

PROJECT DEVELOPMENT FUNDING



Lachine Train Maintenance Facility, Montreal, QC

A key success factor in developing a strong P3 project is proper planning. In contrast to traditionally procured projects, the analysis and agreements generated in the planning phase of a P3 contribute to the success of an asset throughout its lifecycle. For project owners who are new to P3 procurement, this process can be complicated by inexperience and the expense of retaining expert advice. To mitigate these challenges, PPP Canada offers support to inexperienced

P3 project owners through its Project Development Funding program (also known as the Collaborative Projects Fund).

The program has proven to be successful in developing internal capacity, stimulating strong P3 projects in new jurisdictions, and deepening the pool of resources PPP Canada makes available for use in future procurements.

The objectives of Project Development Funding are to:

- Assist project owners in assessing the usefulness of the P3 model in the context of their specific project;
- Support for first-time P3 project management;
- Generate P3 Canada Fund projects that will draw new jurisdictions into the Canadian market;
- Expand the use of P3s into new and innovative sectors; and
- Increase the number of tools and resources available to project owners.

Who is eligible to receive Project Development Funding?

Support is available to provinces, territories, municipalities, First Nations and regional governments with little to no experience in P3 procurement. The funding helps offset the cost of expert advisors who can assist project owners in establishing the processes, procedures and template documents required to properly assess the viability of the P3 model relative to traditional procurement methods.

To be considered for support, a project owner must:

- Submit an eligible application to the P3 Canada Fund, and be screened-in (i.e.: not declined based on low viability);
- Demonstrate a need for support to ensure project success;
- Demonstrate a desire to pursue and a strong likelihood of success as a P3.



Evan Thomas Water and Wastewater Treatment Facility, Kananaskis, AB



What types of activities are eligible for support?

The Project Development Funding program seeks to enable project owners to develop current and future P3 projects that adhere to established Canadian best practice. This means they must be properly structured, executed, and monitored to ensure that risk is successfully transferred to the private partner and that taxpayers are protected from future costs.

To accomplish this, Project Development Funding supports:

- Capacity building in areas integral to the successful development and implementation of the project;
- Studies and analysis to demonstrate the project's viability as a P3;
- Market engagement activities to gauge private sector interest in the proposed P3;
- A procurement options analysis, financial analysis and/or a procurement implementation strategy; and/or
- Accredited external P3 advisory services and analysis.

How much support is available?

The Project Development Funding program is able to cost-share up to 50% of the expenses incurred in connection with the activities listed above.

How is support allocated?

At the close of each round, screened-in applications are automatically reviewed for Project Development Funding eligibility.

PPP Canada representatives work with the project owner to confirm both need and eligibility, before presenting Project Development Funding recommendations.

Project owners whose applications are screened-in, and are determined to be eligible for support, will then work with Project Development staff to determine what type of capacity building activities are needed, and finalize a Project Development Funding agreement.

