Concessions	As for DBFO, plus, increases the level of risk transfer and stimulates the receipt of income from a third party.	As for DBFO, plus, may not be politically acceptable.
--------------------	--	---

Source: developed by author.³

Generally, the type of project is chosen depending on the requirements and expectations of the public and private sector and the conditions in which they intend to implement the PPP project. Thus, the public and private sectors choose which type is the most suitable for the implementation of a particular project by common agreement (Bashiri, 2011).

2.3 Benefits and risks of PPP

At first glance it may seem that combining the goals and tasks of the public and private sector is hardly feasible, in fact, their partnership has many benefits for each of the sectors separately (Wojewnik-Filipkowska & Trojanowski, 2013; Oshima, 2016; Nakhaei et al., 2017; Hodge & Greve, 2017).

Many researchers state that PPP leads to make better VfM which refers to the optimum combination of whole-of-life costs and quality (or fitness for purpose) of the goods or service to meet the user's requirements. (Savas 2000, Bourn 2001, Klijn & Teisman 2003, Hodge & Greve 2005, Chen et al., 2013, Johannessen et al., 2013, Jing & Besharov 2014, Burger & Hawkesworth 2011). Especially, authors such as Resh (2019), Savas (2000) and Auzzira et al., (2014) concur the PPP increases efficiency that in result reduces expenditures and improves management performance. Such effect appears because both of the sectors have an incentive to put more of their efforts to enhance the value of the product or service that is being delivered. An additional benefit of partnerships is that members are able to realize innovative solutions by harnessing each other's knowledge and expertise (Huxham & Vangen 2013, Johannessen et al., 2013). Besides, PPP is important for all actors to generate better products and policy outputs for complex societal problems. (Burger & Hawkesworth, 2011).

³ Grimsey & Lewis, 2002; Pollitt, 2002; Zhang, 2005; Akbiyikli & Eaton, 2006; Koppenjan, 2008; Posner et al., 2009; Bashiri, 2011; Wojewnik-Filipkowska & Trojanowski, 2013; Engel et al., 2013; Chou, & Pramudawardhani, 2015; Oshima, 2016.

Johnson and Scholes (2002) determined that the benefit for the private sector lies in long-term remuneration, if the private sector performs its duties quickly and efficiently, providing quality services to the population, it receives a fixed remuneration in return for ensuring that the service will be available during all period of the contract.

Hart (2003) stated that the greatest benefit of PPP is a reduction of total project costs due to investment expenditure with life-cycle operation costs tied that gives an opportunity to provide higher level of service quality to users. Quelin et al., (2017) outlined that public value is enhanced and delivered by PPP which is collaboration between public and private sectors due to cost savings, increasing responsiveness, and encouraging improved service execution. Additionally, Edwards & Shaoul (2003) told that in a sense, risk transfer serves as an insurance policy. The problem should emerge with some points of the project, the private sector will bear the expenses which, in its turn, will increase the performance.

According to Nisar (2007) a crucial role of PPP is saving government budget. Due to financial investments from private partner the projects undertaken without increasing the government debt and no need for tax increase. Also, a private partner provides financial, an intellectual potential that brings proven experience into project realization. As a result, it formulates competitive and cost-attractive conditions for the PPP project. Instead, the public sector allows the use of commercial innovations that do not violate the main specifications of PPP and are not prohibited by the law. As a result, it formulates competitive and cost-attractive conditions for the PPP project.

Following Chauhana & Marisetty (2019) risk sharing between private and public sectors allows stimulating of the private sector to invest in projects that give an opportunity to boost and grow businesses and industry inside the country. It plays a significant role in increasing the competitiveness of the country among others. Additionally, they state PPP agreements create an availability of external financing for private partners due to certainty and transparency of a project. Also, the government provides a reliable support that allows a private partner to be more competitive in a specific sphere.

Appuhami & Perera (2016: 412) highlighted that «the opportunity to transfer risks to private partner is at the heart of achieving the VfM objective of PPPs». The high costs to the public partner that they can't handle on their own causes the necessity of transferring risk to a private partner. The table 5 illustrates the major reasons of motivation for public and private sector concerning PPP.

Table 5. Benefits of PPP for public and private sector

Public sector:	Private investor:
- affordability and timely provision of public service; - qualitative public services; - better VfM; - risk allocation among partners; - reduction of total project costs; - investments into public sector (financial, intellectual potential); - job creation; - income generation in the future; - growth in economic and social activity; - advancement of the local community's standard of living; - improvement of the ecological state of the environment; - a boost to grow business and industry	- a long-term contract (remuneration); - increasing competitiveness at the market due to state support; - income increase; government support and guarantees; - increasing attractiveness for external investors; - a sensible investment; - incentives for good performance and delivery of quality services; - opportunity to exploit commercial innovation.

Source: developed by author.⁴

Therefore, this creates the need for considering the list of risks with which the public and private sectors are confronted in the way of PPP lifecycle. Prominently many researchers considered the risks of PPP (Grimsey & Lewis, 2002; Bing et al., 2005; Singh & Kalidindi, 2006; Ke et al., 2010; Jin, 2010; Xu et al., 2010; Li & Zou, 2011; Chan et al., 2011; Cheung & Chan, 2011; Heravi & Hajihosseini, 2012; Chou et al., 2012; Hwang et al., 2013; Chou & Pramudawardhani, 2015; Appuhami & Perera, 2016). Based on their studies the table 6 depicts the group of risks and factors that affect them.

Table 6. Risks of PPP and their factors in worldwide practice

Risk	Factor
<u>External risks</u>	
Political risk	Lack of government support; Government's reliability; Corruption and bureaucracy; Inability to make decisions; War.
Economic risk	Inflation rate; Interest rate; Exchange rate; Demographic changes.

⁴ Johnson & Scholes 2002; Edwards & Shaoul 2003; Hart 2003; Nisar 2007; Wojewnik-Filipkowska & Trojanowski, 2013; Hodge & Greve, 2017; Quelin et al., 2017; Chauhana & Marisetty 2019.

Legal risk	Legislation change; Lack of legal/regulatory framework; Lack of standard model for PPP agreement; Change in tax regulation.
Social risk	Level of public opposition to project; Low demand in the project or changing needs of the population.
<u>Internal risks</u>	
Financial risk	High finance costs; Financial attraction of project to investors; Tariff change; Value of assets at the date of completion of the contract with a private partner.
Technical risk	Design inadequacy; Unreliable engineering techniques; Alterations to the scope of the project; The control of risk regarding facility failures.
Ecological risk	Risks of deterioration of the environment; Natural and unavoidable catastrophes.
Construction risk	Cost overrun at building phase; Time delay of construction; Insolvency/default of sub-contractors or suppliers; Availability of material/labour; New technologies; Delays in completion of works; Incompatibility with agreed construction standards.
Operating risk	Cost overrun at operation process; Unwarranted income expectations; Low performance; Exceed cost than expected; Operation default.
Relationship risk	Unequally distributed responsibilities and risks; Unequally distributed authorities in partnership; Differences in working method and know-how between partners; Lack of commitment from either partner; Private investor change.
Project default	Occurrence of competition; Failure of the project resulting from bungle of risks above.

Source: developed by author.⁵

According to Das & Teng (2001) behavioral risk can be divided into two kinds such as relation risk and performance risk. Relation risk implies that partners motivated by self-interest whereby they can shirk, cheat, destroy the information or assign resources without the owner's permission. Performance risk means failing in partners commitment because of mismatch of work models and neglect of relationships or aims of the project that causes from uncertainty or ambiguity of political situation, social condition, economic environment. These risks can affect differently to project phases such as selection, construction and operation.

In support that said above, Grimsey & Lewis, (2002) and Merna & Smith (1996) named these risks as global and elemental risks. The occurrence of global risk relates

⁵ Grimsey & Lewis, 2002; Bing et al., 2005; Ke et al., 2010; Jin, 2010; Xu et al., 2010; Li & Zou, 2011; Cheung & Chan, 2011; Chou et al., 2012; Chou & Pramudawardhani, 2015; Appuhami & Perera, 2016

to all phases of project lifecycle and usually this is an external influence on the project (political and economic risks; legal and social risks; ecological risk, risk of external financing, etc.).

The elemental risks involve factors that refer to operating risk, construction risk, technical risk, relationship risk and financial risk due to the unappropriated allocation of financial resources or a decrease in the value of the assets after the completion of the contract, etc.

Also, Grimsey & Lewis, (2002:111) state «Most of these risks are common to any project financing activity and apply with more or less force depending on the project concerned».

As proof Zhang (2005) witnessed all risks are interrelated to one degree or another, the need to minimize them lies on the shoulders of both partners, so the key to effectively manage these risks is an adequate distribution of them between the parties that can best resolve them.

2.6 Understanding the strength, weaknesses, opportunities and threats of PPP – SWOT-analysis and the conceptual framework of PPP

Generally, SWOT-analysis is used to estimate the internal strengths and weaknesses, and external opportunities and threats in a certain environment (Speth & Probert, 2015). Using knowledge about the internal and external position, SWOT-analysis aims to develop an appropriate strategy for current and future potential (Sammut-Bonnici & Galea, 2015).

In the context of PPP, SWOT-analysis (figure 2) helps to identify the assets the partnership may be based on and weaknesses that need to be compensated through the partnership (Roumboutsos & Chiara, 2010:239). In other words, it helps to point out the feasibility of partnerships and their coincidence in the targets.

Thus, the analysis of the microeconomic environment is organizational functions (financial, managerial, marketing resources, etc.) and the analysis of the macroeconomic environment includes competitor environment (gathering information on resources, capabilities, core competencies, etc.), industry environment (e.g.: threat

of new entrants, power of buyers, power of suppliers) and general environment (inc.: political, economic, sociocultural, technological, ecological and regulatory perspectives) (Sammut-Bonnici & Galea, 2015).

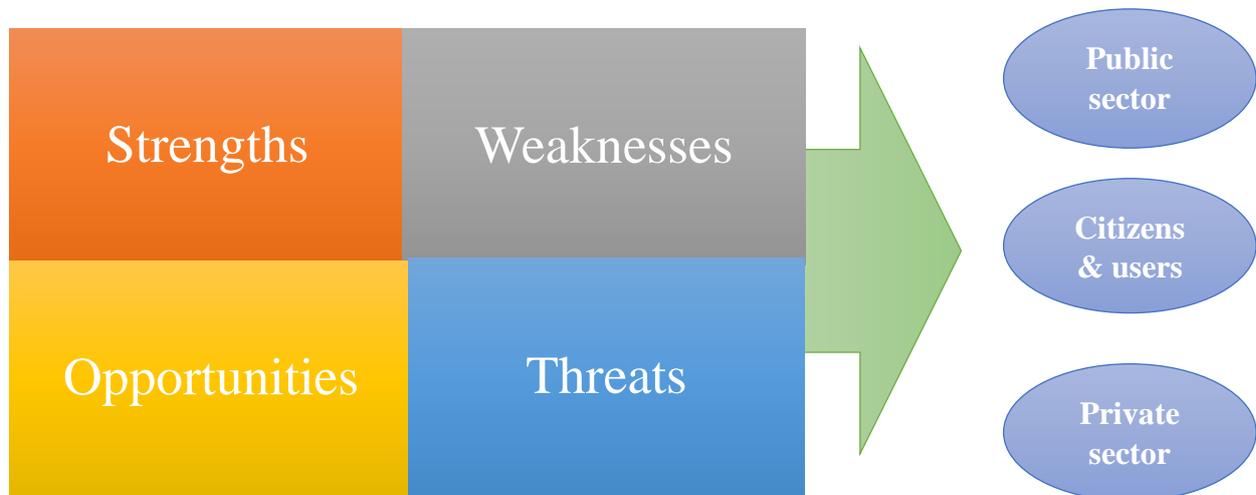


Figure 1. SWOT-analysis of PPP

The main elements of SWOT-analysis are presented in figure 1 that causes the value of PPP for public sector, private sector and foremost for citizens and users.

I decided to use the SWOT analysis in my work to evaluate the PPP market in a certain country because it is a well-known strategic planning tool. Thus, I can study both the macroeconomic environment (opportunities and threats) and the microeconomic environment (strengths and weaknesses) in relation to partnerships using the SWOT analysis, and it is possible to predict the prospect of a positive or negative trend.

Many scientists who studied PPPs in well-developed countries (Engel et al., 2013; Chou & Pramudawardhani, 2015; Bishop & Waring, 2016; Hodge & Greve, 2017; Shaw, 2018) and in developing countries (Grimsey & Lewis, 2002; El-Gohary et al., 2006; Chou & Pramudawardhani, 2015; Appuhami & Perera, 2016; Kavishea & Chileshe, 2018) concluded that the country's political and institutional climate has a direct impact on the effectiveness of PPPs, as well as on its strengths and weaknesses. Therefore, there is a need to understand the basic components of PPP, including policy, legal framework, processes and institutional responsibilities, financial aspects and other actors (table 7) as well as their social understanding.

Table 7. The components of the conceptual framework of PPP

Aspect	Name of component	Explanation
Legislative	Policy	the formulation of the rationale for the government's intention to use PPP for the provision of public services, as well as the goals, scope and principles for implementing the PPP program.
	Legal framework	the laws and regulations underlying the PPP program — enable the government to join PPPs and set the rules and boundaries for how PPPs should be implemented. This may include legislation on PPPs, other laws and regulations for managing public finances or industry-specific laws and regulations.
Financial	Financial aspects	how financial commitments under PPPs are monitored, taken into account and accounted for in the budget to ensure that PPPs provide VfM without undue burden for future generations, and to manage the related fiscal risk.
Institutional	Processes and institutional responsibilities	the stages through which PPP projects are defined, developed, evaluated, implemented and managed, ideally, within the framework of the public investment management system; and the roles of various actors in this process. A reliable PPP process is efficient, transparent and consistently used to effectively control the quality of PPP projects.
	Other actors	the actors, such as auditing organizations and the public participate in the PPP program and make those responsible for implementing PPP accountable for their decisions and actions.

Source: OECD (2011:58).

In view of the above, I created a conceptual framework (figure 2) that includes five crucial components of PPP (policy, legal framework, processes and institutional responsibilities, financial aspects and other actors). Then, there is a number of risks arise from a particular country's environment that affects PPP. So, it is important to distinguish them concerning PPP implementation and accession the feasibility of projects. It is sensible to separate the risks into internal and external risks, which implies the application of the SWOT-analysis. After I can reasonably evaluate the

beneficial impact on the main stakeholders among them the public sector, private sector, citizens and users.

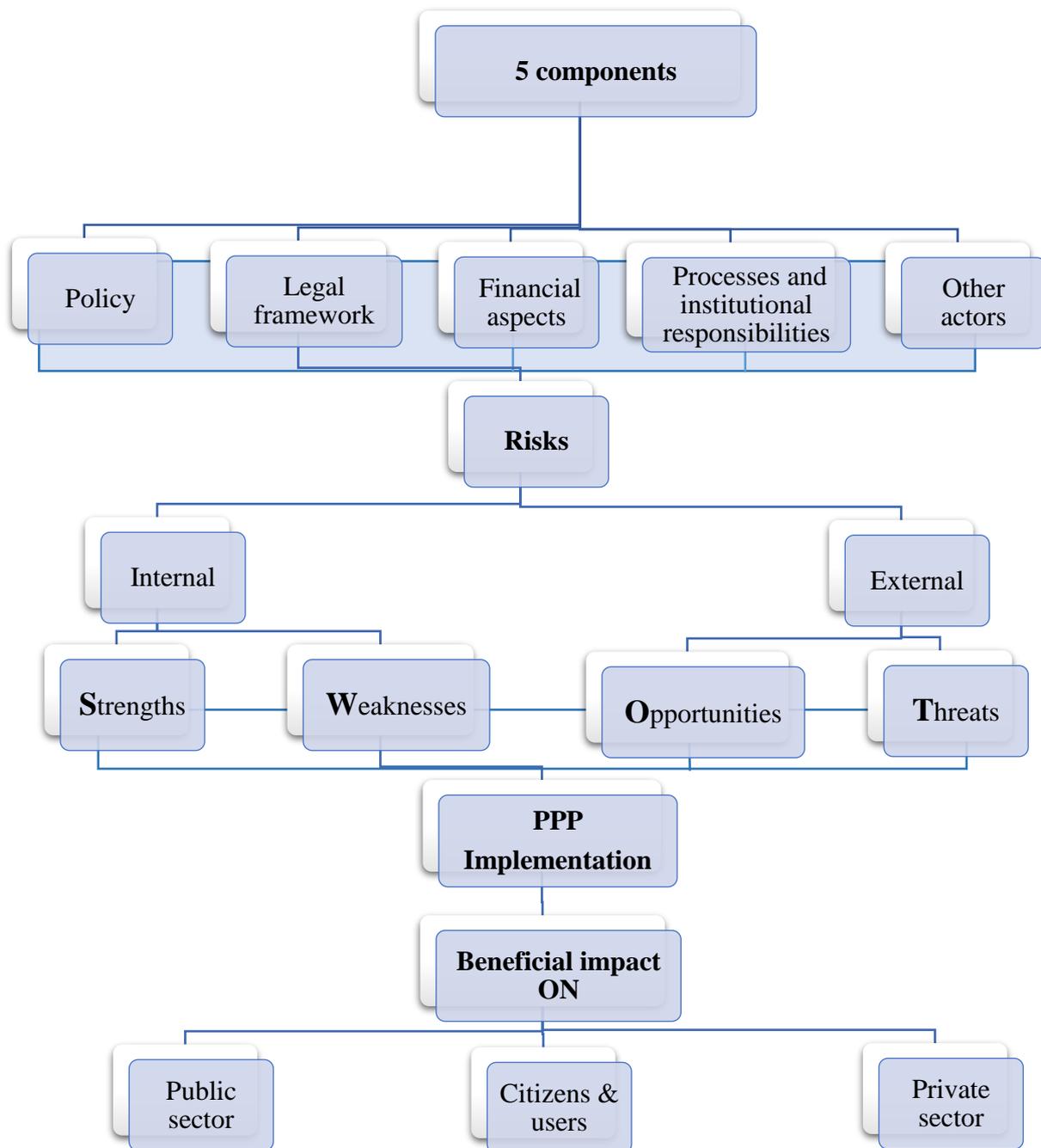


Figure 2. The conceptual framework of PPP

As far as many researchers in different contexts emphasize the importance of these components separately or in common, I consider that this is a comprehensive structure to consider PPP from different angles and understand its beneficial effects on the public sector, the private sector, the citizens and users (Grimsey & Lewis, 2002;

El-Gohary et al., 2006; Engel et al., 2013; Chou & Pramudawardhani, 2015; Kavishea & Chileshe, 2018; Shaw, 2018).

Based on this, I conduct my research in order to answer questions and reveal the essence of PPP, the key benefits of PPP and risks for both the public sector and the private sector in developing countries, using the example of Ukraine.

RESEARCH METHODOLOGY

This research seeks to investigate peculiarities of spreading of PPPs in the context of a developing county, using example of Ukraine.

Having an understanding of a project's research objectives or questions paves the way for other important decisions about the design and running of the project. This includes decisions about data collection and data analysis methods to use (Thomas & Hodges, 2010).

This chapter demonstrates the research methods and data gathering techniques. The qualitative analysis was employed for data collection and data analysis. The end of the chapter provides arguments of information validity and reliability.

3.1 Philosophical foundation

The philosophical position determines the ontological and epistemological characteristics of a research, it becomes fundamental for a research design.

Generally, two fundamental philosophical orientations exist that influence research endeavors - positivism or quantitative methodology and non-positivism known as constructivist and interpretivist paradigms (Harrison et al., 2017). Therefore, there is a need to distinguish these two philosophical positions while discussing the various approaches to case study research.

However, use of case study research and its relevancy for the qualitative study is more prominent as the notion of qualitative research is to study a complex social phenomenon which is not appropriate to do with the quantitative approach of research.

According to Stake (1995), various sources and methods of data collection and analysis can be applied but interviews and observations are the dominant data collection methods in interpretivist and constructionist paradigms which include my research in terms of shaping the formation of social phenomena (traditions; rituals; any manifestation of relationships or interaction of people). Following his constructivist and interpretivist approach to case study research, he advises to use a brief evocative description to illustrate aspects of the case and thick descriptions to convey findings. With the aim to understand the situation, he prefers to be immersed in

group/community as a partner in the discovery and generation of knowledge, where both direct interpretations, and categorical or thematic grouping of findings are used. Thus, if the approach aims «underpinned by a strong motivation for discovering meaning and understanding of experiences in context» (Stake, 2006) then the case study approach is explicitly constructivist in its epistemological understanding.

3.2 Research design

Firstly, I conduct exploratory design to the given research. An exploratory design is considered useful when there is a research problem that was not studied before in-depth and uses to better understanding the specifics of the problem (Teegavarapu et al., 2008a). The focus is on gaining insights and extension of knowledge for later investigation or undertaking when research problems are in a preliminary stage of the investigation. Exploratory designs are often used to establish an understanding of how best to proceed in studying an issue or what methodology would effectively apply to gathering information about the issue (Teegavarapu et al., 2008b).

Figure 3 Targets of explanatory study illustrates why the explanatory study was chosen for this research and figure 4 The main components of explanatory study depict the way how to conduct the explanatory study.

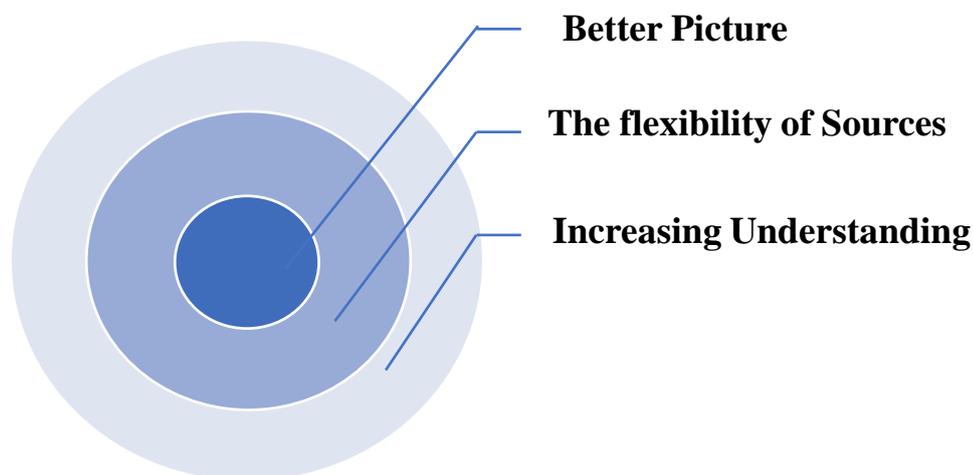


Figure 3. Targets of explanatory study

Secondly, explanatory study aims to enlarge the understanding of a certain issue. It helps to define reasons and prerequisites of happening. The flexibility of sources is provided by secondary data which conduct published literature or official information

(government and international publications) which can enhance the scope of researcher's comprehension in the given sphere. Overall, it gives an opportunity to derive a better picture of unfolding events and reach deeper understanding of the subject allowing to make better questions for investigation in narrow way.

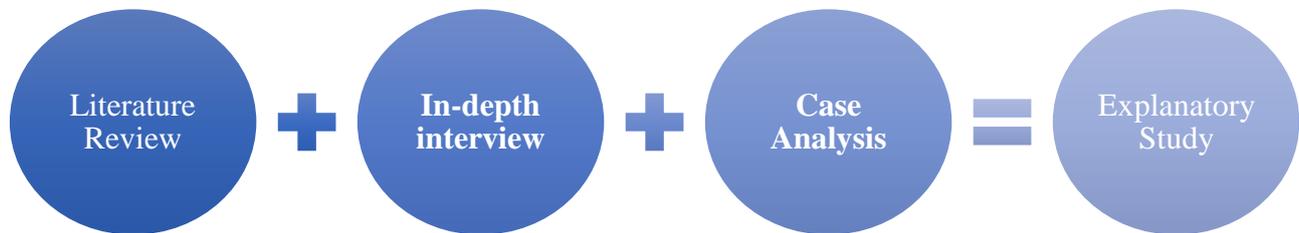


Figure 4. The main components of Explanatory Study

A literature review contributes to defining the gap of former researches which is necessary to fill. Although it can lead a researcher to the inspiration of new viewers to the subject, so it demands the flexibility of the researcher. Then a researcher needs to conduct an interview with an experienced person or specialist in the sphere of investigation. It makes possible to collect valid and reliable data. The literature review enhances the perception of the study which can influence the quality of collected data because there is an opportunity to consider the issue from different angles. Based on this, the in-depth interview could be semi-structured that provides comfortable environment for both sides but aspire to a certain point. Case analysis allows to tackle the issue more effectively giving a specific example (Queirós, 2017). When literature review is done and interviewees are interrogated it is feasible to apply collected data on a determined case, in my case to Ukraine in comparison with other developing counties.

Naturally, this approach of research has its drawbacks, such as a small sample size, the inability to draw definitive conclusions, the lack of rigorous standards and an unstructured research process. Moreover, the various designs are not mutually exclusive so there is a reason to use more than one design into research combining them into case study (Stake, 1995; Merriam, 1998; Yin, 2014). A case study is defined

as «an empirical inquiry that investigates a contemporary phenomenon (the ‘case’) in depth and within its real-world context» (Yin, 2014:16).

Further, it is viewed that because of its nature of mainly studying complex issue in detail (Crowe et al., 2011), case study is more used for qualitative research (Gummesson, 2014). More importantly, it is believed that «qualitative paradigms are broad and can encompass exploratory, explanatory, interpretive, or descriptive aims» (Harrison et al., 2017, p.8). Furthermore, the most important strength of case study research is that it responds to how and why type research questions (Baxter and Jack, 2008) which are relevant to qualitative research. By posing the how and why questions the case study research intends to conduct an intensive study for a deeper understanding of a particular theme, policy, organization, event and activity occurring in society (Simons, 2009). Within the qualitative research, a special feature of case study research is that it focuses to the depth of any social issue (Bartlett & Vavrus, 2017) than its breadth. It needs to be noted here that the depth over breadth of a phenomenon is the concern of the case study research for which qualitative research is an appropriate approach.

3.3 Data collection and analysis

The main part of the qualitative research process is the selection of an appropriate population (sample) for the research with the aim to collect the data. In a qualitative study, the person being studied is almost always the population being studied. A human is most often referred to as a participant of qualitative research. A population sample is a selected subgroup, usually representing a wider population (Yin; 2011). This chapter focuses on sampling and data collection methods used in my research.

Sampling in qualitative research is non-probability sampling. It is unlike probability sampling used in quantitative research where researchers examine the population with characteristics that represent a wider community. Researchers engage only specific populations to investigate a unique topic or when the total population cannot be known or accessed with non-probability sampling in qualitative research. As

Lopez & Whitehead (2013) defined there two main non- probability sampling: convenience and purposive (purposeful).

Convenience sampling is the most common form of qualitative sampling and occurs when people are invited to participate in the study because they are conveniently available with regard to access, location, time and willingness. Convenience sampling is a relatively fast and easy way to achieve the sample size needed for the study.

Purposive (purposeful) sampling or sampling strategy, in that participants are recruited according to pre-selected criteria relevant to a particular research question. Sometimes referred to as ‘judgment sampling’, purposive sampling is designed to provide information-rich cases for in-depth study. This means participants have the required status or experience, or are known to possess special knowledge to provide the information researchers seek (Palinkas et al., 2016).

The qualitative study should include the number of participants from 5 to 12 participants on average (Lopez & Whitehead, 2013). A number of qualitative researchers, however, distinguish sample size guidelines for qualitative research designs. Creswell (2007) recommends 3–5 participants for a case study, 10 for a phenomenological study and 15–20 for grounded theory study, whereas Morse (1995) suggests a sample size ranging from five participants for a phenomenological study and 30–50 for an ethnographic study.

Data collected from the sample can be either ‘primary data’ or ‘secondary data’. Primary data include recordable spoken or written words and observable body-language, actions and interactions. Whatever can be observed or communicated is considered to be potential or actual data. This occurs when considering the thoughts, feelings, experiences, the meaning of experience, responses, actions, interactions, language and processes of individuals and groups within their social and/or cultural setting (Yin, 2014). Secondary data are generated by someone or something else, such as project documentation, published literature, official publications (EBRD; ECA; EIB; EPEC; EU; IFC; MEDT; OECD; PPIAF; PPPLRC; WB) that are related to the topic, such as reports, standards, laws, etc. (Lopez & Whitehead, 2013). Depending on

the types of data required for a qualitative study, various methods of collecting data can be used singularly or in combination to obtain direct data.

In the research, for obtaining primary data, such a method was used as interview because this is the most common qualitative approach to acquire data primarily through interpersonal contact with participants.

Interviews in qualitative research may be unstructured, semi-structured or occasionally structured (Lopez & Whitehead, 2013).

Structured interviews in qualitative research are not very common and follow a list of set questions usually asked in a certain order, but these questions are still open-ended; that is, usually commencing with words like 'how', 'why', 'where', 'when' etc.

With unstructured interviews, neither the specific questions to be asked nor the range or type of possible answers are pre-determined. The interviews are designed to be informal and conversational with the aim of encouraging participants to express themselves in a naturally unfolding manner.

Semi-structured interviews were chosen for the investigation because an interview guide (see Appendix B) providing a set of questions for discussion. The questions are set to ensure the research questions or objectives are covered. However, there is freedom to ask any questions in any order, following tangents or seeking clarification of previous answers or elaboration of responses. In other words, semi-structured interviews steer the interview yet allow for flexibility.

In the interview process, the participant needs were taken into account to make them feel as comfortable as possible. It was demonstrated through the insurance of privacy and comfort and availability to all items required for the encounter (e.g. recording equipment, notebooks, pens, consent forms, drinks.) Another important point that appropriate time was allowed for each interview because they have been naturally completed (Mann, 2016).

First and foremost, rules of attendance and listening were kept considering they are vital to the process. Whereas the purpose is to gain information from the participant — and not an opportunity for the researcher to express their own thoughts and feelings. With the aim an appropriate range of questions is asked as listed on interview schedules

in a semi-structured interview. The purpose of these question lists is to provide clarity and assist the participant if hesitant or confused. The questions were also used to prompt expansion and elaboration when further detail was required. The information about conducting interviews is provided more details (table 8):

Table 8. Information about Interviewees

Interviewees	Occupied position	Date/ Time	Place
Interviewee 1	President of PPP Academy (Member of Public-Private Partnership Support Agency)	20.02.2019 14:00 – 14:40	Academy of PPP
Interviewee 2	Manager of Tax & Legal department (Manager of PPP a project)	06.03.2019 16:15 – 17:30	Deloitte office
Interviewee 3	Legal adviser to the Deputy Chairman of the Verkhovna Rada Committee on Health and the Ministry of Health.	22.03.2019 13:15 – 15:05	Ministry of Health of Ukraine
Interviewee 4	Financial Advisory Services (Leading Manager of a PPP project)	30.03.2019 11:30 – 12:45	Deloitte office
Interviewee 5	Representative of the structural division of the executive authority on investment	02.04.2019 13:20 – 14:10	Ministry of Economic Development and Trade of Ukraine
Interviewee 6	Associate Professor of Taras Shevchenko National University of Kyiv; a researcher in the field of Public-Private Partnership	13.05.2019 10:30 – 11:30	Taras Shevchenko National University of Kyiv

Source: developed by author.

The first interviewee is a representative of the Academy of PPP, is a member of the UN Economic Commission for Europe PPP group, a consultant to the World Bank and the European Bank for Reconstruction and Development on PPPs, co-author of the Model Law on PPP for CIS countries, co-operates on PPP issues with the Expert Group

United Nations Commission on International Trade Law (UNCITRAL); co-author of PPP textbooks and a lecturer in higher education institutions in many countries, a Ukrainian correspondent from EPPPL (European Procurement and Public Private Partnership). She has considerable experience in the preparation and implementation of infrastructure projects with the participation of international financial organizations, in particular, in the water supply and wastewater sectors.

The second interviewee is the manager of the Tax & Legal department (Deloitte) as well as who was hired by a private investor as a manager of the PPP project «Energy Bridge Ukraine – EU».

The third interviewee is the legal adviser to the deputy chairman of the Verkhovna Rada Committee on Health and the Ministry of Health. The first practitioner of PPP implementation in health care in Ukraine.

The fourth interviewee is a senior manager of the financial advisory services department (Deloitte) and the lead manager of the PPP project «Energy Bridge Ukraine – EU».

The fifth interviewee is a representative of the structural division of the executive authority on investment at the Ministry of Economic Development and Trade of Ukraine. Participant in the preparation of two infrastructure projects of PPP (ports) in Ukraine.

The interviewee sixth is Associate Professor of Taras Shevchenko National University of Kyiv. She is the researcher in the field of Public-Private Partnership, financial innovations and in finance, behavioral finance. She also deeply researched issues related to the emergence of PPP in Ukraine in recent years and compared world experience with the experience of Ukraine.

Although most qualitative studies use interviews or observations for the collection of data, secondary data are also applied. As Yin (2011) outlined secondary data is always filtered by other beings. This was a reason to use information from project documentation, experts' records, official publications, reports, standards, laws, etc. In addition, he emphasized if interviewees had told a story about someone's

experience of the field it would be considered as a secondary data. Therefore, this information is also included in the master thesis.

Regarding the sufficiency of information, it is worth noting that the collection of information should be stopped when the researchers «feel» that they have enough information or the appearing data becomes repetitive or does not reveal anything new (Wray et al., 2007; Lopez & Whitehead, 2013; Mann, 2016; Yin, 2017). I consider that six people is a sufficient number of interviewees to provide quality data in my study. I explain this by the fact that the information provided by the interviewees began to repeat already at the third interview in a close sense with the information already available. The information ceased to be unique during the session of the fifth interview. To make certain of this, another interview was taken after some time. Then, I think that six interviewees have many-sided experience regarding PPPs, so I was able to look at the situation from different angles.

In this case, we can assume that data saturation, data redundancy, or «theoretical saturation» have been achieved, the research process proceeds to the next phase – data analysis.

A qualitative interview is characterized by generating a broad range of data (Neuman, 2007). Following Dörnyei (2007) a researcher needs to conduct about one-hour interview then to transcribe the interview which takes about six hours. As about my case, I can emphasize that it depends on the complexity of materials and the quality of records. Some interviews more than an hour were transcribed easier than other interviews. With the purpose to keep the quality of an interview and the validity, reliability of data, the transcripts were resent to interviewees that they might fill gaps and correct information by themselves if it was needed. Then, after checking and confirming the information for validity and accuracy by interviewees, the collected data was used into the thesis for comprehensive analysis.

3.4 Validity and reliability

Validity in research is related to the accuracy and truthfulness of collected data for providing precise results (Le Compte & Goetz, 1982; Brink, 1993). A valid study

should demonstrate what actually exists and is accurate, and a valid instrument or measure should actually measure what it is supposed to measure (Cypress, 2017:256). Validity is based on legislation, regulations, the official database published by the World Bank, Ministry of Economic Development and Trade of Ukraine, various articles and related literature.

Reliability based on «being thorough, careful and honest in carrying out the research» (Robson, 2002:176). In order to reliability there is a need to make sure a correct formulation of interview questions, to set rapport with the interviewees and never lose focus on the research question (Silverman, 1993; Cohen et al., 2007).

Patton (2001) states that validity and reliability are two factors which any qualitative researcher should be concerned about while designing a study, analyzing results and judging the quality of the study (Golafshani, 2003:601).

3.5 Obstacles and limitations

The first of limitation relates to a lack of prior research studies on the topic. There are few researchers who held a full investigation of PPP in Ukraine but in some aspects, it is old-fashion data because there is a wave of changes came to Ukraine during the year concerning perceptions of PPP as from the side of the public sector as from the side of the private sector. That is why I decide to use not only explanatory research design but also exploratory research design combining them into a case study. Also, it is a reason for further research.

The second limitation links to access to people and certain documents. There is a great challenge in Ukraine to connect with people from the government because of: busyness and tight schedules; isolation and unwillingness to communicate with the public; long procedure of meetings confirmation; the complexity of the process of getting into contact with the authorities. This is a reason why I consider that five respondents are my personal victory. I was able to find a way to get them interested to participate in the interview. I would like to note that all the respondents were really disposed to give me qualitative information and to describe the situation regarding the PPP in Ukraine as clearly as possible.

The third limitation was difficulties with the translation because all of the interviews were conducted in Russian or Ukrainian. The perception is not always accurate. Despite the fact that the transcripts of the interviews were sent to the interviewees with the aim to clarify the validity of the information, a reader's perception may be distorted due to the versatility of the English language.

EMPIRICAL PART

In this chapter I present my empirical findings, based on interviews with people who are directly related to PPP in Ukraine and secondary data such as project documentation, published literature, official publications (EBRD; EPEC; EU; IFC; MEDT; OECD; WB) that are related to the topic, such as reports, standards, laws, etc.

I want to note in advance that, for points 4.1 and 4.2, the secondary data were mainly used to provide a general idea of PPP in Ukraine. Then, in all subsequent points, primary data plays a key role accompanied by secondary data to provide first-hand data and emphasize specific points so that the reader has a clear picture of how PPP actually develops in Ukraine.

4.1 PPP in the Ukrainian context

PPP in Ukraine is a system of relations between public and private partners, in the implementation of which the resources of both partners are combined with appropriate allocation of risks, responsibilities and rewards (reimbursements) between them, for the mutually beneficial cooperation on a long-term basis in the creation of new or modernization of existing facilities, which require investment attraction, and use of such facilities. The purpose of the spreading PPP is to increase competitiveness and attract investment in the Ukrainian economy and improve the provision of public services to the citizens. In Ukraine, the PPP is still a fairly new phenomenon and is in a state of initial development, which first appeared in Ukraine in 2010.

Over the past year, interest in PPP in Ukraine has increased significantly from both the public sector and the private sector. Long before that, there was already a Concession Law (1999), so the practice of cooperation between public and private sectors can be called significant, if the fact can be ignored that the terms of cooperation between these laws (the PPP Law and the Concession Law) are different. This chapter provide relevant information about policy, legal and institutional frameworks focusing on financial aspects and other important PPP actors in Ukraine. The figure 5 shows the milestones of evolution in Ukraine legislation between 1999 and 2019.

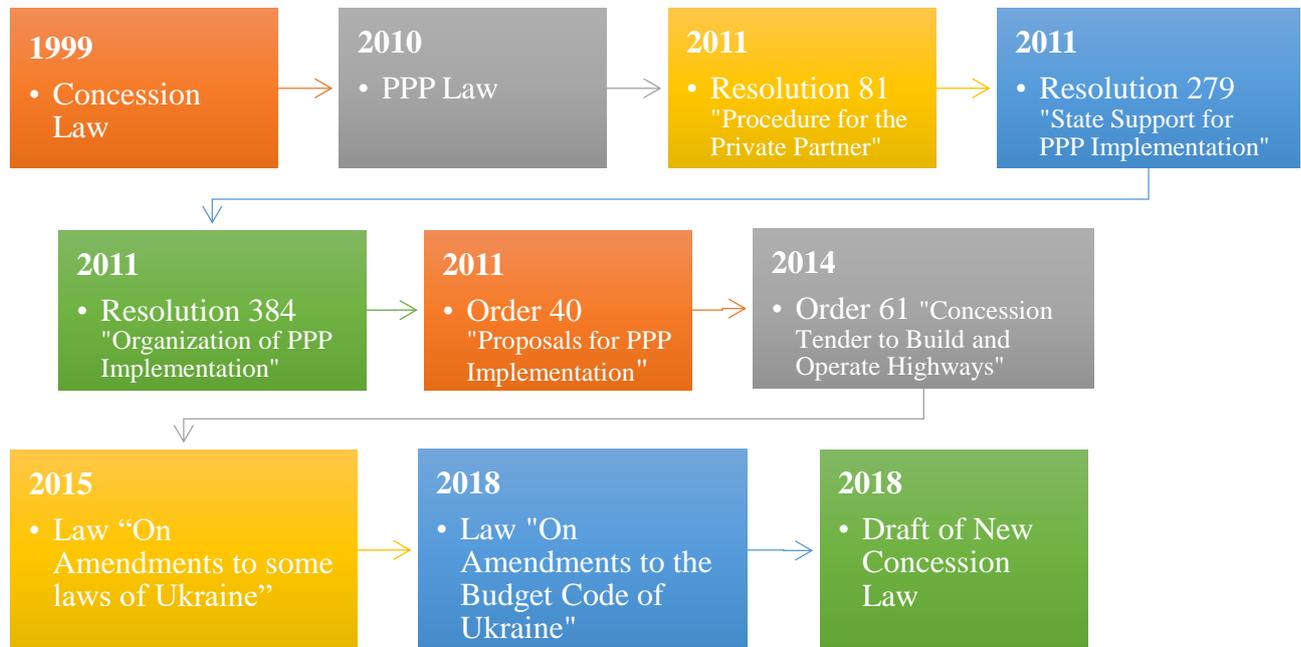


Figure 5. Timeline of legal framework on PPP in Ukraine (1999-2019)

The main purpose of resolutions and orders of PPP is to provide clarifications to legislation with the aim of better understanding the key peculiarities of PPP in Ukraine. Nevertheless, each of interviewees emphasized that there are many regulatory legal acts except PPP Law and Concession Law govern PPP implementation which can cause misunderstanding and uncertainty in some way.

4.2 Policy of public-private partnership in Ukraine

In fact, the discussion on the creation of PPP in Ukraine began long before the adoption of the PPP Law. The need for privately funded projects creates an opportunity to reduce the amount of public funds allocated for providing public services. They also allow to transfer to the private sector a number of risks that would otherwise remain on the side of the state.

Modernization of the industrial infrastructure built by the Soviet Union, large projects for the construction of motor roads and railways, ports, airports, energy and utilities systems as well as healthcare and education in Ukraine is possible only with the involvement of domestic and international capital on the basis of PPP. Additionally, it is a good opportunity to solve the problem with lacking of budget funds following rational and also well-tested international practice

According to Ministry of Infrastructure of Ukraine, PPP is defined as key mechanisms for modernization of Ukraine's economic policy, solving major social and economic issues.

Moreover, the PPP is considered as a constructive cooperation between the public sector, private sector and civil institutions in the economic, political, social, humanitarian and other spheres of social activity for the implementation of socially significant projects on the basis of the priority of the interests of the state, its political support, consolidation resources of the parties, effective allocation of risks between them, equality and transparency of relations to ensure the progressive development of society (Kvitka, 2018; Sabetska, 2018; Zapatrina 2018.).

In Ukraine, as in most other countries, the main features of the PPP, distinguishing its projects from other forms of public authority and private business, are as follows:

- sufficiently long terms of partnership agreements (from 10 to 50 years). Usually created for a specific object (port, road, object of social infrastructure, etc.), which should be completed by a certain period;
- specific forms of project financing: at the expense of private investments supplemented by state financial resources or joint investment of several participants;
- the implementation of partnerships in a competitive environment, when for each contract or concession there is a competitive struggle between several potential participants;
- specific forms of responsibility distribution between partners: the state or local government establishes the project goals from the standpoint of the interests of society and determines the cost and quality parameters, monitors the implementation of the projects, and the private partner undertakes operational activities at different stages of the project - development, financing, construction and operation, management, sale of services to consumers;
- allocation of risks between the parties to the agreement on the basis of appropriate agreements between the parties.

The priority areas that require the involvement of PPP (Izmaylov & Yegorova, 2019):

1. Infrastructure development (this primarily concerns the system of highways, railways, electricity, gas, heat, water supply and wastewater systems, utilization of domestic and industrial waste).

2. Transfer to the private sector of the implementation of public services, for which the population is most dissatisfied (issuance of various kinds of certificates, registration of subsidies, management of medical institutions, education, culture and sports, etc.).

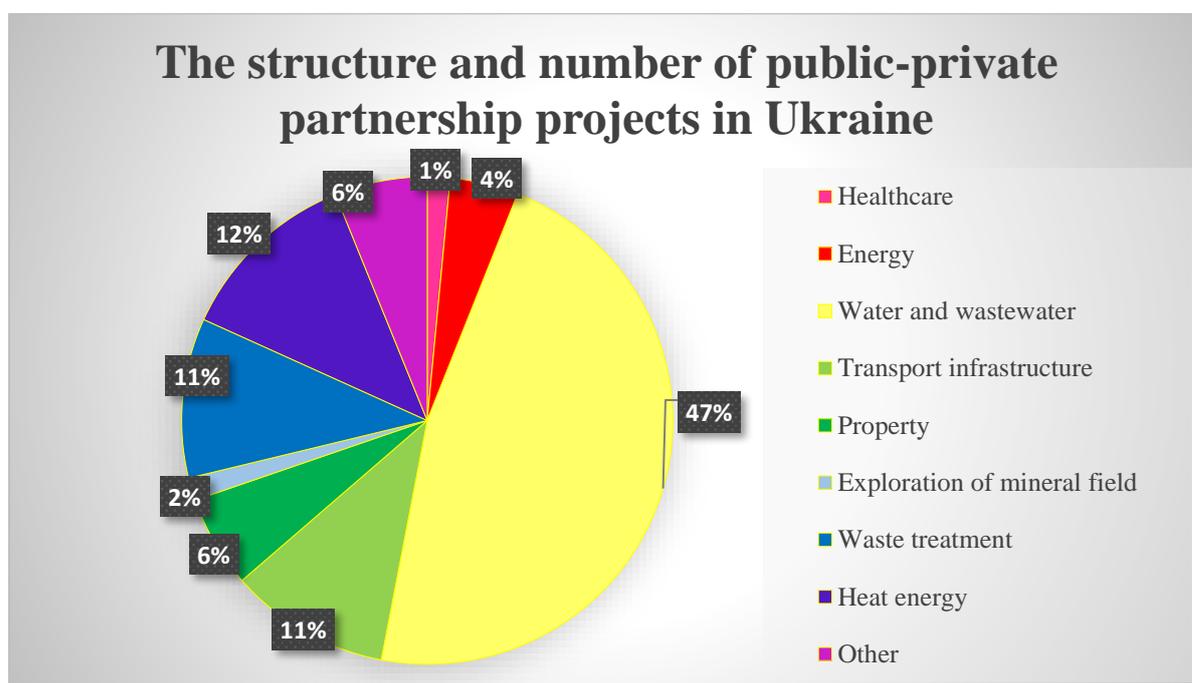


Figure 6. The structure of public-private partnership projects in Ukraine (MEDT; 2019)

The Ukrainian practice shows that the PPP is used in those spheres for which the state is responsible for (transport, energy communication and social infrastructure). The state is also responsible for health care and education, but PPP in Ukraine in these spheres is not yet developed. This is evidenced by the figure made according to official MEDT data (2019).

There is a good opportunity for the development of PPP in health care with a look at the new medical reform⁶ (Interviewee 3). The basic idea of medical reform is that the money goes for the patient. In other words, if a patient goes to a certain hospital, then money from the state budget is transferred to this hospital. This means that by managing this hospital, a private investor will equip the hospital and improve the quality of services in order to attract as many patients as possible and, as a result, increase a level of reward.

It would also be sensible to develop PPP in the scientific, technical and innovation spheres. This would have a significant effect on GDP growth, but the state does not consider these spheres of primary importance. Thus, it requires initiative on the part of the private sector and the demand for the development of these spheres for the population.

4.3 Legal framework of the public-private partnership in Ukraine

Interpretation of Ukraine PPP Law No. 2404-VI dated July 1, 2010, the PPP is defined as a partnership between the state of Ukraine, territorial communities represented by the relevant state authorities, local governments (public partners) and legal entities, except state and municipal enterprises, or individual entrepreneurs (private partners), which is carried out on a contract basis in accordance with the procedure established by this Law and other regulations.

In this case Interviewee 1 said: *“I wanted to say that the definitions of PPP in the Law of Ukraine, as in other countries, were identical. A completely different question is that the understanding of a PPP by different people not the same, since many simply did not delve into the essence of the definition”*. However, this expression was supported by other interviewees.

Another a crucial fact is that the Law on PPP does not contain an exhaustive list of PPP models. Nevertheless, Article 5 of the Law on PPP establishes the forms of implementation of PPP, which include the following:

⁶ Law No. 6327 “On state financial guarantees for the provision of medical services and medicines”

- 1) a concession agreement;
- 2) a property management contract;
- 3) an agreement on joint activities;
- 4) other contracts.

The proposed list is not exhaustive, does not preclude the use of other actors and models relating to the «other contracts», taking into account the general requirements of the Law on PPP. In addition, within the framework of a PPP so-called mixed contracts may be concluded, that is about cases when a contract concluded under a PPP may contain elements of various contracts (for example, this situation may arise in the case of an integrated project with several public partners if there is transfer of the main object to the concession and related objects - for rent). In this case, the relation of initiating a PPP, preparing for the conclusion of a contract and choosing a private partner is governed by the general rules of the Law on PPP.

At the same time, there are possible reverse cases where the contract, which is potentially a form of PPP (concession, property management, joint investment etc.), is not in accordance with the rules of PPP, that is, without taking into account the special procedure provided for by the Law on PPP.

Under such conditions, the guarantees provided by the Law on PPP do not apply to the relevant agreements concluded without taking it into account, and the procedure for entering into such agreements is regulated by the relevant legislation without any specifics. Such agreements are inherently a form of private sector participation in the development of infrastructure, but such projects are not subject to the provisions of the PPP Law, therefore the use of such models may not be appropriate.

In Ukraine, PPP is governed by two main laws: The Law on PPP and the Concession Law. There are many debates on these laws, since to a certain extent they contradict each other. According to the Interviewees 1, 3 "*Concessions, this is a completely different kind of cooperation between the public and private sectors, while PPP is a partnership for evenly distributed responsibility and risks for prolonging a long period.*" There is a lot of disagreement regarding the compatibility of the

Concession Law and the Law on PPP. In order to manage the issues, it has decided to create a new Concession Law.

According to my interviewees the adoption of the new Concession Law will provide an opportunity:

- the possibility of applying concessions in any field of economic activity at both national and local levels,
- a transparent procedure of initiating and making a decision concerning a concession and the choice of a concessionaire,
- the ability to replace an inefficient private partner;
- the creation of favorable conditions for attraction of bank financing,
- the simplification of land allocation procedures for concession projects and clear regulation of ownership of a concession facility,
- a clear definition of the rights and obligations of the parties and control over the execution by the state.

This is a positive signal for potential interaction between business and authorities in the direction of implementation of important projects for Ukraine (Interviewees).

4.4 Processes and institutional responsibilities in Ukraine

Organization and implementation processes of the PPP project are presented in a sequence of stages: proposals for the implementation of the PPP, analysis of the effectiveness of the PPP, the justification of the socio-economic and environmental impacts of PPP, and the decision to implement the PPP; determination of a private partner, entering into a PPP agreement with the winner of the competition (figure 7).

Even though there are six stages that a PPP project must go through before the start of implementation, these stages take about two years in total.

Behind the words of interviewees, the projects can lose their values and interest from the private sector during this time. Also, interviewees emphasize that few projects reach the third stage already because these first two stages take the most part of the time and more expensive than others. By the third stage, a private investor no longer takes a strong initiative, and often, they no longer have an interest in looking for money to finance the project.

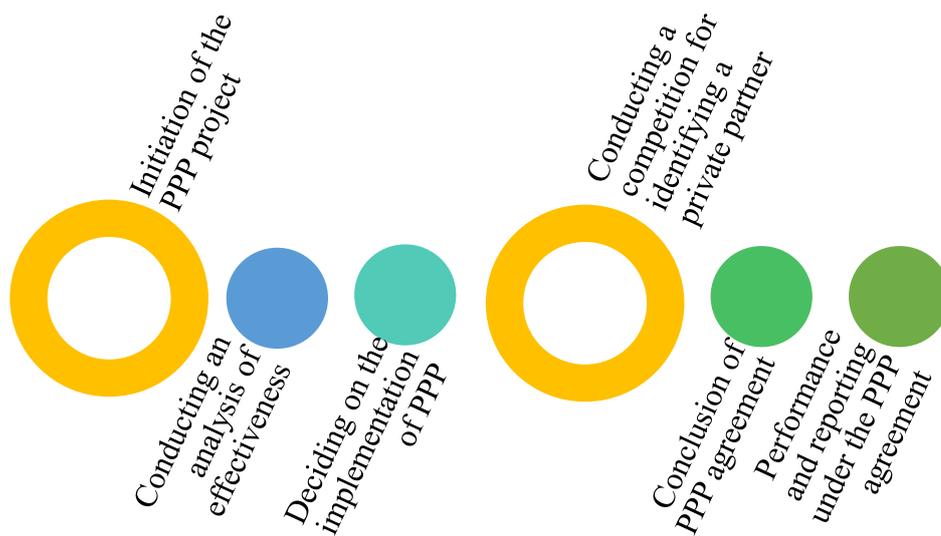


Figure 7. The six stages of a PPP project (Matviishyn & Fabryka, 2014).

According to interviewee 4, *"both the public sector and the private sector can initiate a project in Ukraine."* The interviewee 1 emphasized: *"Often the public sector does not understand and does not accept the private sector. Offers that come from the private sector are considered for a very long time, as a result, become irrelevant. Due to the fact that the public sector often compares PPP with public procurement since there is no experience in implementing PPP. This greatly interferes with the private sector."*

There is a relevance of expression by Interviewee 6 *"One of the reasons is that PPP in Ukraine does not always guarantee the maintaining its funds by a private business, there are risks of non-profitability. The PPP projects are designed for a fairly long period of time, given the peculiarities of doing business in our country are not very interesting, private investors, seek to get projects shorter, with a more obvious level of income."*

Interviewee 3 determined that there were risks for a private investor, *"despite the fact that spending to feasibility study must come from the state budget, most often it is a burden is carried by the investor, who wants to enter the PPP. He risks, because then there is a competition of these projects, where he can lose."*

The central executive authority, which ensures the formation and implementation of public policy in the field of PPP, is determined by the Ministry of Economic

Development and Trade of Ukraine. The legislation stipulates that their direct responsibilities include:

- methodological support for the verification of the implementation of contracts concluded within the framework of PPP;
- conducting informative and explanatory and consulting work within its powers;
- participation in training and professional development of specialists in the field of PPP.

4.5 Financial aspects

As distinguished by the law of Ukraine, financing of PPP can be carried out at the expense of:

- ✓ financial resources of a private partner;
- ✓ financial resources borrowed in accordance with the established procedure;
- ✓ funds of state and local budgets;
- ✓ other sources not prohibited by law.

In turn, the government provides guarantees from the initial stage as proposed by the law of Ukraine, which at first glance may be quite attractive for private investors and for foreign investors (Interviewees).

For example, there is a compensation for losses (for preparing a PPP proposal; if not the initiator of the project, but another investor wins) for a private investor in the event of a loss in the competition, there is a compensation in the amount of 2.5% of the cost of the entire PPP project (Interviewees 1).

In practical terms, financing is completely dependent on the private investor. As stated by the interviewees 1, 3, 5, the government is not interested in a way how a private investor finds money, this is his primary task in partnership then bearing risks of the project. Interviewee 4 clarified that *"in fact the choice of a private investor occurs according to the size of his wallet, it's enough just to write on a piece of paper how much you are willing to invest and to become a winner of the competition. This is not correct. "If the standard of choosing a partner is based only on this criterion, then the project is doomed to failure in advance"* - emphasizes the interviewee 2.

Interviewees 4, 5 stated that international organizations and banks, such as Eurasian Development Bank (EDB) are actively involved, EBRD, IFC, EIB, UN Economic Commission for Europe (ECE), PPIAF, WB are interested to assist investors and Ukraine in implementing PPP projects. In addition, they ensure private investors against such risks as changing the representative of the public sector or non-compliance with the terms of the contract of one of the parties.

4.6 Other actors

The financial management of PPP in Ukraine is decentralized and performed by various ministries and departments. At the same time, different executive authorities try to pursue their own legal policy on the regulation of relations in PPP. However, the organization and maintenance of unified state policy in the field of PPP by the Decree of the President dated 31.05.2011 № 634/2011 is entrusted to the Ministry of Economic Development and Trade.

Interviewees: *“The public sector is not interested in implementing projects due to lack of knowledge, experience, and fear of the responsibility (they are afraid to make decisions that no one has taken before). They have no need to ensure the implementation of PPP.”*

It is a significant fact is that all the interviewees agreed there is the complexity of the legislative framework. In other words, it is necessary to hire a qualified specialist who accompanies the entire process of implementing and operating a PPP in the case of the absence of the PPP unit. According to the interviewee 1, *“this was the reason for the emergence of the idea of the PPP Support Agency which will begin action in autumn 2019 and will provide highly qualified assistance on the basis of the whole life cycle of the PPP.”* Interviewee 5 emphasized *“also, in Ukraine at the level of municipalities, it is necessary to consider setting up centers that will specialize in PPP issues, involving qualified specialists, including international ones, and will help in particular the executive authorities to prepare quality projects.”*

Additionally, all of them coincide in the opinion that the involvement of one or two world-renowned private-sector operators to implement PPP projects, in particular

infrastructure and healthcare, will serve as a basis for Ukraine's comprehensive approach to PPP development and will serve as a signal for further successful implementation of PPP projects in Ukraine, in particular by attracting skilled, reliable international partners.

In Ukraine, a number of PPP projects were initiated (according to the MEDT as of 01.01.2019, 189 projects), most of which are in the form of a concession, but the percentage of their successful implementation is rather low, in particular due to the high-level damages.

According to the central and local executive authorities in Ukraine, as of January 1, 2019, 189 contracts were concluded on the basis of PPP (figure 8), of which 58 are being implemented (42 concession agreements, 15 joint activity agreements, 1 PPP agreement), 131 agreements are not implemented (4 the contract is expired, 14 contracts are terminated, 113 contracts are not executed).

Despite the fact that there is a perception of an imperfect institutional base for PPPs and huge range of obstacles to creation, the uncertainty of the public sector and the indecisiveness of the private sector, in practice 3 infrastructure projects: 1 – bridge («Energy Bridge Ukraine - EU»); 2 – seaports («Olvia» and «Kherson») are broadcasted that have passed successfully through all stages of preparation and are currently in the final phase of signing an agreement in Ukraine over the last year.

Detailed information about these projects was provided by interviewees 2, 4 (bridge) and interviewees 4, 5 (ports). In both cases the interviewees stated there are no problems with legislation there are some uncertainties, but it is possible to find a way to circumvent them, such as specified in the contract in more detail the responsibility areas of each of the parties. It is more challenging to position the population positively towards the idea of privatization (PPP is still perceived as privatization in Ukraine), to convey to citizens clear and relevant information about PPP, as well as to find high-quality specialists or people who are ready to study and follow the instructions on the development of PPP.

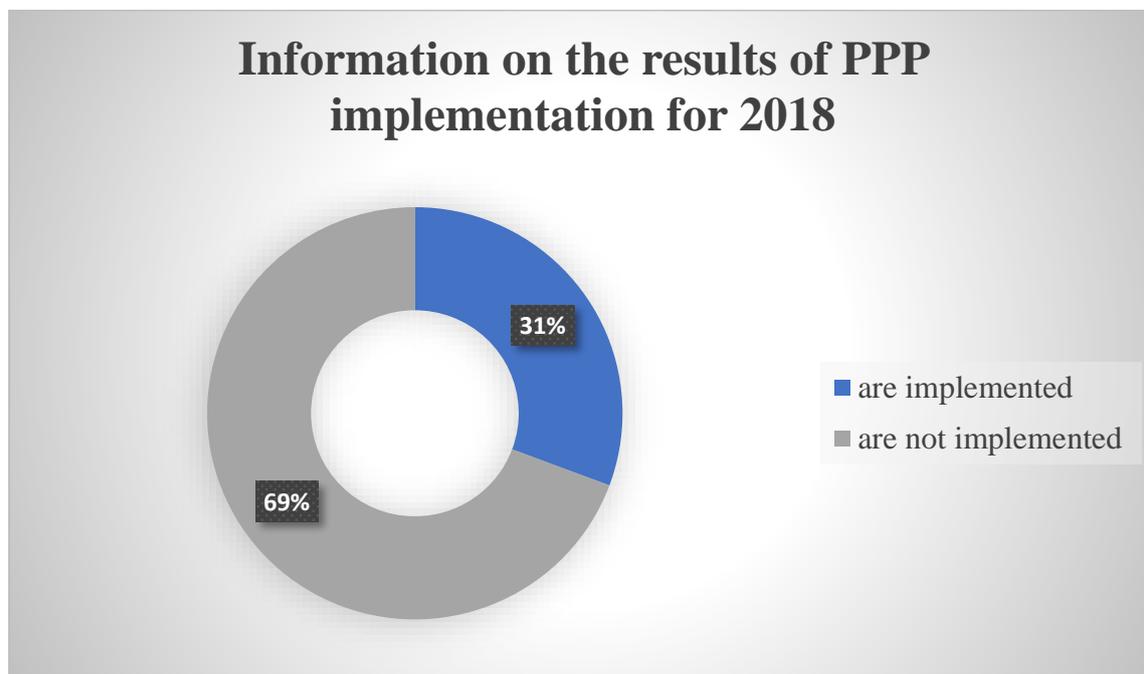


Figure 8. Information on the results of PPP implementation for 2018 (MEDT, 2019)

Also, a distinctive feature of these projects is that they received government support in the first case due to the great interest and involvement of a private investor, in the case thanks to the support of the EBRD and IFC. As they stressed, the state is especially interested in completing these projects because otherwise they will have to return the entire amount spent to the EBRD.

4.7 Risks of PPP in Ukraine

From the point of view of effective PPP, risks should be passed on to a party that is in a position to better control them. In practice, risks are transferred to the private sector and are funded by the government, which pays for the infrastructure in the longer term (Strukova, 2013).

“One of the benefits of PPP is that risks are distributed among partners, depending on who can manage those or other risks. If the risk is political or legislative it is carried by the public sector, commercial risks burden private investor. Most of the risks are transferred to the private investor then they receive a remuneration. However, each project has its own risks and they are long-term, so the funds are returned 10, 15 years but risks should be acceptable to each of the parties.” – Interviewee 5.

Many researchers identify such a number of risks inherent in the process of introducing PPP in Ukraine (Matviishyn & Fabryka, 2014; Levochkin, 2016; Kvitka, 2018; Sabetska, 2018; Zapatrina 2018):

- (1) the creation of long-term financial obligations of the state;
- (2) the potentially high risk of significant government spending in the event of a termination of the PPP contract;
- (3) macroeconomic risk;
- (4) the significant duration of the implementation of PPP projects and the inability to take into account all risks, in particular the cyclical nature of crisis, when concluding a PPP contract;
- (5) high costs at the stage of project preparation (costs for developing a feasibility study, paying consultants, lawyers, holding a tender and concluding an agreement);
- (6) the time lag between project implementation and the ability of the budget to finance its implementation;
- (7) lack of experience in implementing PPP projects, lack of specialists of a sufficiently high level, in particular from the public partner;
- (8) political risk.

Most of these risks were noted by all of the interviewees but the most frequently mentioned risks were: (1) political risk, which is accompanied by frequent changes in the representatives of the public sector; the war in the east of Ukraine; lack of state support; bureaucracy; corruption; (2) high costs at the stage of project preparation (costs for developing a feasibility study, paying consultants, lawyers, holding a tender and concluding an agreement); (3) lack of experience in implementing PPP projects, lack of specialists of a sufficiently high level, in particular from the public partner; and, (4) macroeconomic risk, which directly affects the cost of the project due to the high level of inflation, currency depreciation, a large proportion of the shadow economy and the growing trend of population migration.

Apart from this, interviewees stressed the fact that the implementation of PPPs can be accompanied by high corruption components deserves special attention: (1)

corruption and the criminalization of power structures; (2) the opacity of the public procurement mechanism; (3) non-compliance with the system for monitoring compliance with obligations; (4) the distrust of the private sector to the possibilities of effective and productive cooperation between the state and business, and the like.

The interviewee 6 colorfully expressed her opinion in this regard *"PPP projects implemented in Ukraine are not an isolated form, they are closely intertwined with the existing business, regulatory, and cultural environment in the country. Participation of the state, as a partner, with certain risks for business, is characteristic of work with public authorities in general. In fact, the state has a significant impact on the activities of the private sector, both as a partner and as a regulator. Therefore, the issue of corruption and bureaucracy will always play an important role in the development of the PPP."*

Thus, to prevent or reduce these risks, transparency of relevant procedures and risk analysis are necessary both at the stage of concluding contracts and at the stages of implementing specific projects on the basis of PPP.

ANALYSIS AND DISCUSSION

In this chapter I analyze my findings and provide answers to the questions about the main challenges and risks of the implementation of PPP projects and possible ways to address them in Ukraine. Using SWOT-analysis I stress the major discoveries that I found during my research concerning strengths, weaknesses, opportunities, and threats related to PPP in Ukraine. Then, I distinguish the effective directions of activating PPP in a developing country such as Ukraine. Finally, I conclude this chapter with the major obstacles of PPP spreading in Ukraine.

5.1. “How has PPP developed in Ukraine over the last two decades?”

An application of the PPP has some bottlenecks which arise from a conceptual, methodological and practical plan. For instance, such bottlenecks as the duration of the contract (concessions for 5-50 years, PPP for 10-50 years), the difference in the rules of the competition and the choice of a private partner, the contradictions in the obligations of each of the parties, etc. This complicates PPP implementation at the national and regional levels.

In particular, this relates to the first two stages of the formation and selection of PPP projects named «Proposals for the implementation of PPP» and feasibility study. As practice shows, the biggest problem arises at the stage of consideration of the proposal and feasibility study. These two stages the most time-consuming and significantly slow down the process of PPP implementation because of government procrastination. That leads to a risk of loss of interest from a private investor or the risk of irrelevance of this public service for citizens and users. In the result it leads to the fact that the PPP market in Ukraine is rather underdeveloped.

To support this statement from the empirical part it follows that only one third of 189 projects are being implemented and most of them are in the form of concessions. I hold the opinion that it is necessary to give increased attention to the analysis of the effectiveness of PPPs, to determine the feasibility of projects, reliable sources of return on investment taking into account the maximum permissible level for a private partner but it should be operatively.

For example, considering alternative forms of PPP (concession, BOT, etc.), other ways of project implementation it is a necessity to have a clear image of the peculiarities of the market functioning of a particular industry that considers the likelihood of using PPPs.

Working through the issues of the application of PPP mechanisms, for example, in the form of a concession, in the field of highways and public utilities, it is necessary to identify the main reason that prompts to consider the issue of attracting a private partner, to clearly understand the return on investment.

Thus, taking into account the priority of ensuring effective management of these areas, low incomes of the population, which, if a concession agreement is concluded in these areas, will ensure the return of investments by a private partner, should not consider a concession, but other ways of project implementation: BOT, attracting credit resources under warranty, etc.

Furthermore, many scientists state policies and legislation are not at the proper level of development, therefore in their works they mainly focused on introducing amendments to the law or creating a single law of PPP with specific explanations (Matviishyn & Fabryka, 2014; Levochkin, 2016; Kvitka, 2018). On the basis of the data collected in the study, it is possible to affirm that this is indeed the case, but this is not the main challenge, with the existing legislation can be created PPPs (All interviewees).

More crucial challenges on the way of creating PPP are the following: (1) the main lack of progress of PPP is a lack of knowledge and experience, which leads to project failures in Ukraine, to remove this obstacle, it is necessary to involve foreign qualified specialists and professionals in PPP, who are not only ready but they also desire to make an intellectual contribution to the development of PPP. It should be noted that the development of PPP in Ukraine is of particular value for the EU countries, and as a result, the impact on the microeconomic and macroeconomic indicators of the country; (2) fear of insecurity on the part of a private investor, since there is a high probability of non-fulfillment of obligations on the part of the public sector or cancellation of an agreement when changing a representative of the public

sector, there is no guarantee and this risk is not covered without the involvement of external international organizations.

There are also a number of following challenges, that have a significant influence on PPP, accompanied by possible ways to address them are distinguished in table 9.

Table 9. The main challenges and risks of the implementation of PPP projects and possible ways to address them.

Regulatory framework	Institutional factors	Financial & macroeconomic conditions
Challenges and risks for public and private sectors:		
1. inconsistency between the regulatory acts governing PPP in Ukraine; 2. unfavorable tax conditions; 3. unpredictability in the legislation of real guarantees from the state; 4. lack of methodology for regulating PPP; 5. lack of long-term budget planning (planning just per year); 6. the risk of changes in government representatives; 7. lack of responsibility of the official who concluded the PPP agreement.	1. political instability; 2. private sector distrust of the state; 3. inconsistency of actions of the authorities; 4. lack of management skills in the formation, control of PPP projects; 5. lack of qualified specialists in PPP; 6. bureaucracy; 7. corruption.	1. low level of solvency of society; 2. lack of resources to participate in joint projects; 3. unprofitability of some projects leads to the loss of the attractiveness of PPP projects for a private investor; 4. unfavorable investment climate also affects the interest of private investor in PPP projects
Possible ways to address:		
1. develop a system of guarantees from the state; 2. harmonize regulations; 3. identify compensation mechanisms for a private partner; 4. introduce a system of responsibility for decision-making (for officials); 5. set a deadline for making an operational decision; 6. adequate choice of a private partner (not only according to financial ability)	1. create a methodological framework for the implementation of PPP; 2. coordinate the activities of the authorities responsible for attraction of investments; 3. improve budget planning practices; 4. achieving democracy; 5. education of ethics and tolerance among the population; 6. Creation of a PPP unit and a reward system for the successful implementation and management of the project in the long term (percentage of the project or monthly payment).	1. develop a system of exemptions for a private investor; 2. allocate funds in the budget to provide guarantees; 3. contribute to increasing the solvency of the population; 4. compensation for loss and damage to a private investor.

Source: developed by author⁷.

⁷ With accordance to Filipova (2015), Strukova (2013) and interviewees.

I can state that undertaking to provide methodological support for the development of PPP, developing methodological materials for preparing and supporting projects, software products for calculating project performance indicators (NPV, payback, internal rate of return, etc.), unified reporting forms, standardized forms paper interaction between public partner and private partner during the execution of public-partnership partnership contracts make possible to speed up the operation decision listed above challenges.

Given PPP relevance in the world, the government understands the importance of creation right conditions for speeding PPP in Ukraine. They have already taken some decisions for improving situation such as a decision was made in 2018 to adopt a new Concession Law (still in development) or to establish PPP Agency (scheduled to start in the autumn) and they continue to work out on it.

Many have great expectations from the innovation of the Concessions Law, which will resolve all the bottlenecks of the previous Concession Law and contradictions with the PPP Law. Among them there are the following, the term of the project can be from 3 to 50 years and guarantees are provided to the private investor in the form of immunity to any changes in the legislation (stabilization provision), the possibility of applying arbitration (including international) for the settlement of commercial disputes. Also, according to the law, the licenses and permit documents are passed on from the state to a private investor.

Also important is the creation of a PPP Agency, which will provide professional assistance, on the way to create a PPP and will advise at any phase of the project life cycle.

From the above it follows that the development of PPP in Ukraine, in particular, depends on the level of economic development, living standards and solvency of the population.

In my opinion, a PPP in Ukraine will be based on success stories that will serve for potential investors as confirmation of a stable legislative and regulatory field and the reliability of a public partner.

To sum up everything above I can state that the PPP projects can be implemented successfully under the existing policy. Even though, there are some uncertainties and ambiguity of the legal framework, they don't play a key role in PPP implementation.

However, there is a need to improve the legislative framework because these uncertainties are difficulties for many private investors in the way of PPPs due to a lack of understanding of some specific points. Nevertheless, projects can be successfully implemented even with the existing legislative base. The main point here is the lack of experience and knowledge.

PPP is a kind of «family» with the common goal of providing quality services, but each side still continues to act with their egoistic sides. The state focuses on the financial ability of a private investor while a private investor seeks commercial benefits. In other words, a government representative chooses the partner who pays the most.

From this it follows that it is important to expand knowledge of PPPs because the idea of this partnership is aimed at ensuring that each of the parties remains in a winning position, regardless of their position. Science plays an important role here, as a way of expanding knowledge and educating experts in PPP (I reveal it below).

I suppose that when expanding the expert base and expanding knowledge, it will be possible to minimize risks, avoid misunderstandings between the main stakeholders, quickly and efficiently overcome many challenges on the way of implementing PPPs, as well as maximize the benefits of this partnership and realize all the opportunities it brings.

5.2 “How do public and private sector actors see strength, weaknesses, opportunities and threats of PPP in Ukraine?”

In this study, the SWOT analysis makes it possible to assess the PPP market in Ukraine. In other words, the SWOT analysis shows the necessity and importance of PPP, both from the inside and from the outside, taking into account weak points and risks. Using the SWOT analysis, it becomes possible to create a balanced strategy for the spread of PPP in developed countries. Figure 9 demonstrates the strengths and

weaknesses of the implementation of PPP in the internal environment in Ukraine, as well as the opportunities and risks from the external environment.

Internal Factors	
<p style="text-align: center; font-size: 2em; font-weight: bold; color: white;">S</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: 2em; font-weight: bold; color: white;">P O S I T I V E</p> <ol style="list-style-type: none"> 1. Low labor costs compared to even Eastern European countries; 2. The relatively low cost of resources in the result the investments provides a higher level of profitability compared with activities in other countries; 3. Creation of the PPP Agency for the implementation of projects to support and effectively implement the PPP projects; 4. Support (financial, technical, intellectual) by international organizations; 5. Advantageous geographical position at the intersection international trade corridors, substantial transit potential; 6. The existence of a flexible PPP mechanism that allows for consideration of different models of project implementation, both in terms of funding structure and in terms of risk sharing between partners 	<p style="text-align: center; font-size: 2em; font-weight: bold; color: white;">W</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: 2em; font-weight: bold; color: white;">N e g a t i v e</p> <ol style="list-style-type: none"> 1. Unstable political situation: military actions on the east of Ukraine, sanctions from Russia, a change of the Parliament; 2. Frequent change of public policy and legislative framework, which makes planning difficult; 3. Unstable economic situation, high level of inflation and people's weak purchasing power; 4. Lack of qualified specialists in the field of PPP implementation; 5. The need for significant investments in modernization policy and the resource constraints in the state budget; 6. Ambiguity in procedures of implementing PPP projects and lack of clear criteria for their application, contradictions in legislative framework; 7. Absence of accounting-related base (IPSAS).
<p style="text-align: center; font-size: 2em; font-weight: bold; color: white;">O</p> <ol style="list-style-type: none"> 1. New opportunities for private business participation in projects of strategic and social significance; 2. Available investment resources in the international capital market and investors' interest in emerging markets; 3. Improving the economic situation, business activity and the stable growth of Ukraine's GDP; 4. Positive perception of PPP by society and government in future; 5. Implementation of capital-intensive projects, socially important projects; 6. The possibility of attracting international experts with experience in the effective implementation and management of PPP; 7. Receiving credit facilities from international financial organizations and possibility to service the loan. 	<p style="text-align: center; font-size: 2em; font-weight: bold; color: white;">T</p> <ol style="list-style-type: none"> 1. Falling purchasing power of the population 2. Reassessment of financial capabilities of a private partner and the need to attract additional funding 3. Possible competition with alternative trade routes (EU, Asia) 3. The risk of project failure as a result of the partner's failure to implement the project 4. Corruption and bureaucracy 5. Unreliable investment protection guarantees, compensation losses and fulfillment of their obligations by the state in stipulated date.
External Factors	

Figure 9. SWOT-analysis of PPP

Following a balanced SWOT-analysis, it can be determined that PPP to a certain extent affects the improvement of the state of the economy. As there is an advancement in the investment climate and an increase in income through the creation of new workplaces, an increase in the value of assets and income from their use, attracting international experience and modern high-performance technologies. This allows to use the Ukrainian potential and an advantageous geographical location. And also, it

allows to reduce the operational costs for the public sector and establish competitive tariffs for the private sector.

On the other hand, there is a need to overcome certain shortcomings, including the high cost of projects, even for a private investor, the complexity and duration of the implementation of PPP projects, as well as a certain number of risks. Among them are market and financial risks, accompanied by political and social risks. For example, market factors affect the profitability of projects, the limited number of private partners affects the implementation of a really effective partnership, and a change in the social climate can lead to a project devaluation.

The PPP needs to be approached in terms of improving both the internal environment and the external environment of a country. Therefore, actions of all stakeholders must be transparent and clear. This should be observed at all stages of PPP projects from the initiation of PPP projects till the end.

However, special attention should be paid to the stages that can allow to assess the importance of the project and risks. For example, high-quality feasibility study. It allows to determine the significance of a particular project for the population, the feasibility of its creation in terms of costs and risk sharing, as well as provide a complete picture of the future benefits to all stakeholders.

Finally, cooperation between the public sector and the private sector helps to improve the economic, ecological and social environment in the country, and then increase the country's competitiveness in the market. The use of new technologies will make it possible to develop the economic potential of the country and take advantage of geographical position usefully. And the introduction of international practices will provide an opportunity to improve safety standards and improve environmental safety.

5.3 “What can be done in order to encourage the public sector, private sector and citizens/users to commit themselves to spreading PPP in Ukraine?”

The central issue addressed here is the effective PPP spreading. Thus, appropriate conditions should be created, the methodology for initiating PPP projects,

preparing and implementing them and adapted mechanisms widely used in the world should be worked out.

The central issue addressed here is the effective PPP spreading. Thus, appropriate conditions should be created, the methodology for initiating PPP projects, preparing and implementing them and adapted mechanisms widely used in the world should be worked out.

The central issue addressed here is the effective PPP spreading. Thus, appropriate conditions should be created, the methodology for initiating PPP projects, preparing and implementing them and adapted mechanisms widely used in the world should be worked out.

According to the interviewees and some researchers, if the lack of knowledge and experience of PPP implementation is the case in Ukraine, science will play an important role in these processes. In this way, science is a coverage of knowledge and experience which can provide systematic and predictable cooperation between a public sector and a private sector, ensuring the generation of new knowledge and the development of effective technologies, as well as an adequate quality of human capital, drawing public attention to the environment and health.

In other words, first of all the government should promote the science of PPP. Consequently, science can ensure the qualification and attentiveness of experts, accompany officials when adopting certain decision-making on PPP projects, private investors when introducing new high technologies, which forms the appropriate market for research and innovation, be a solid basis for participants throughout the project, etc.

Furthermore, there are a lot of other directions of activating PPP. These directions have different behaviour such as incentive, regulating and widespreading. The figure 10 shows the detailed distribution of these areas regarding their behaviour and consequently responds to the research question.

Without a doubt, it is necessary to create the regulatory framework for the PPP implementation, in particular, to establish clear and transparent tender procedures, make consistent the quality standards of services, and procedures for monitoring the activities of the private sector in this area. It is relevant to determine the model of an

effective system of motivation and control in the bodies responsible for the implementation of PPP by the state, the adaptation of the widely used PPP mechanisms in the world to the conditions of Ukraine, the development of the institutional environment in this area. It is worth exploring the potential for implementing projects based on PPP in Ukraine and their impact on macroeconomic indicators and improving the environment, analysing the economic and social feasibility of introducing budget support and tax incentives for PPP projects, assess the possibilities of the state budget to participate in financing relevant projects and determine optimal structure of financing projects depending on the scope of their application.

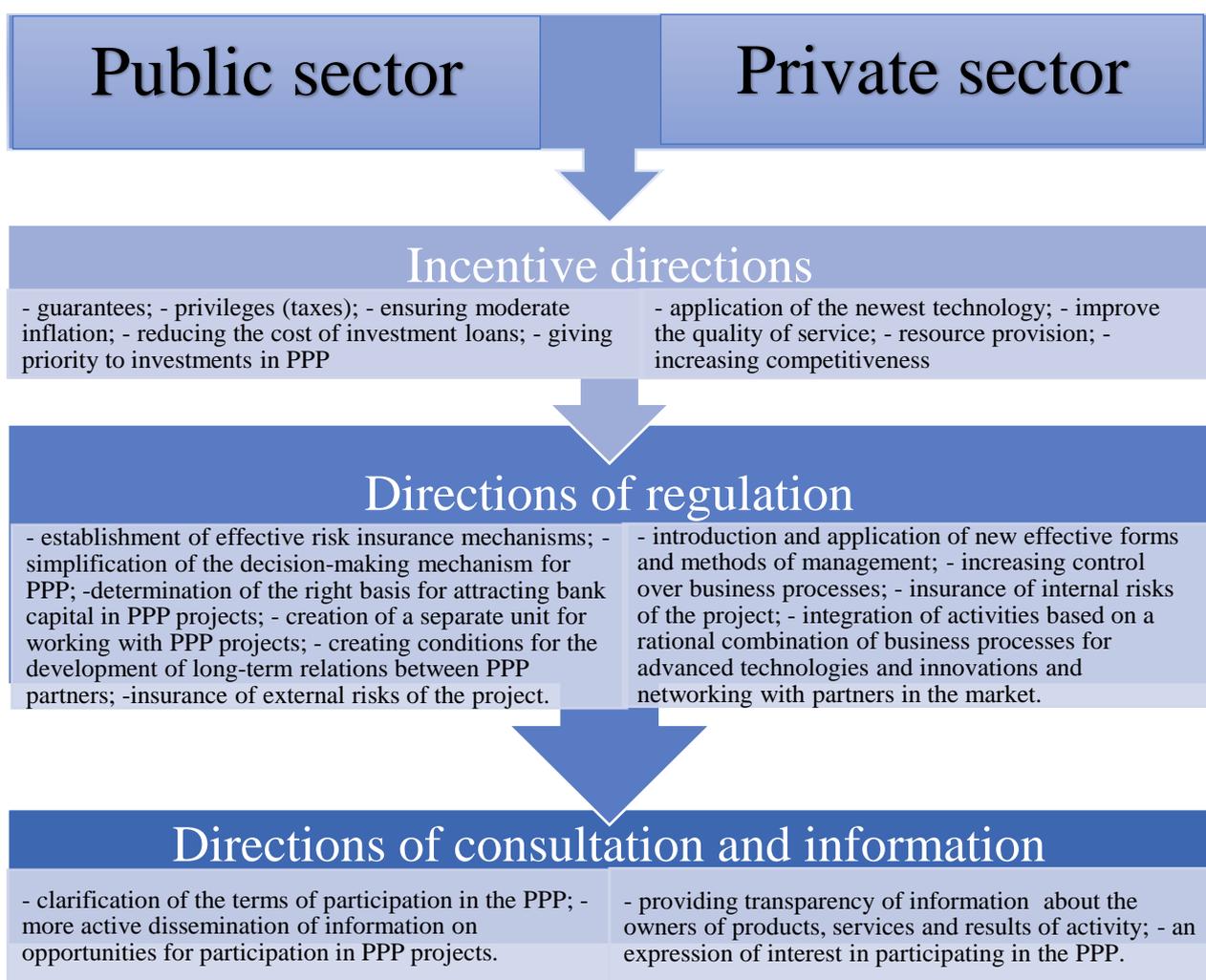


Figure 10. Directions of activating PPP in developing countries on the example of Ukraine

So, PPP can be activated successfully in developing countries if special attention is paid to the following issues:

- ✓ combining public and private property in the framework of significant investment projects based on profitability and repayment;
- ✓ aid, promotion and dissemination of knowledge about PPP;
- ✓ development of programs for the PPPs spreading in selected sectors of the economy;
- ✓ carrying out activities to increase trust between partners and develop a culture of cooperation between state and private partners;
- ✓ develop forms and methods of interaction between public and the private sectors;
- ✓ improving tax and customs policies, including tax and customs benefits for partners;
- ✓ government support for small and medium-sized businesses in the innovation sphere;
- ✓ formation in the country of elements of the institutional environment of PPP: financial and economic institutions that provide investment and private investment, independent organizations that carry out project expertise and consulting, management companies, associations, associations, foundations, etc.;
- ✓ training of specialists in the field of PPP and personnel investment managers;
- ✓ determination of financial relations between government and private partners.

It goes without saying that the set of these measures can contribute to the activization and development of PPP, not only in Ukraine but also in all developing countries. Consequently, this facilitates to accelerating the modernization of the economy at the national level. Additionally, the use of the proposed measures allows a private sector to increase investment activity and gain additional benefits. The effect for the state as a second partner consists in economic growth, improvement of macroeconomic indicators, regional and national competitiveness.

5.4 Obstacles of PPP spreading in Ukraine

Indeed, Ukraine has made significant progress in the development of PPP over the past year compared to previous years, but there are still certain obstacles that must be overcome to create a well-functioning PPP mechanism.

Serious obstacles to progress in this area are the lack of experience and qualifications that are inadequate in the economic situation and the system of state regulation of the government's expectation of PPP. It must be understood that it is important not only to attract financial resources but also intellectual potential, new technologies, skills and experience of a private partner.

In addition, there are widespread phenomena such as bureaucracy and corruption in Ukraine, which are a significant obstacle to the implementation of PPP. Corruption is an illegal way to redistribute wealth between economic agents, which leads to an inefficient allocation of resources. Through corruption, the private sector bribes a government official to provide an advantage that it does not have the right to: get a higher price for a service, job, product, or circumvent its competitors who can provide better quality at a reasonable price. That is, as a result, the cost of providing services will be higher than reasonable or their quality will be lower at the expense of users and taxpayers.

Possible preventive measures should exist to encourage prudent behavior of PPP participants by adopting a reputation policy that can guarantee the selection of reliable contractors, encouraging users to participate in public control through public hearings. In addition to administrative and economic measures, Ukraine should educate and promote zero tolerance for corruption, bring to the public the results of investigations and sentences by the courts against violators of the rules of the partnership between the state and business.

To reduce the risk of corruption, it is necessary to increase the level of procurement transparency from justifying the need to engage contractors in the operation of facilities and to ensure the performers with specified operational

characteristics and tariffs. Accordingly, such systems as the «ProZorro»⁸ website should be used and upgraded or additional sites with accurate and relevant content should be launched.

Another negative phenomenon is the bureaucracy, which is characterized by egoism among representatives of state power or representatives of a higher body, manifested in the dominance of their specific interests over the interests of certain social groups or society (Yakovenko, 2010).

Ukraine is recognized as an independent state, therefore the bureaucratic approach that existed during the Soviet Union should have been relegated to the background for a long time (Bodnarchuk, 2016). Despite this, practice shows the opposite, as in Ukraine and many other developing countries. In a sense, the cause of this problem is society itself because bureaucracy can be overcome only in a democratic way and by the unity of society, which unfortunately is not in Ukraine due to political situations (internal war in the east of Ukraine). In addition, monitoring of public opinion regarding the assessment of the work of public authorities, officials personally and prompt reaction from the authorities to the demands of society could be an effective mechanism for achieving democracy.

These are serious problems that require perseverance, systemic nature and take a long time to overcome them and only a tolerant and ethical society can win on this way.

⁸ «ProZorro» - the system was created on the initiative of public organizations, commercial sites, government agencies and entrepreneurs. The goal of the system is to make the process of using public funds transparent and efficient, and corruption schemes in public procurement impossible. ProZorro is used by government agencies, enterprises and organizations in accordance with the Law of Ukraine "On public procurement".

CONCLUSION, CONTRIBUTIONS AND IMPLICATIONS

6.1 Summary of the study

This study was conducted in to investigate peculiarities of spreading of PPPs in the context of a developing county, using example of Ukraine.

For a start, I discovered that the topic of PPP is quite trendy around the world but the significant difference between countries in the implementation of PPP prompted me to the idea of a deeper study of this issue. In the process of searching for current and accurate information, I realized that there is a contrast between well-developed countries and developing countries. It follows that, to begin with, I did a deep review of the literature on PPPs, where I got the essence of PPPs and why it is an effective mechanism for the provision of public services in collaboration between public sector and private sector.

Then I discovered that there are different forms of PPP agreements that vary in features and areas of responsibility for the public and private sectors. I also think that the issues of motivation for the public and private sectors deserve special attention, in other words, what benefits they can get in cooperation by concluding an agreement on PPP rather than separately. And what risks exist in world practice, the submitted risks give an overview and full understanding for which risks which side can be responsible, just as the reader can assume for himself how rational it would be to distribute these risks between the parties.

Reviewing well-developed countries and developing countries, I aimed to find similarities and differences in the practice of implementing PPPs. I was wondering what the cause of development in each of these countries was, what the key driving forces were, what the most common challenges in the taken countries were, so I studied the literature review in well-developed countries and in the developing countries having presented two separate sub-items. This helped me to determine the research model through the SWOT analysis and the conceptual framework I personally developed.

The presented empirical data describe the complete picture of the state of PPP in Ukraine, as in one of the developing countries. The unexpected finding for me was that the legislative base, although not complete, still allows for successful PPPs in Ukraine. Despite the fact that many researchers focus on the insufficiency of the legislative framework and its uncertainty, the main limitation on the spread of PPPs is the lack of experienced specialists and lack of knowledge in the public sector how to use certain PPP models without confusing PPP with public procurement or privatization. No less important is the lack of information for the population, who also perceive PPPs as privatization because they are negatively disposed to this kind of collaboration between public and private sectors.

6.2 Contributions

I believe that my research has a theoretical and practical contribution, and the main research results may be useful for other researchers and practitioners who are interested in expanding their knowledge of the spreading PPP in developing countries. As well, the results of the current study can be useful for understanding the key benefits of PPPs and the risks for both the public sector and the private sector. Also, I believe that the experience of Ukraine can serve as a good example in order to determine the value of PPP for the population concerning other developing countries where the market economy and democracy are relatively young as well.

The study, which is reported here, contributes to the literature on expanding our understanding and knowledge of the key benefits of PPPs and the risks for both the public sector and the private sector, as well as its importance to the population in the context of developing countries with particular emphasis on the context of Ukraine.

During my research, I discovered that there are five main components (policy, legal framework, processes and institutional responsibilities, financial aspects and other actors) that are necessary for the existence of a PPP and there are risks that in one degree or another affect the distribution of PPP in a particular country. Based on this, I built a conceptual framework that allowed me to analyse the PPP in Ukraine with its beneficial influence on the main stakeholders.

In addition, I applied the SWOT-analysis for PPP in the context of Ukraine, which made clear the weaknesses and strengths of PPP at the microeconomic level and the opportunities and threats at the macroeconomic level. I guess that this information will be useful for considering the opportunities and threats in the context of any developing country because the material presented potentially «opens» the eyes of stakeholders on the process of PPP implementation.

An unexpected moment for me was that the existence of a legislative framework is not mandatory for the spread of PPPs effectively. Indeed, the regulatory framework is required, but for successful implementation of PPPs, the availability of PPP specialists, initiative from a private investor and support from the state and the population are more important. I also want to note that the interconnection of the public sector, the private sector and the population form a synergy in which all processes are organized as a streamlined mechanism.

6.3 Limitation of the research

The concept of a PPP in developing countries is quite broad, many aspects depend on the unique environment of a particular country (legislative and regulatory framework, mentality, traditions and attitudes). Therefore, it is impossible to cover all the peculiarities of the spreading of PPP in developing countries and examine the issue from all points of view in the master's thesis. Thus, to avoid some potential misunderstandings and create the integrity of this work, I must define the following research constraint.

I concentrate my efforts on studying PPPs in developing countries in the context of Ukraine. The scale of implemented projects is small due to the slow development of PPP in Ukraine, so I was not able to study the PPP project from the inside. As my interviewees noted, it would have been difficult to write a master's thesis on this topic a year ago because of the lack of available information and the lack of relevance of this topic in the country.

Also, due to the difficulty of communicating with the government, I was not able to form a clear picture of their relation and view of the PPP.

Therefore, I want to note that the data presented are collected mainly from people with an objective point of view on the development of PPP in Ukraine.

6.4 Research opportunities and recommendations for further research

Public-private sector cooperation is an effective form of doing business and providing services to people all over the world (Quelin et al., 2017). This master's work shows that there has been a lot of research on the topic of PPP in various contexts, which shows that the development of PPP is a hot topic for many researchers.

Nevertheless, relatively few studies have been conducted regarding the spread of PPP in Ukraine. Basically, all the studies compared the world experience and the experience of Ukraine, and more precisely what lessons Ukraine could take for itself on the experience of other countries (Matviishyn & Fabryka, 2014; Kvitka, 2018; Sabetska, 2018; Zapatrina 2018; Knir, 2018).

I believe that there is a need to consider a certain country as one of the subjects suitable for general characteristics of the group. For example, Ukraine as one country from a group of developing countries.

First of all, this is useful because in such a group there is much in common, namely the standard of living, the level of economic potential, specialization in the world economy, the provision of fuel and energy resources, dependence on developed capitalist states, etc. And it also gives the opportunity to conduct similar research based on the general characteristics of the group and bring new knowledge.

The special point is that PPP in Ukraine began to actively develop only in recent years, so there are many interesting ideas about the development of PPP that in the process of my research have not yet been studied, this can serve as a subject for further research.

BIBLIOGRAPHY

- Abdymanapova, S., Toxanovaa, A., Galiyevaa, A., Abildinaa, A., & Aitkaliyevaa, A. (2016). Development of Public-Private Partnership in the Republic of Kazakhstan. *IEJME. Mathematics Education: Kazakh University of Economics, Finance and International Trade*, 11 (5), 1113-1126.
- Afanasieva L. & Shemayev V. (2016). Improvement of the state policy for the public-private partnership development in Ukraine. *Economics of Development*, 3 (79), 25-31.
- Akintoye A., Beck M., & Hardcastle. C. (2003). *Public-Private Partnerships: Managing Risks and Opportunities*. John Wiley&Sons, Incorporated.
- Alpatov, A., Pushkin, A., & Japaridze, R. (2010). *Public-Private Partnership: Implementation Arrangements*. Moscow: Alpina Publishers.
- Andrews, Rh., & Van de Walle, St. (2013). *New Public Management and Citizens' Perceptions of Local Service Efficiency, Responsiveness, Equity and Effectiveness*. Public Management Review.
- Appuhami, R., & Perera, S. (2016). Management controls for minimizing risk in public-private partnerships in a developing country. *Journal of Accounting & Organizational Change*, 12 (3), 408-431.
- Auzzira, Z. et al. (2014). Public-private partnerships (PPP) in disaster management in developing countries: a conceptual framework. *Procedia Economics and Finance*, 8, 807 – 814.
- Baker, C.R. (2003), "Investigating Enron as a public private partnership", *Accounting, Auditing & Accountability Journal*, 16 (3), 446-466.
- Bartlett, L., & Vavrus, F. (2017). Comparative Case Studies: An Innovative Approach. *Nordic Journal of Comparative and International Education (NJCIE)*, 1(1), 5-17.
- Bartlett, L., & Vavrus, F. (2017). Comparative Case Studies: An Innovative Approach. *Nordic Journal of Comparative and International Education (NJCIE)*, 1(1), 5-17.
- Bashiri, M., Ebrahimi, Sh., Fazlali, M., Jamshid H., Jamal, N., & Salehvand, P. (2011). *Analytical comparison between BOT, BOOT, and PPP project delivery systems*. 6th International Project Management Conference. At Tehran: Iran.
- Bing, L., Akintoye, A., Edwards, P.J., & Hardcastle, C. (2005). Critical success factors for PPP/PFI projects in the UK construction industry. *Construction Management and Economics*, 23, 459–471.
- Birgonul, M., Dikmen, I., & Ozenen, C. (2015). Public Private Partnership in Turkey. Akintoye, A., Matthias Beck, M., Kumaraswamy, M. (Eds.), *Public Private Partnerships: A Global Review*, 337-357.
- Bodnarchuk, V. (2016). Bureaucratism as a phenomenon of rational bureaucracy: the reasons of appearance and the ways of overcoming. *Theory and history of public administration*, 3 (29), 29-37.
- Brink, H. I. L. (1993). Validity and Reliability in Qualitative Research. *Curationis*, 16, 35-38. Retrieved from: <https://doi.org/10.4102/curationis.v16i2.1396>
- Broadbent, J., & Laughlin, R. (2003). Public private partnerships: an introduction. *Accounting, Auditing & Accountability Journal*, 16 (3), 332-341.
- Bülbül, D. (2017). Evaluation of The Public Private Partnership Practices in Terms of Financial Transparency in Turkey. *The Journal of International Scientific Researches*, 2, 93-108. Retrieved from: <https://doi.org/10.23834/isrjournal.344867>.
- Burger, Ph., & Hawkesworth, I. (2011). How to Attain Value for Money: Comparing PPP and Traditional Infrastructure Public Procurement, *OECD Journal on Budgeting* 1, 4-27.
- Burger, Ph., & Hawkesworth, I. (2011). How to Attain Value for Money: Comparing PPP and Traditional Infrastructure Public Procurement. *OECD Journal on Budgeting*, 1, 4-27.
- Carbonara, N., & Pellegrino, R. (2014). "PPP for public infrastructure in Italy: opportunity and challenges". *Managerial Finance*, 40 (11), pp.1078-1094.

- Cenkier, A. (2011), *Partnerstwo publiczno-prywatne jako metoda wykonania zadan ´ publicznych*. Oficyna Wydawnicza SGH, Warszawa.
- Chan, A., Yeung, J., Yu, C., Wang, S., Ke, Y., 2011. Empirical study of risk assessment and allocation of public–private partnership projects in china. *Journal of Management in Engineering*, 27, 136–148.
- Chapman, J., & Duncan, G. (2007) Is there now a new ‘New Zealand model’? *Public Management Review* 9(1), 1-25
- Chauhana & Marisetty (2019). Do public-private partnerships benefit private sector? Evidence from an emerging market. *Research in International Business and Finance* 47, 563-579.
- Chen, C., & Doloi, H. (2008), “BOT application in China: driving and impeding factors”, *International Journal of Project Management*, 26(4), 388-398.
- Cheung, E., Chan, A., 2011. Risk factors of public–private partnership projects in China: Comparison between the water, power, and transportation sectors. *Journal of Urban Planning and Development*, 137, 409–415.
- Cheung, E., Chan, A.P.C., & Kajewski, S. (2012). “Factors contributing to successful public private partnership projects: comparing Hong Kong with Australia and the United Kingdom”. *Journal of Facilities Management*, 10 (1), 45-58.
- Chou, J. S., & Pramudawardhani, D. (2015). Cross-country comparisons of key drivers, critical success factors and risk allocation for public-private partnership projects. *International Journal of Project Management*, 33(5), 1136-1150.
- Cohen, L., Manion, L., & Morrison, K., (2007). *Research methods in education* (6th ed.)
- Concession Law (1999). Law of Ukraine "On Concessions" dated 16.07.1999. No. 997-XIV. Retrieved from: <https://zakon.rada.gov.ua/laws/show/997-14>
- Creswell, J. (2007). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*, 2nd ed. London, UK:Sage Publications.
- Cypress, B. (2017). Rigor, Reliability and Validity in Qualitative Research: Perspectives, Strategies, Re-Conceptualization and Recommendations. *Dimensions of Critical Care Nursing*, 36, 253 - 263. Retrieved from: <https://doi.org/10.1097/DCC.0000000000000253>.
- Daft & Marcic, (2014). *Building management skills: An action-first approach*. South-Western Cengage Learning.
- Das, T.K. & Teng, B.-S. (2001). Trust, control, and risk in strategic alliances: an integrated framework. *Organization Studies*, 22 (2), 251-283.
- Dikmen, Irem & Birgonul, M & Ozcenk, Ismail. (2005). Marketing orientation in construction firms: Evidence from Turkish contractors. *Building and Environment*, 40, 257-265. Retrieved from: <https://doi.org/10.1016/j.buildenv.2004.07.009>.
- Dornyei, Z. (2007). *Research methods in applied linguistics*. New York: Oxford University Press.
- Dost´alov´a, K., (2014). EU: budoucnost infrastruktury. *The Czech National Infrastructure Conference*.
- Draft Concession Law (2018). Law of Ukraine "On Concessions" dated 15.03.2018. No. 8125. Retrieved from: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_2?pf3516=8125&skl=9
- Eaton, D., Akbiyikli, R., & Dickinson, M. (2006). “An evaluation of the stimulants and impediments to innovation within PFI/PPP projects”. *Construction Innovation: Information, Process, Management*, 6 (2), 63-67.
- Eckerd & Heidelberg, (2015). *Public Incentives, Market Motivations, and Contaminated Properties: New Public Management and Brownfield Liability Reform*. Public Administration Review.
- Edwards, P., & Shaoul, J. (2003), “Partnerships: for better, for worse?”. *Accounting, Auditing & Accountability Journal*, 16 (3), 397-421.
- Ehrenberger, M., (2014). *Cost planning of PPP projects in the Czech Republic* (Master Thesis). Charles University in Prague, Prague.
- El-Gohary, N. M., Osman, H., & El-Diraby, T. E. (2006). Stakeholder management for public private partnerships. *International Journal of Project Management*, 24(7), 595-604.

- Engel, E., Fischer, R., & Galetovic, A. (2013). The basic public finance of public–private partnerships. *Journal of the European Economic Association*, 11(1), 83-111.
- English, L., & Guthrie, J. (2003). 'Driving privately financed projects in Australia: what makes them tick?', *Accounting, Auditing & Accountability Journal*, 16 (3), 493-511.
- European Bank for Reconstruction and Development (EBRD, 2014). STRATEGY FOR SLOVENIA. Retrieved from:
- European Commission (EC, 2004). Green Paper on public-private partnerships and Community law on public contracts and concessions. Retrieved from: <https://publications.europa.eu/en/publication-detail/-/publication/94a3f02f-ab6a-47ed-b6b2-7de60830625e/language-en>
- European Court of Auditors (ECA, 2018). *Special Report Public Private Partnerships in the EU: Widespread shortcomings and limited benefits*. European Union, 09. Retrieved from: https://www.eca.europa.eu/Lists/ECADocuments/SR18_09/SR_PPP_EN.pdf
- European PPP Expertise Centre UK (EPEC, 2012). *PPP Units and Related Institutional Framework*, 21-45 England. Retrieved from: https://www.eib.org/attachments/epec/epec_uk_england_ppp_unit_and_related_institutional_framework_en.pdf
- Fedulova, L. I. (2011). Features of public-private partnership in science, technology and innovation spheres Ukraine. *Strategic Priorities*, 1 (18), 85-93.
- Filipova, N. V. (2015). Problems and prospects of public-private partnership development in Ukraine. *Economics and Management*, 1, 57-61.
- Gibson, S., Kittredge, G., & Witney, S. (2017). "The Private Fund Limited Partnership: a new fund vehicle for the UK". *Journal of Investment Compliance*, 18 (3), 75-78, Retrieved from: <https://doi-org.eazy.uin.no/10.1108/JOIC-06-2017-0033>.
- Golafshani, N. (2003). Understanding Reliability and Validity in Qualitative Research. *The Qualitative Report*, 8, 597-607.
- Greener, I. (2005). 'Health Services Organisation in the UK: A Political Economy Approach'. *Public Administration*, 82(3), 657-676.
- Grigorian, K., (2014). EU: budoucnost infrastruktury. *The Czech National Infrastructure Conference*.
- Grimsey, D., & Lewis, M. K. (2002). Evaluating the risks of public private partnerships for infrastructure projects. *International journal of project management*, 20 (2), 107-118.
- Harrison, H., Birks, M., Franklin, R., & Mills, J. (2017). Case study research: Foundations and methodological orientations. *Forum: Qualitative Social Research*, 18/1(19). Retrieved from: <http://nbnresolving.de/urn:nbn:de:0114-fqs1701195>
- Hart, O. (2003). "Incomplete Contracts and Public Ownership: Remarks and an Application to Public-Private Partnerships,". *Economic Journal*, 113, 69-76.
- Heravi, G., & Hajihosseini, Z., (2012). Risk allocation in public–private partnership infrastructure projects in developing countries: Case study of the Tehran– Chalus toll road. *Journal of Infrastructure Systems*, 18, 210–217.
- Hodge, G. A., & Greve, C. (2005). *The challenge of public-private partnerships: Learning from international experience*. Edward Elgar Publishing.
- Hodge, G., & Greve, C. (2017). On public–private partnership performance: A contemporary review. *Public Works Management & Policy*, 22(1), 55-78.
- Hood, Ch. (1995). The "New Public Management" in the 1980s: Variations on A Theme. *Accounting, Organizations and Society*, 20, Retrieved from: [https://doi.org/93-109.10.1016/0361-3682\(93\)E0001-W](https://doi.org/93-109.10.1016/0361-3682(93)E0001-W).
- Huxham, C., & Vangen, S. (2013.) *Managing to collaborate: The theory and practice of collaborative advantage*, Routledge.
- Hwang, B.-G., Zhao, X., & Gay, M.J.S. (2013). Public private partnership projects in Singapore: Factors, critical risks and preferred risk allocation from the perspective of contractors. *International Journal of Project Management*, 31, 424–433.

- Interreg Central Europe (ICE, 2016). *Country report on the legal framework on Public-Private Partnership (PPP): Slovenia*. Retrieved from: <https://www.interreg-central.eu/Content.Node/T1.2.1.3.pdf>
- Izmaylov Ya. O., & Yegorova I. G. (2019) Analyzing Public-Private Partnership in Ukraine and World-Wide. *ECONOMY: foreign experience*, 60-67.
- Jamali, D. (2004). "Success and failure mechanisms of public private partnerships (PPPs) in developing countries". *International Journal of Public Sector Management*, 17 (5), 414-430.
- Jamali, D. (2004). "Success and failure mechanisms of public private partnerships (PPPs) in developing countries". *International Journal of Public Sector Management*, 17 (5), 414-430.
- Jin, X., 2010. Determinants of efficient risk allocation in privately financed public infrastructure projects in Australia. *Journal of Construction Engineering and Management*, 136, 138–150.
- Jing, Y., & Besharov, D. J. (2014). Collaboration among government, market, and society: Forging partnerships and encouraging competition. *Journal of Policy Analysis and Management*, 33(3), 835-845.
- Johannessen, A., Rosemarin, A., Gerger Swartling, A., Han, G., Vulturius, G., & Stenström, T. (2013). Linking Investment Decisions with Disaster Risk Reduction in Water Sanitation and Hygiene (WASH): The Role of the Public and Private Sectors, Potentials for Partnership and Social Learning. *Background Paper prepared for the Global Assessment Report (GAR) on Disaster Risk Reduction*, 22-40. UNISDR: Geneva, Switzerland.
- Johnson G & Scholes K (2002) *Exploring Corporate Strategy*, 7th edn. Harlow; New York: Financial Times/Prentice Hall.
- Johnson G & Scholes K (2002). *Exploring Corporate Strategy*, (7th ed.). Harlow; New York: Financial Times/Prentice Hall.
- Kavishe N., & Chileshe, N. (2018). Driving forces for adopting public–private partnerships in Tanzanian housing projects. *International journal of construction management*, 1-16. Retrieved from: <https://doi.org/10.1080/15623599.2018.1502931>
- Kavishea & Chileshe (2018). Driving forces for adopting public–private partnerships in Tanzanian housing projects. *International journal of construction management*, 1-16. Retrieved from: <https://doi.org/10.1080/15623599.2018.1502931>
- Ke, Y., Wang, S., Chan, A.P.C., Lam, P.T.I., 2010. Preferred risk allocation in China’s public–private partnership (PPP) projects. *International Journal of Project Management*, 28, 482–492.
- Keman, H. (2011). Third Ways and Social Democracy: The Right Way to Go? *British Journal of Political Science*, 41. Retrieved from: <https://doi.org/10.1017/S0007123410000475>.
- Klee, L., (2014). *Zv’y’sen’i efektyvity investičn’iho cyklu dopravn’i infrastruktury*. *The Czech National Infrastructure Conference*.
- Klijn, E.-H., & Teisman, G. R. (2003). Institutional and strategic barriers to public—private partnership: An analysis of Dutch cases. *Public money and Management*, 23, 137-146.
- Knir (2018) Public-Private Partnership: world experience and experience of Ukraine. *Scientific notes of the National University of Ostroh Academy: Economics*, 10 (38), 10-14.
- Koppenjan, J. F. M. (2008). *Public–private partnerships and mega-projects*. Priemus, H., Flyvbjerg, B. and van Wee, B. (Eds). *Decision-Making on Mega-Projects: Cost-Benefit Analysis, Planning and Innovation*.
- Krumm, Th. (2016). *The Politics of Public–Private Partnerships in Western Europe: Comparative Perspectives*, Edward Elgar Publishing Limited.
- Kvitka, S.A. () Public-private partnership as an effective mechanism of interaction between government and business. *Mechanisms of Public Management*, 7-8 (21-22), 47-56.
- Law "On Amendments to the Budget Code of Ukraine" (2018). Law of Ukraine "On Amendments to the Budget Code of Ukraine to enable the capture of long-term obligations under the public private partnership" dated 06.12.2018 No. 2646-VIII. Retrieved from: <https://zakon.rada.gov.ua/laws/show/2646-19>

- Law "On amendments to some laws of Ukraine" (2015). Law of Ukraine "On amendments to some laws of Ukraine on elimination of regulatory barriers for the development of public-private partnerships and investment promotion in Ukraine" dated 24.11.2015. No. 817-VIII. Retrieved from: <https://zakon.rada.gov.ua/laws/show/817-19>
- Le Compte, M. D., & Goetz, J. P. (1982). Problems of Reliability and Validity in Ethnographic Research. *Review of Educational Research*, 52, 31-60. Retrieved from: <https://doi.org/10.3102/00346543052001031>
- Levochkin, M. (2016) Problems of Public-Private Partnership in Ukraine and ways of solving them. *Baltic Journal of Economic Studies*, 2 (2), 85-91.
- Li, B., Akintoye, A., Edwards, P.J. & Hardcastle, C. (2005). "Perceptions of positive and negative factors influencing the attractiveness of PPP/PFI procurement for construction projects in the UK: findings from a questionnaire survey". *Engineering, Construction and Architectural Management*, 2 (2), 125-148.
- Li, B., Akintoye, A., Edwards, P.J. and Hardcastle, C. (2005), "Perceptions of positive and negative factors influencing the attractiveness of PPP/PFI procurement for construction projects in the UK: findings from a questionnaire survey". *Engineering, Construction and Architectural Management*, 12 (2), 125-148.
- Li, J., & Zou, P. (2011). Fuzzy AHP-based risk assessment methodology for PPP projects. *Journal of Construction Engineering and Management*, 137, 1205–1209.
- Li, J., Zou, P., 2011. Fuzzy AHP-based risk assessment methodology for PPP projects. *Journal of Construction Engineering and Management*, 137, 1205–1209.
- Lopez, V., & Whitehead, D. (2013). Sampling data and data collection in qualitative research. In: *Nursing & Midwifery Research: Methods and Appraisal for Evidence-Based Practice*. 4th edn. Elsevier - Mosby, Marrickville, Sydney, 123-140.
- Mann, S. (2016). *The Research Interview: Reflective Practice and Reflexivity in Research*. US, New York: Palgrave Macmillan, 114-140.
- Mann, S. (2016). *The Research Interview: Reflective Practice and Reflexivity in Research*. US, New York: Palgrave Macmillan, 114-140.
- Matviishyn & Fabryka (2014) Conditions for implementation of public-private partnership in Ukraine, "Efficacy public administration", *Collection of scientific works*, 40, 126 – 134.
- Merna, A, Smith, N. J. (1996). *Privately Financed concession contract*, 1/2. (2nd ed.). Hong Kong: Asia Law and Practice,
- Merriam, S. B. (1998). *Qualitative research and case study applications in education*. San Francisco, CA: Jossey-Bass.
- Ministry of Economic Development and Trade of Ukraine (MEDT, 2019). *Status of implementation of PPP in Ukraine*. Retrieved from: <http://www.me.gov.ua/Documents/Detail?lang=uk-UA&id=62a9b6fb-27ff-462a-b351-eeeadfb26b6f&title=StanZdiisnenniaDppVUkraini>
- Morse, J. (1995). *The significance of saturation*. *Qualitative Health Research*, (2), 147-149. Sage Publications.
- Moskalyk, A. 2011. *Public-private Partnerships in housing and urban development*. Nairobi: UN-HABITAT.
- Mullin, S.P. (2002). *Public-Private Partnerships and State and Local Economic Development: Leveraging Private Investment*. U.S. Economic Development Administration.
- Mustafa, A. (1999). Public- private partnership: an alternative institutional model for implementing the private finance initiative in the provision of transport infrastructure. *Journal of Project Finance*, 5(2), 64- 79.
- Nakhaei, M., Bandaryan, E., & Ezatpanah, B. (2017). Public and Private Partnership: A Strategy to Repair Old Texture. *Journal of History Culture and Art Research*, 6 (1), 532-548. Retrieved from: <https://doi.org/10.7596/taksad.v6i1.759>
- Newberry, S., & Pallot, J. (2003). "Fiscal (ir)responsibility: privileging PPPs in New Zealand". *Accounting, Auditing & Accountability Journal*, 16 (3), 467-92.

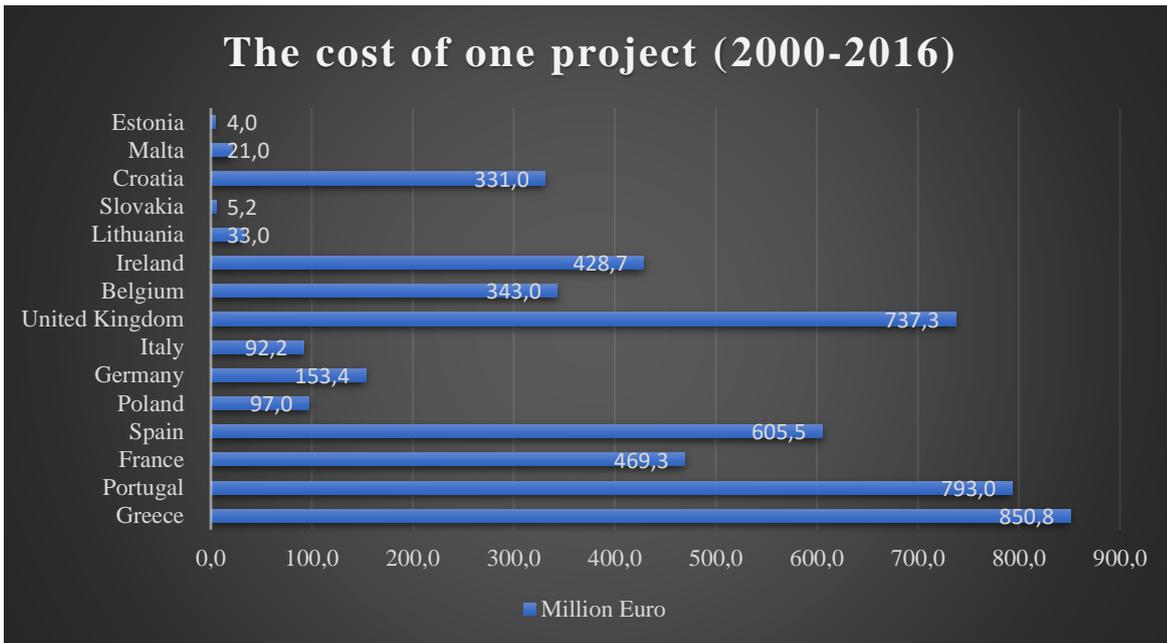
- Nisar, T.M. (2007). "Value for money drivers in public private partnership schemes". *International Journal of Public Sector Management*, 20 (2), 147-156.
- Nováčková, D., & Saxunová, D. (2015). The Public-Private Partnership Projects Legislation and PPP Project Experience in Slovakia. *MIC 2015: Managing Sustainable Growth; Proceedings of the Joint International Conference*, 28–30 May 2015, (pp. 419-432). Portorož, Slovenia.
- Office of Public Service Reform (OPSR, 2002). *Reforming Our Public Services: Principles into Practice, Office of Public Services Reform*. Retrieved from: http://www.pm.gov.uk/files/pdf/go_november.pdf.
- Order 40 (2011). Order of the Ministry of Economic Development and Trade of Ukraine "On Approval of the Form to Submit Proposals for Implementation of Public-Private Partnership" dated 16.08.2011 No. 40. Retrieved from: <https://zakon.rada.gov.ua/laws/show/z1217-11>
- Order 61 (2014). Order of Ministry of Infrastructure of Ukraine "On Approval of Regulation of Bidding Commission for Conducting Concession Tender to Build and Operate Highways" dated 28.01.2014 No. 61. Retrieved from: <https://zakon.rada.gov.ua/laws/show/z0292-14>
- Oshima, K. (2016). Public-Private Partnerships, Dividing Operational Stage, and Optimal Governance Structures. *Public Organization Review*, 16 (4), 444 – 459.
- Palinkas L., Horwitz S., Green C., Wisdom J., Naihua Duan N., Hoagwood K (2016). Purposeful sampling for qualitative data collection and analysis in mixed method implementation research. *Adm Policy Ment Health*, 42(5), 533–544.
- Patton, M. Q. (2001). *Qualitative research & evaluation methods*. (3rd ed.). Saint Paul, MN: Sage Publications. Retrieved from: <http://www.sagepub.com/books/Book9906>
- Pavel, J., (2009). *Efektivnost fungov'an'i kontroln'ich syst'em'u ve'rejn'ych zak'azek v ˇCesk'e republice*. Retrieved from: http://www.transparency.cz/doc/vz5_efektivnost_fungovani_kontroly_vz.pdf
- Pollitt, M. G. (2002). *The declining role of the state in infrastructure investments in the UK*. Berg, S. V., Politt, M. G. and Tsuji, M. (Eds). *Private Initiatives in Infrastructure: Priorities, Incentives and Performance*.
- Posner, P., Shin, K., & Tkachenko, A. (2009). Public-Private Partnerships: The relevance of budgeting. *OECD Journal on Budgeting*, 1, 1-26.
- PPP Law (2010). Law of Ukraine "On Public-Private Partnership" dated 01.07.2010 No. 2404-VI (the "PPP Law"). Retrieved from: <https://zakon.rada.gov.ua/laws/show/2404-17>
- Queirós, A., Faria, D., Almeida, F. (2017). Strengths and limitations of qualitative and quantitative research methods. *European Journal of Education Studies*, 3(9), 369-387. Retrieved from: <https://oapub.org/edu/index.php/ejes/article/view/1017/2934>.
- Resh, W.G. (2019). The Disarticulation of the Administrative State (and Public Administration). *Administration & Society*, 51(3), 347-370.
- Resolution 279 (2011). Resolution of Cabinet of Ministers of Ukraine "On Approval of Procedure on Provision of State Support for Implementation of Public-Private Partnerships" dated 17.03.2011 No. 279. Retrieved from: <http://zakon2.rada.gov.ua/laws/show/279-2011-п>
- Resolution 384 (2011). Resolution of Cabinet of Ministers of Ukraine "Certain Issues of Organization of Implementation of Public-Private Partnership" dated 11.04.2011 No. 384. Retrieved from: <https://zakon5.rada.gov.ua/laws/show/384-2011-п>
- Resolution 81 (2011). Resolution of Cabinet of Ministers of Ukraine "On Approval of Procedure for the Private Partner to Provide Information to the Public Partner on Implementation of the Agreement Concluded in the Framework of Public-Private Partnership" dated 09.02.2011 No. 81. Retrieved from: <https://zakon5.rada.gov.ua/laws/show/81-2011-п>
- Rossi, M., & Civitillo, R. (2014). Public Private Partnerships: a general overview in Italy. *Elsevier Ltd.: Social and Behavioral Sciences*, 109, 140 – 149.
- Rouboutsos, A., & Chiara, N. (2010). "A strategic partnering framework analysis methodology for public-private partnerships". *Journal of Financial Management of Property and Construction*, 15(3), 235-246. Retrieved from: <https://doi.org/10.1108/13664381011087498>

- Sabetska, T.I., & Grigorov, S.F. (2018), genesis, formation, and historical development of the public-private partnership. *Economics and Enterprise Management: a collection of scientific papers*, 22, 521-522.
- Sammut-Bonnici, T., & Galea, D. (2015). SWOT Analysis. Professor Sir Cary L Cooper (Ed.), *Wiley Encyclopedia of Management*, 1-8. Retrieved from: <https://doi.org/10.1002/9781118785317.weom120103>
- Samoylenko O. S. (2012). Public-Private Partnership: Perspectives for Ukraine. *Odesa National University Herald: Jurisprudence*, 1/2 (16/17), 86-94.
- Saussier, S., & Tra Tran, Ph. (2012). « L'efficacité des contrats de partenariat en France : une première évaluation quantitative ». *Revue d'économie industrielle*, 4 (140), p. 81-110.
- Savas, E. S. (2000). Privatization and public-private partnerships, Chatham House Pub №2.
- Shaw, E. (2018). *What matters is what works: The Third Way and the case of the Private Finance Initiative*. Retrieved from: <https://doi.org/10.7765/9781526137883.00010>
- Silverman, D. (1993). *Interpreting qualitative data*. London: Sage Publications.
- Simons, H. (2009). *Case Study Research in Practice*. London: Sage Publications.
- Simons, H. (2009). *Case Study Research in Practice*. London: Sage Publications.
- Singh, B.L., Kalidindi, S.N., 2006. Traffic revenue risk management through Annuity Model of PPP road projects in India. *International Journal of Project Management*, 24, 605–613.
- Sobuza, Y. (2010). *Social housing in South Africa: are public private partnerships (PPPs) a solution. MBA degree*. Pretoria, South Africa: University of Pretoria.
- Speth, C., & Probert, C. (2015). *The SWOT analysis: Develop strengths to decrease the weaknesses of your business*. Primento Digital Publisher.
- Stake, R. E. (1995). *The art of case study research*. Thousand Oaks, CA: SAGE Publications.
- Stake, R. E. (2006). *Multiple case study analysis*. New York: The Guilford Press.
- Steijn, B., Klijn, E.-H., & Edelenbos, J. (2011). Public private partnerships: Added value by organizational form or management? *Public Administration*, 89, 1235-1252.
- Stepanova, O. V. (2015). Funding public- private partnerships project in Ukraine in the context of global trends. *Economics*, 5, 32-34.
- Strukova, V. D. (2013). State risk management of public-private partnership projects. *Efficacy public administration*, 37, 248-255.
- Teegavarapu S., Summers J., & Mocko G. (2008a). *Design method development: A case study and survey*. Submitted to TMCE.
- Teegavarapu S., Summers J., & Mocko G. (2008b). (2008). Case study method for design research: A Justification. *International Design Engineering Technical Conferences & Computers and Information in Engineering Conference*, 4, 495-503. Published by ASME.
- The Public-Private Partnership Legal Resource Centre (PPPLRC, 2019). *PPP Units Around the World*. <https://ppp.worldbank.org/public-private-partnership/overview/international-ppp-units>
- Thomas, D., & Hodges, I. (2010). *Designing and Planning Your Research Project: Core Skills for Social and Health Researchers*, 44–45. Sage Publications.
- Tičar, B. & Zajc, K. (2010). Public-Private Partnerships in Slovenia: Recent Developments and Perspectives. *Review of Central and East European Law* 35, 191-215. Retrieved from: <https://doi.org/10.1163/157303510X12650378240232>
- Verhoest, K., Petersen, O., Scherrer, W., & Soeipto, R. (2015). How Do Governments Support the Development of Public Private Partnerships? Measuring and Comparing PPP Governmental Support in 20 European Countries, *Transport Reviews*, 35 (2), 118-139.
- Wettenhall, R. (2003). The rhetoric and reality of public-private partnerships. *Public Organization Review*, 3(1), 77-107.
- Wettenhall, R. (2005). *The Public-Private Interface: Surveying the History*. Hodge, G., & Greve, C. (Eds), *The Challenge of Public-Private Partnerships*, 22-43. Edward Elgar, Cheltenham.
- Williamson, O.E. (1985), *The Economic Institutions of Capitalism*, Free Press, New York, NY.

- Wilson, D.I., Pelham, N. and Duffield, C.F. (2010). "A review of Australian PPP governance structures", *Journal of Financial Management of Property and Construction*, 5 (3), 198-215.
- Wojewnik-Filipkowska, A. (2008). *Project Finance w inwestycjach infrastrukturalnych*, CeDeWu, Warszawa.
- Wojewnik-Filipkowska, A., & Trojanowski, D. (2013). Principles of public-private partnership financing – Polish experience. *Journal of Property Investment & Finance*, 31 (4), 329-344.
- World Bank (WB, 2019). Economic Policy&Debt: National accounts: Atlas GNI&GNI per capita. Retrieved from: <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD>
- Wray, N., Markovic, M., Manderson, L. (2007). Researcher saturation: The impact of data triangulation and intensive-research practices on the researcher and qualitative process. *Qualitative Health research*, 17.
- Xu, Y., Yeung, J.F.Y., Chan, A.P.C., Chan, D.W.M., Wang, S.Q., Ke, Y., (2010). Developing a risk assessment model for PPP projects in China – A fuzzy synthetic evaluation approach. *Automation in Construction*, 19, 929–943.
- Yakovenko, G (2010). State bureaucracy and some ways of it's rationalization. *Public administration and local government: scientific collection*, 1, 4. Retrieved from: http://www.dridu.dp.ua/vidavnictvo/2010/2010_01%284%29/10ygbdsr.pdf. (in Ukrainian).
- Yin Robert K. (2011.) *Qualitative Research from Start to Finish* (1st ed.). New York, US: The Guilford Press.
- Yin Robert K. (2014.) *Case study research design and methods* (5th ed.). Thousand Oaks, CA: Sage Publications.
- Yin Robert K. (2017.) *Case Study Research and Applications: Design and Methods* (6th ed.). Los Angeles, CA:Sage Publications.
- Zhang, X. (2005). Critical success factors for public–private partnerships in infrastructure development. *Journal of construction engineering and management*, 131(1), 3-14.
- Zlenlewski, M. & Szes 'ciło, D. (2008), Co zmienić by rozwinęć PPP? Fundacja For, DLA Piper, *Forum Rozwoju Edukacji Ekonomicznej*, Warszawa. Retrieved from: www.for.org.pl/upload/File/raporty/Raport_PPP_FINAL.pdf
- Zysnarski, J. (2003). *Partnerstwo publiczno-prywatne, Teoria i praktyka*. ODDK, Gdańsk.

APPENDIXES

Appendix A: Review of a Project Costs in Different Countries (2000 - 2016)



The cost of one project in different countries between 2000 - 2016 (million Euro)

Appendix B: The Interview Guide

- Name / Position / field of activity / experience in PPP
- Do you mind if our conversation was recorded on a voice recorder and the information you provide will be used confidential to provide relevant reliable information in my master's thesis?

List of question:

1. How can you characterize the PPP and what features are inherent in it, in your opinion?
2. Do you think the spreading of PPP in developing countries is relevant, specifically in Ukraine? Why?
3. Why this form of cooperation between the public sector and the private sector is not enough developed in Ukraine, although in other states it is the most common form of service provision to the population?
4. What are the benefits and risks of PPP?
5. What are the responsibilities of the public and private sectors in the PPP?
6. What are the most obstacles to the PPP for its implementation? (tender, feasibility study, construction, operation)?
7. What is the importance of the PPP for developing countries, in particular for public sector, private sector, users and citizens?
8. If you refer to the SWOT analysis, which are the strengths / weaknesses, opportunities and threats in implementation of the PPP can be identified?
9. In your opinion, existing legal and regulatory frameworks sufficient for effective feasibility of the PPP? Why?
10. What is the point about New Concession Law 2019, Agency for PPP 2019?
11. What is the most common form of PPP in Ukraine? What do you think, why?
12. What features exist in the financial aspect for partners?
13. What are the prospects for development and limitations in the PPP?