

Piotr Sołowiej

ORCID: <https://orcid.org/0000-0002-0753-1838>

e-mail: piotr.solowiej@interia.eu

Uniwersytet Marii Curie-Skłodowskiej w Lublinie

<https://doi.org/10.26366/PTE.ZG.2022.232>

Open Access CC BY 4.0



Cytowanie: Sołowiej, P. (2022). Public-private partnerships as a method of performing public tasks in Poland. *Zeszyty Naukowe Polskiego Towarzystwa Ekonomicznego w Zielonej Górze*, 17, s. 133-151. DOI: 10.26366/PTE.ZG.2022.232

Public-private partnerships as a method of performing public tasks in Poland

Abstract: A public-private partnership is a form of long-term cooperation between the public and private sectors to carry out construction projects or render services which have traditionally been provided by the public sector. The public sector uses the knowledge and experience of private entities, which may not only lead to an increase in the quality of services provided in the public interest, but also improve the perception of government and local-government administration by citizens. What could be observed in recent years is an increased interest in intersectoral cooperation and the involvement of private capital in public projects. The aim of this article is to analyze the development of the Polish public-private partnership market in the years 2009-2021, including the need to explain why there is little interest in the idea of public-private sector partnerships. Due to the specificity of the discussed topic, desk research methods and critical analysis of the literature were used to write this article. Moreover, the study draws attention to threats and obstacles which limit the use of public-private partnerships. Research has shown that even though the private sector expressed an increased interest in public services, the number of agreements is small and the value of projects carried out as part of public-private partnerships is low.

Keywords: public-private partnership, intersectoral cooperation, public sector

Partnerstwo publiczno-prywatne jako sposób realizacji zadań publicznych w Polsce

Abstrakt: Partnerstwo publiczno-prywatne stanowi formułę długoterminowej współpracy sektora publicznego oraz prywatnego w celu realizacji przedsięwzięć mających na celu wykonanie robót budowlanych lub świadczenie usług tradycyjnie dostarczanych przez sektor publiczny. Wykorzystanie przez sektor publiczny wiedzy i doświadczenia podmiotów prywatnych może przyczynić się do wzrostu jakości świadczonych usług na rzecz interesu publicznego, ale również sposobu postrzegania przez obywateli administracji rządowej, jak i samorządowej. Na przestrzeni ostatnich lat, możemy zaobserwować wzrost zainteresowania współpracą międzysektorową oraz zaangażowaniem kapitału prywatnego w realizację inwestycji publicznych. Celem artykułu jest dokonanie analizy rozwoju rynku partnerstwa-publiczno-prywatnego w Polsce w latach 2009-2020, w tym identyfikacja powodów niewielkiego zainteresowania ideą partnerstwa publiczno-prywatnego. W związku ze specyfiką omawianego tematu, do napisania niniejszego artykułu wykorzystano metody desk research oraz krytyczną analizę piśmiennictwa. W wyniku przeprowadzonych badań, należy zauważyć, że pomimo wzrostu zainteresowania świadczeniem usług publicznych przez sektor prywatny, występuje niewielka liczba zawieranych umów, jak również niska wartość realizowanych przedsięwzięć w formule partnerstwa publiczno-prywatnego.

Słowa kluczowe: partnerstwo publiczno-prywatne, współpraca międzysektorowa, sektor publiczny

JEL: H42, H54, H70

Introduction

The lack of sufficient financial means accompanied by increasing social expectations as to the effective satisfaction of public needs have forced central and local government authorities to change their attitude to the performance of public tasks in the long term. A solution that could lead to an increase in the number and value of projects, as well as an improvement in the effectiveness and availability of services rendered by the public sector, is the implementation of projects in the framework of public-private partnerships (Borowski, 2016; Zawora, 2020). When it comes to the reasons for an increased interest in the idea of public-private partnerships, it is necessary to point out the desire to acquire appropriate technical resources and streamline the process of managing tasks which have traditionally been performed by public entities (Delmon, 2011).

Despite the fact that public entities are interested in intersectoral cooperation, the idea of public-private partnerships is not fully used to perform public tasks in Poland. The situation is different in more developed European economies, such as the United Kingdom, Germany or France, where drawing from the knowledge and experience of private entities is a widespread practice when it comes to the performance of public tasks. This leads us to ask a question about the main determinants of using the public-private partnership formula in Poland.

In recent years, many researchers covered the issue of public-private partnership concept. The publications concerning public-private partnership in Poland include especially topics such as: intersectoral cooperation and the involvement of private capital in public projects (Węgrzyn, 2015; Płaczek, 2017), implementation of public-private partnership models (Kołodziejczyk-Jeziorska, 2016; Bidała, 2017; Cieślak, 2022), financing public-private partnership projects (Szafran, 2017; Osinski, 2022), the main conditions and barriers to public-private partnership development (Borkowski, 2016; Żegleń, 2017) or analysis of public-private agreements in healthcare (Hajdys, 2016), sport and tourism (Chojnacka, 2021), transport infrastructure (Zagozdzon, 2020), water and sewage management sector (Łakomy-Zinowik, 2022).

The aim of this article is to analyze the development of the Polish public-private partnership market in the years 2009-2021, including the need to explain why there is little interest in the idea of public-private sector partnerships. Due to the publication of numerous literature studies on public-private partnerships, the author of the research article recognises the need to organise the literature on the acquired knowledge on the characteristics of the Polish public-private partnership market and to formulate recommendations for increasing the quality of public services in Poland. In order to carry out a full analysis of the subject, the fears and risks that

may occur in the implementation of public-private partnership projects were identified. For the purposes of future research, the data presented in this article will be expanded and collated with selected European countries in order to make a full assessment of the development of the public-private partnership market in Poland.

The paper covers the years 2009-2021. The choice of these years was dictated by an increased interest in the idea of intersectoral cooperation and an increased number of partnership agreements made when a new act of parliament governing cooperation between the public and private sectors came into force in 2008. When the political climate surrounding public-private partnerships changed and the demands of the public sector were recognised in legal regulations, there was a revival of the public-private partnership market in Poland.

Due to the specific nature of the discussed subject, to write this article the author used the desk research method, as well as critical analysis of literature. For the purposes of this paper, the author reviewed national and foreign literature on social sciences, in particular economic analysis of law, devoted to experiences with public-private partnerships, as well as reports on the development of the public-private partnership market in Poland, published by the Ministry of Development Funds and Regional Policy.

The essence and goals of public-private partnerships

While discussing the essence and importance of cooperation between the public and the private sectors in the implementation of public tasks, including the provision of public services, special attention should be paid to the definition of public-private partnership occurring in the Polish law, which consists in the joint implementation of the project based on the division of tasks and risks between the public entity and the private partner (Ustawa, 2008, art. 1 ust 2).

In source literature, it is pointed out that a public-private partnership is a form of long-term cooperation between the public and private sectors and its aim is to carry out a project such as construction works or to render services traditionally provided by the public sector (Grabiec, 2019). It is also emphasised that when the public sector uses the knowledge and experience of private entities, it may lead to an increase in the innovativeness of provided services and become one of the most effective forms of outsourcing in administration. The cooperation between the public sector and a private partner falls within the objectives of new public management and may accelerate changes in the operating model of the public sector (Yescombe, 2007).

From the point of view of the public interest, a partnership is much more beneficial than traditional methods of providing public services (Wolański, Mrozowski, Zaremba, 2017).

Making use of private capital while performing tasks entrusted to public administration allows developed countries to increase their competitiveness through new investments. Moreover, during an economic downturn, intersectoral cooperation can definitely be an impulse for getting back on the path of sustainable growth.

According to the idea of a public-private partnership, this method of fulfilling public tasks should be used when it is more beneficial for the public interest, as compared with the traditional implementation of a given project (Grimsey, Lewis, 2004). The benefits for a private partner cannot be in conflict with the public interest, which by definition is the overriding purpose of cooperation (Wilczyńska, 2013). What is definitely in the interest of public finance entities is a decrease in the costs of service provision and giving the private partner those tasks which it can perform more efficiently. The aim of entering into a public-private partnership agreement is to provide public infrastructure and improve the quality of services using the technology, knowledge and capital of a private partner, which are often unavailable for public entities.

When it comes to the development of a public-private partnership, the aim of public administration is to increase the scale and effectiveness of public tasks, with the assumption that choosing this form will lead to maximum economic and social benefits for the public interest (McQuaid, Scherrer, 2010). One of the most important goals of government policies should be to increase the knowledge and awareness of public finance entities, so that they understand that a partnership can be an alternative method of performing public tasks. In view of the above, the intention of the legislator should be to determine clear principles of using various forms of intersectoral cooperation and to create appropriate conditions for the promotion of public-private partnerships as one of the most popular methods of project implementation.

The development of the public-private partnership market in Poland

When analysing the functioning of public-private partnerships in Poland, it needs to be observed that public administration changed its approach to intersectoral cooperation and the involvement of private funds in the provision of public services in the beginning of 1990s, at the time of the political transformation in Poland. An increased interest in cooperation between the public and private sectors is linked to the pressure to increase public spending in order to satisfy growing social needs, which has been observed since the beginning of the transformation. The lack of sufficient budgetary measures to satisfy public needs led to an

increased participation of private enterprises in the performance of tasks related to the provision of public services.

These conditions have influenced attempts to use the idea of public-private partnership during the implementation of infrastructure investments, despite the lack of the necessary statutory regulations. The introduction of the freedom to do business legislation has created a favourable climate for carrying out public tasks by drawing on the experience and capabilities of the private sector. It was at that time that the concept of introducing a municipal concession into the legal order, as an instrument of the projected industrial law, hitherto unknown to Polish legislation (Panasiuk, 2017). The very essence of such a concession was to be the transfer to the private sector of the right to carry out public utility tasks. These projects were to be carried out at the municipal level and mainly concern investments related to the improvement of local infrastructure.

The first legal act that stipulated the possibility of involving the knowledge, experience and capital of a private company in the construction of public infrastructure is the Toll Motorways and the National Road Fund Act of 27 October 1994 (Ustawa, 1994), which introduced the institution of a motorway concession into the Polish legal system, and also specified the conditions for the preparation and financing of construction as well as the rules for holding tender procedures for the construction of toll motorways.

In order to stimulate investments in the public sector and remove legal barriers for projects carried out with private partners, the Polish Public-Private Partnership Act of 28 July 2005 (Ustawa, 2005) was introduced to the national legal system. Expectations were high for the unification of law, especially when it comes to the development of public-private partnerships. It was hoped that both public entities and private partners will be interested in potential cooperation on various projects. However, public-private partnerships were not very popular among contracting authorities and no public-private partnership was formed on the basis of legislation in force at that time. It was because the Public-Private Partnership Act was ill-suited to the needs and expectations of the public and private sectors, which is why it did not lead to the expected revival related to the implementation of new projects.

In assessing the above regulations, it is important to point out the aspects that have led to this situation. The main reasons for this are the very restrictive conditions that had to be in place for the implementation of the project, as well as the lack of consistency in the provisions of the act itself. Indeed, the law imposed too many obligations on the parties to the project, which discouraged the conclusion of a public-private partnership agreement. The imposition of an obligation on the public entity to analyse the project, taking into account its efficiency and the

risks associated with its implementation, typically resulted in other forms of intersectoral collaboration being chosen, such as a public works concession or the establishment of a municipal company with private capital. The lack of practical use of public-private partnerships in the implementation of public tasks was also dictated by the erroneous assumption that partnerships should be used only when they are more advantageous than other forms of project implementation

Due to negative experiences with legislation in force at that time, a new bill governing cooperation between the public and private sectors was proposed and passed on 19 December 2008 as the Public-Private Partnership Act (Ustawa, 2008). The main guidelines that the legislator followed while working on the new act was to eliminate excessive limitations in establishing a partnership and to increase the number and scale of public-private partnership projects by giving the parties more freedom to draft agreements (Kania, 2018). In order to fulfil these goals, the statutory obligations of the public entity were reduced, the imposed subject matter of partnership agreements was eliminated, it was allowed for a project to be supported under EU funding and the requirements for obtaining the consent for entering into a partnership agreement from the minister in charge of public finance were eased.

Size of the Public-Private Partnership Market in Poland

A change in the climate surrounding public-private partnerships and the fact that the demands of the public and private sectors were met has led to an increased interest in intersectoral projects. From the moment when the Public-Private Partnership Act came into force in 2009, the number of public-private partnership agreements has increased. Between 2009 and 2021, a total of 608 public-private partnership proceedings were initiated, in accordance with the Public Procurement Law or the Law on Concession Agreement for Construction Works or Services (cf. Chart 1). However, it needs to be noted that an agreement was signed in only 158 cases. The average number of agreements made in the years 2009-2021 was just 12 a year. In comparison, between 2005 – 2008 none of public-private partnership proceedings were initiated under previous Polish Public-Private Partnership Act of 28 July 2005 (Ustawa, 2005).

So far, the interest in a partnership as a form of performing public tasks is faced with a serious obstacle, namely the relationship between procedures initiated to choose a private partner and the actual number of signed public-private partnership agreements. In the discussed period, only one in four procedures initiated pursuant to the Public-Private Partnership Act led

to making an agreement. One of the problems in the Polish public-private partnership market is the fact that procedures are often annulled when a private partner is being sought. This situation is caused mostly by a low quality of quotes and the fact that public entities are not fully aware of the risk associated with carrying out a project as part of intersectoral cooperation.

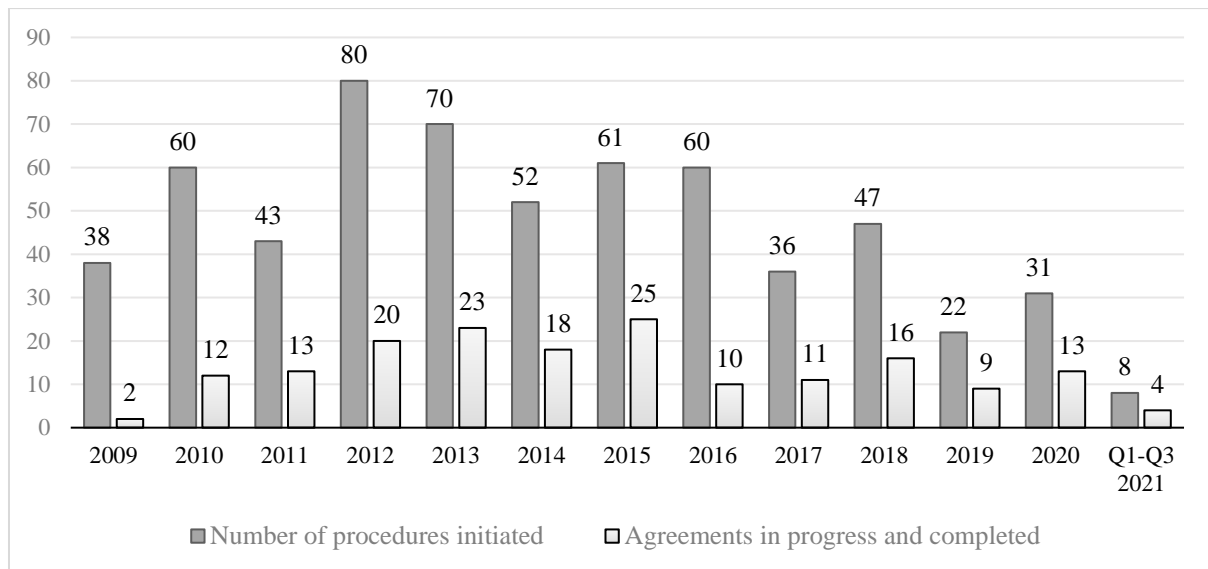


Chart 1. The number of procedures initiated and public-private partnership agreements made from 2009 to the 3rd quarter of 2021

Source: Own work on the basis of data shared by the Ministry of Development Funds and Regional Policy, Report on the PPP market 2009 – Q3 2021.

When analysing the Polish public-private partnership market, it should also be noted that most of the realized projects do not exceed the value of PLN 40 million (cf. Chart 2). Such agreements account for almost 78% of all public-private partnership agreements. The number of completed projects whose value exceeds PLN 100 million is scarce. This situation is caused by the fact that the public sector prefers to carry out high-value infrastructural projects by initiating a public procurement procedure.

A characteristic feature of the Polish public-private partnership market, which distinguishes it from markets in other European countries such as United Kingdom, Germany, France, Netherlands or Spain, is an overwhelming number of low-value projects. It should be linked to the fact that the central administration shows little interest in starting infrastructural projects. Because of such actions, the potential and benefits of using this form of intersectoral cooperation go unnoticed. Due to a small number of signed public-private partnership agreements, it cannot be concluded that making use of partnerships has been standardised in recent years (Barszcz, 2015). Therefore, what is lacking are appropriate guidelines on sample

contractual terms, which representatives of public sector entities could use to divide tasks and obligations arising from public-private partnership agreements.

The division of projects by their value is very important from the perspective of differentiating between the scope of funding methods. Micro and small projects in the Polish public-private partnership market are usually funded using the private partner's own funds. For private entities, performing the subject matter of a low-value and local partnership agreement entails a smaller risk, whereas local governments prefer this form of performing public tasks because it does not count as public debt (Szafran, 2016).

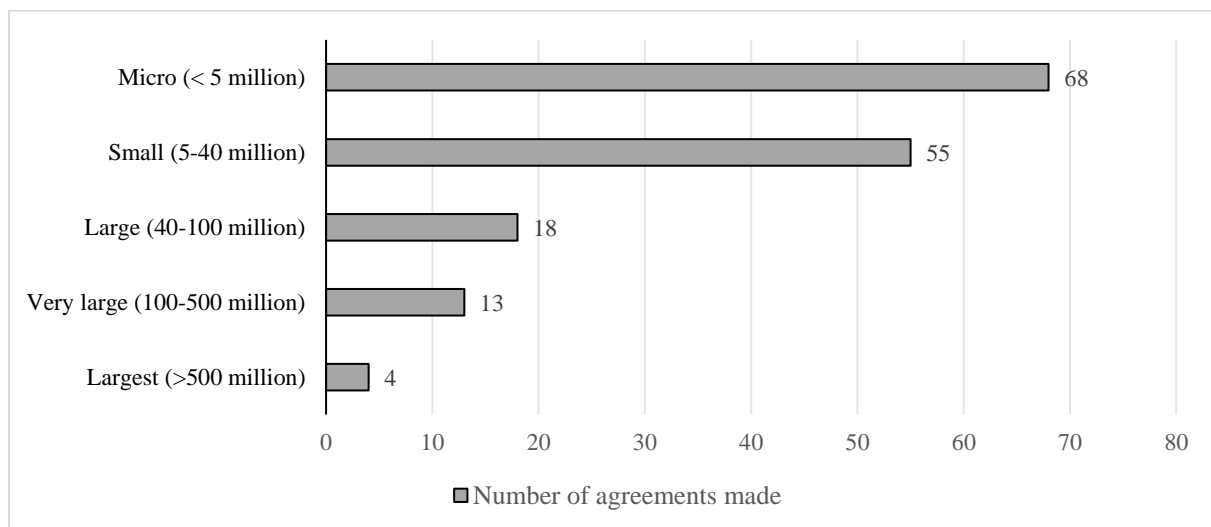


Chart 2. The number of public-private partnership agreements made from 2009 to the 3rd quarter of 2021 by project value

Source: Own work on the basis of data shared by the Ministry of Development Funds and Regional Policy, Report on the PPP market 2009 – Q3 2021.

Structure by entities

An analysis of entities in the public-private partnership market shows that public entities which express the greatest interest in project implementation in the framework of a partnership are local government units, in particular units at the lowest level. It should be emphasized that local government units concluded a total of 143 public-private partnership agreements in the period 2009-2021, accounting for more than 90% of all agreements concluded in the partnership formula (cf. Chart 3). The popularity of public-private partnerships as a form of performing public tasks by local government units needs to be linked with the fact that a public-private partnership may be an alternative to projects supported by EU funding in previous years.

Local government units which made the most public-private partnership agreements in the analysed period were rural communes, urban communes and rural-urban communes. In the analysed period, these entities made a total of 110 public-private partnership agreements.

Further down the list are public-private partnership projects carried out by marshals' offices and budget entities. What is alarming for the development of the public-private partnership market is the fact that in recent years, government administration has shown little interest in choosing a partnership as a way to carry out a project, especially in the case of infrastructural projects. Only 7 public-private partnership agreements were made in the analysed period, which is clearly a small number as compared with the use of intersectoral cooperation to perform public tasks in more developed European countries. In order to stimulate the development of the public-private partnership market, it is necessary to introduce pilot projects initiated by central administration.

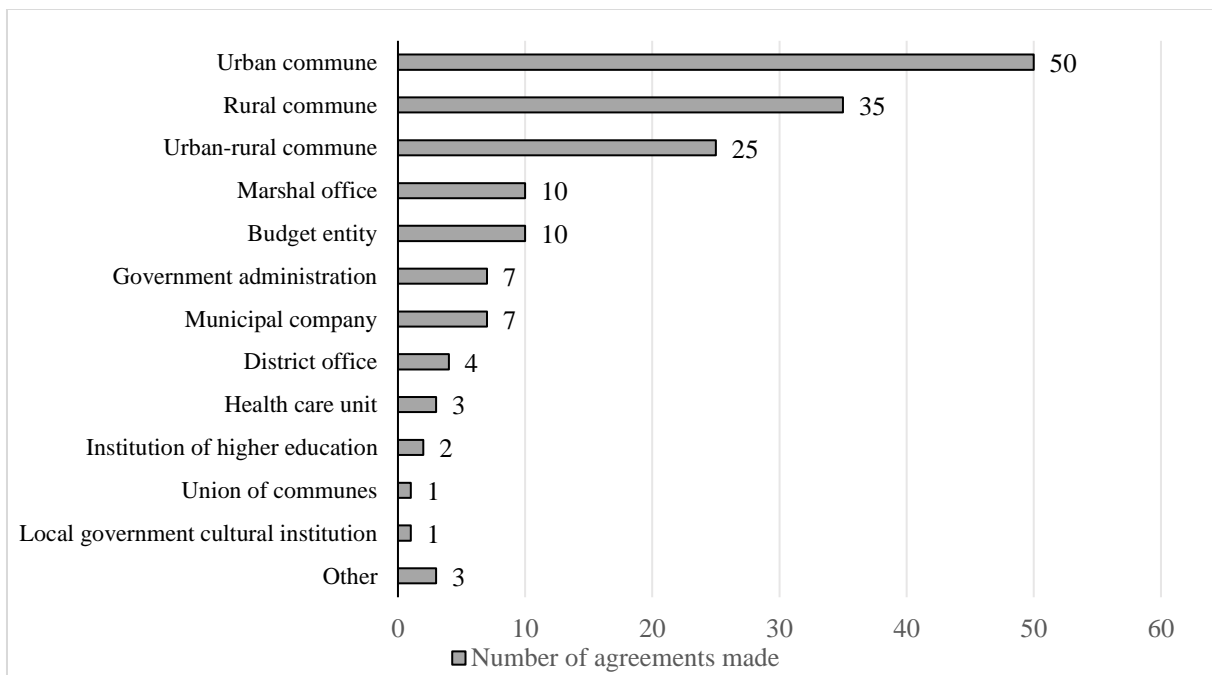


Chart 3. The number of public-private partnership agreements made from 2009 to the 3rd quarter of 2021 by the public entity type

Source: Own work on the basis of data shared by the Ministry of Development Funds and Regional Policy, Report on the PPP market 2009 – Q3 2021.

Structure by sectors

When analysing the number of public-private partnership projects with division into sectors, it needs to be said that in the years 2009-2021 the highest number of agreements was made in the transport infrastructure sector and the energy efficiency sector. In the analysed period, 24 projects were completed or were started and are still being carried out in each of these two sectors. Moreover, the projects in these two sectors account for almost one third of all public-private partnership projects. It also needs to be noted that in recent years the number

of investment plans has increased in the sport and tourism sector and in the water and sewage management sector.

What is visible in the context of a sectoral analysis is a trend to repeat procedures in the waste management, telecommunication and water and sewage management sectors, as compared to other sectors. When analysing the industry structure, it needs to be emphasised that even though in European countries the majority of partnership projects are carried out in the transport, education and health care sectors, in the Polish public-private partnership market a rising number of projects is observed in the sport and tourism sector (Jachowicz, 2015). This situation results from the fact that in countries which have the most developed public-private partnership markets, intersectoral cooperation is usually initiated by state and regional authorities, whereas in Poland the initiators are usually local governments, in particular communes. Moreover, it needs to be observed that both in the European Union and in Poland the importance of efficient energy use projects is growing because it is necessary to implement the strategy of responsible and sustainable development.

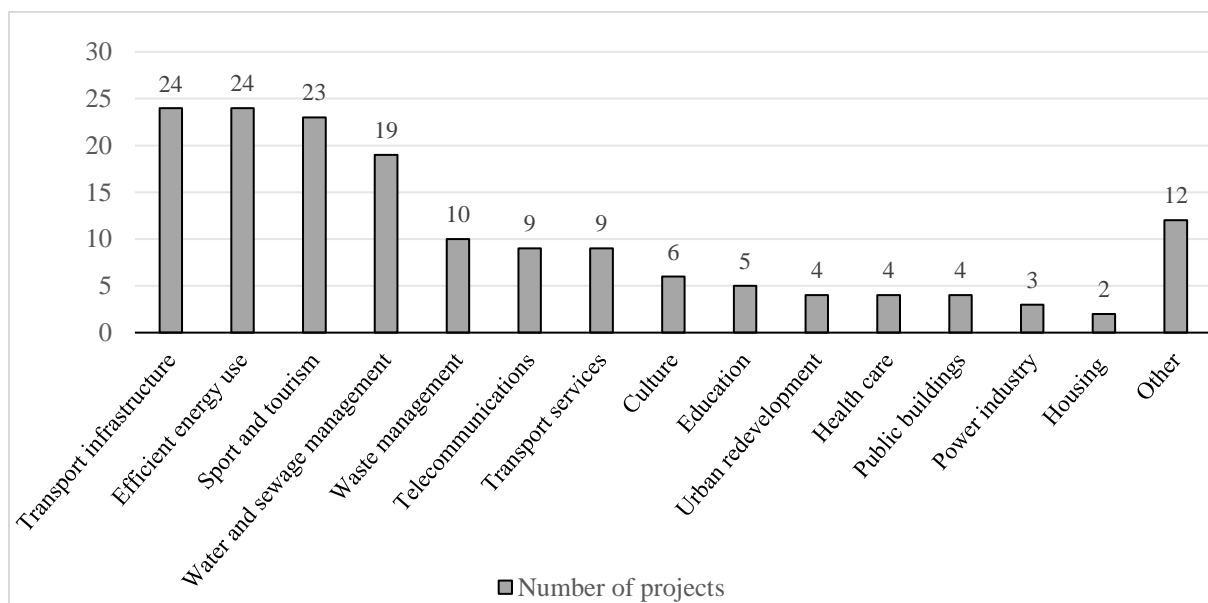


Chart 4. The number of public-private partnership projects initiated from 2009 to the 3rd quarter of 2021 by sectors

Source: Own work on the basis of data shared by the Ministry of Development Funds and Regional Policy, Report on the PPP market 2009 – Q3 2021.

The highest value of projects in the public-private partnership framework is visible in the waste management and telecommunications sector. In these sectors, participants in the public-private partnership market devoted over PLN 4 billion to the implementation of projects, which accounts for almost a half of all funds allocated to the implementation of projects in the whole market. When it comes to other sectors, it needs to be noted that in 2020 the value of public-

private partnership agreements in the transport infrastructure sector rose by over a half as compared to the previous year. It results from the completion of earlier projects and signing new agreements for the implementation of projects in the public-private partnership framework.

Moreover, on the basis of data shown in Chart 4 and Chart 5, it may be concluded that despite a small number of projects carried out in the urban redevelopment sector, this sector is characterised by one of the highest values. During the 13 years of functioning in the public-private partnership market, the redevelopment sector allocated PLN 943 million to project implementation. Moreover, the above data shows that the lowest value per project can be observed in the housing sector. When carrying out a project in this sector, the parties to the partnership agreement are obliged to incur an average cost of almost PLN 8.5 million.

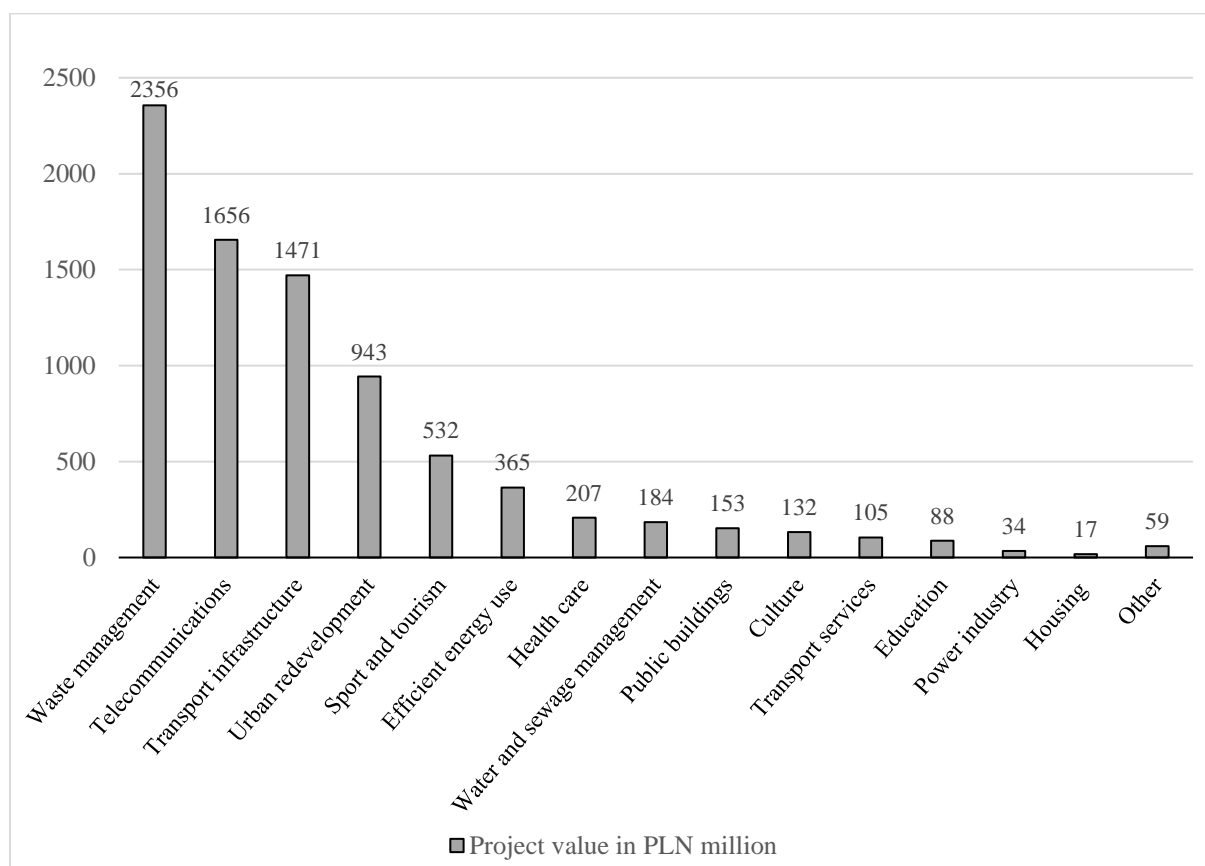


Chart 5. The value of public-private partnership projects initiated from 2009 to the 3rd quarter of 2021 by sector

Source: Own work on the basis of data shared by the Ministry of Development Funds and Regional Policy, Report on the PPP market 2009 – Q3 2021.

Legal and financial structure

When analysing the legal and financial structure, it needs to be noted that the form of carrying out public-private partnership projects that is preferred by public entities is

a concession, which accounts for over a half of all announcements. Taking into account the data presented in Chart 6, the most popular mode of choosing a private partner is a concession for services, whereas the least popular choice of public entities is the procedure under Article 4(3) of the Public-Private Partnership Act (Ustawa, 2008). Public entities choose the concession mode because it is the concession owner who bears the risk associated with using a building or providing services. It is because a situation in which the concession owner bears the economic risk associated with a project is regarded as very desirable by public entities (Piwowarczyk, 2019).

However, it should also be noted that while the most popular legal basis for choosing a private partner is concession for services, when it comes to the value of agreements, the predominant choice is the public-private partnership procedure under the Public Procurement Law (Ustawa, 2019). The provisions of the Public Procurement Law apply to projects with a higher value and a more complex structure. All public-private partnership agreements made pursuant to the Public Procurement Law in the analysed period were worth over PLN 5 billion in total. The most popular manner of carrying out the procedure under the Public Procurement Act is the competitive dialogue, which according to the legislator's intention allows a public entity to negotiate with private entities.

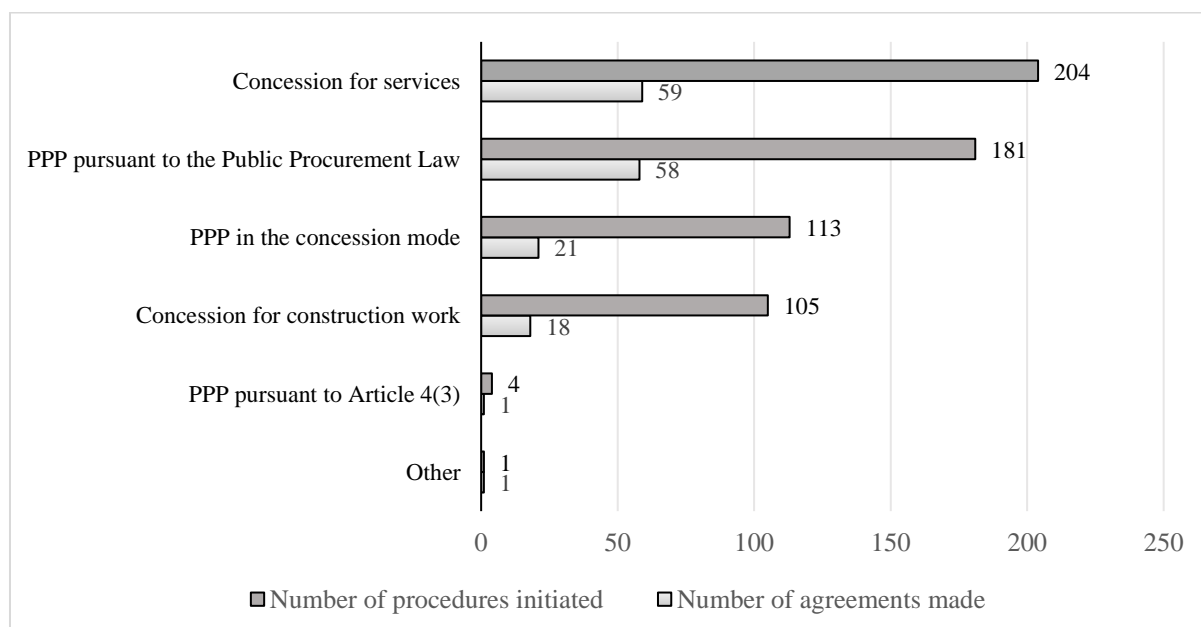


Chart 6. The number of procedures initiated and agreements made from 2009 to the 3rd quarter of 2021 by the legal basis for choosing a private partner

Source: Own work on the basis of data shared by the Ministry of Development Funds and Regional Policy, Report on the PPP market 2009 – Q3 2021.

Fears and risks associated with partnerships

A mismatch between financial resources and investment needs at different levels of the government may have an adverse effect on the condition and development of public infrastructure. These activities may lead to wasteful management of public funds, which often does not take the needs of local users into account, leading to low-quality services. Such an approach to the project at the stage of defining social expectations may lead to a mismatch between the project and the demand, which may in turn impair the quality of services (Panasiuk, 2017). As a result, the costs of maintaining infrastructure may exceed the financial capabilities of the public sector. When choosing the optimal form of cooperation, public entities, in particular local government units, may be concerned about a potential increase in charges incurred by final users, caused by giving the private partner an opportunity to provide public services.

The development of public-private partnerships and other forms of intersectoral cooperation is definitely affected by the economic and political situation in a given country. Economic growth is conducive to investments, whereas recession and economic crises make the private sector reluctant to bear investment risk, while the public sector is struggling with a growing shortage of financial means (Łakomy, 2012). A large proportion of public-private partnership projects encounter problems with funding. In general, funding institutions are not involved in the process until the final stages of the procedure used to choose a private partner. Because of that, financial institutions have a limited ability to shape the partnership agreement, in particular with regard to the source of funding and financial security of the project. It leads to a situation in which such institutions are not willing to accept previous arrangements made by the public and private entities, which means they do not want to grant funding for the project.

The public entity often fails to exercise due diligence when it comes to drafting the required analyses that precede the execution of partnership projects or fails to draw conclusions from such analyses. In many cases, the rationale for establishing a public-private partnership to carry out a given project is not verified as well. In order to verify it, it seems justified to assess the profitability of applying this form of cooperation and compare it with the traditional method of project implementation. This situation is caused for example by the fact that at the stage of project preparation, public entities cannot afford legal and financial analyses. Some public entities do not understand the requirement to carry out technical analyses associated with the preparation of partnership projects. This problem affects especially low-value projects, in which

the costs of analyses are disproportionately high as compared to the value of the planned undertaking.

One of the key reasons why public-private partnerships in Poland do not develop is the belief that there is a high risk of corruption when projects are carried out by the public sector in cooperation with the private sector (Kania, 2017). A violation of competition rules may take place at every stage of the project. A public entity may use inappropriate practices which limit competitive mechanisms by determining the requirements for private partners and their participation in the procedure. In practice, the most popular requirement made by public entities, which may violate the terms of fair competition, is the requirement of a specific number of completed partnership projects of a specific value. What is also noted is the requirement to employ experts with specific qualifications, which may be disproportionate to the potential area of cooperation.

When further considering the challenges and concerns associated with the implementation of public-private partnerships, attention should be drawn to the possibility of losing control over the state of the infrastructure and the quality of the services provided by the public entity. Concerns may arise among public entities, in particular local government units, when choosing the most optimal form of collaboration, that, as a result of transferring the provision of public services to the private partner, the fees ultimately borne by end users will increase.

When the public-private partnership market is assessed, a problem that is often addressed is the extent to which a public entity may count on institutional support of the central administration with regard to advisory services (Schulders, 2020a). In particular, attention should be paid to project certification, so that public entities can rely on ready-made solutions. To do that, a public entity should consider the rationale for market consultations by inviting entities to participate in meetings aimed at working out a cooperation model.

The possibility of choosing a public-private partnership as one of the ways of performing a public task or acquiring external advisers with experience required to carry out a project may be extremely important for project implementation (Schulders, 2020b). The support of advisers during negotiations with potential private partners should be required to effectively implement high-value public-private partnership projects. The aim of such advice is in particular to ensure a good preparation of the whole procedure, provided that such consultations will not disturb competition.

However, the adoption of the above-mentioned solutions does not guarantee the development of the public-private partnership market. In order to increase the number and value of projects, it is necessary to take educational activities, in particular to organise employee

training courses in public entities, devoted to funding, project management and good practices for public-private partnerships. Despite the fact that laws on public-private partnerships have been in force for a long time, a large demand for the promotion of good practices in the implementation of partnership projects can still be observed.

Discussion

In relation to a growing deficit of public funds and a decline in budget revenues, a growing number of representatives of the public sector have been forced to look for alternative sources of funding in order to properly fulfil public tasks. Currently, public entities eagerly use EU funding for infrastructural projects and the provision of public services. However, it needs to be noted that in the next financial perspectives, Poland will lose the status of one of the largest beneficiaries of community funds. Moreover, due to the fact that the European Commission has set climate objectives and promotes the inclusion of environmental aspects in public procurement, what is to be expected is an increase in expenditure on energy transformation in the public sector.

What it is necessary to indicate that over the years there has been a growing need to access public infrastructure and an increasing quality of services. These issues have become an indicator of a well-functioning government and local government administration. In order to achieve the above-mentioned goals, one of the most desirable ways of acquiring financial means by local governments and central governments should be to increase intersectoral cooperation on the effective fulfilment of public tasks. Taking into account the specific nature of the national social and economic system and growing social needs, the author of the article believes that the most desirable way of involving a private entity in the fulfilment of public tasks is to use a public-private partnership.

Taking into account all the uncertainties associated with the implementation of the project in the formula of public-private partnership, it is necessary to point out that the benefits of possible cooperation between the sectors outweigh the potential risks. The transfer of responsibility for access to infrastructure and the provision of quality public services to the private sector is one of the most important reasons for establishing cross-sector cooperation. By using private capital to make the investment, public entities as participants in the partnership relationship may not commit their own funds during the initial period of project implementation and may take over the fixed assets of the project at the end of the agreement period. The advantage of public-private partnerships for public entities is undoubtedly the fact that the

private partner in the vast majority of partnership projects is compensated only when the service begins to be provided. In addition, it should also be noted that the quality of services provided by the public entity may be subject to verification and monitoring during the performance of the aforementioned agreement.

In order to increase the number and value of implemented projects, it seems necessary to undertake educational activities and promote best practices in the area of public-private partnerships. Despite the rather long period of existence of the public-private partnership legislation, we still observe a high demand for the propagation of best practices regarding the implementation of partnership projects. One of the main tasks of the government administration in formulating a long-term plan for the development of the public-private partnership market should be the implementation of training for employees of public entities in financing and project management. An increase in the effectiveness of undertakings in the public-private partnership model should also be sought in the unification of procedures and documentation used in the selection of the most optimal partnership implementation model.

Conclusion

Despite an increased interest in the idea of intersectoral cooperation in recent years, what needs to be noted is the minor role played by the national public-private partnership market in the fulfilment of public tasks. Despite the plans announced by the central government, whose aim is to facilitate negotiations between sectors and to set targets to increase in the number of agreements, there is no significant revival of the public-private partnership market in Poland. One of the main reasons for this situation is the mismatch between the Public-Private Partnership Act and the expectations of private partners as to the division of risk between both entities. Moreover, when the above-mentioned reasons are taken into account, what is pointed out is the low efficiency of public-private partnerships as compared to classic public procurement. When it comes to public-private partnerships, only one in four procedures end with entering into an agreement.

The analysis of the public-private partnership market in Poland shows that one of the biggest problems faced by the government administration is not only to increase the number of agreements made, but also to increase the value of implemented projects. What definitely distinguishes the Polish public-private partnership market from other European countries is a low value of projects carried out by local government units. It is partly due to the fact that the employees of public entities are afraid of liability for the improper provision of public services by the private partner and are not familiar with good practices for the implementation of high-

value projects. The reason why it is impossible to use public-private partnerships on a larger scale is also that the government administration is not interested in carrying out nationwide infrastructural projects with the use of financial resources from the private sector. It stems from the fact that the public sector prefers to follow public procurement procedures to carry out such projects.

When forecasting the development of the public-private partnership market in the next years, it needs to be observed that public entities need to change their approach to combining investment projects with environmental and social goals. Projects which include environmental and social goals aim to improve energy efficiency, protect the natural environment, use renewable sources of energy or stimulate the local labour market. When the expected goals are set in the partnership agreement, it will be a great opportunity not only to meet technical requirements specified in the investment project, but also to obtain products or innovative services of a higher quality.

References

Barszcz, M. (2015). Reforma systemu partnerstwa publiczno-prywatnego w Wielkiej Brytanii – implikacje dla systemu polskiego, *Studia Prawno-Ekonomiczne*, 94, 214.

Bidała, K. (2017). Selection of a Cooperation Model in Investments Implemented in the System of Public-Private Partnership in Poland. *Czasopismo Techniczne*, 10(8), 53-60, DOI: <https://doi.org/10.4467/2353737XCT.17.128.6879>

Borowski, K. (2016). Dotychczasowe doświadczenia i możliwości implementacji partnerstwa publiczno-prywatnego przez jednostki samorządu terytorialnego w Polsce, *Ekonomiczne Problemy Usług*, 125, 85. DOI: <https://doi.org/10.18276/epu.2016.125-07>

Borowski, K. (2016). Dotychczasowe doświadczenia i możliwości implementacji partnerstwa publiczno-prywatnego przez jednostki samorządu terytorialnego w Polsce. *Ekonomiczne Problemy Usług*, 125, 85-94. DOI: <https://doi.org/10.18276/epu.2016.125-07>

Chojnacka, E. (2021). Public-private partnership as a source of financing of sport and recreation infrastructure in Poland. *Journal of Physical Education and Sport*, 21, 1046-1052. DOI: <https://doi.org/10.7752/jpes.2021.s2130>

Cieślak, R. (2022). The Concept of Public-Private Partnership in Poland. *Journal of the University of Latvia. Law*, 15, 282–292. DOI: <https://doi.org/10.22364/jull.15.19>

Delmon, J. (2011). Public-Private Partnership Projects in Infrastructure: An Essential Guide for Policy Makers. *Cambridge University Press*, 13. DOI: <https://doi.org/10.1017/CBO9780511974403>

Grabiec, M. (2019). Ustawa o partnerstwie publiczno-prywatnym. Komentarz, Wolters Kluwer, 14.

Grimsey, D., Lewis, M. K. (2004). Public Private Partnerships the Worldwide Revolution in Infrastructure Provision and Project Finance, Edward Elgar Publishing Limited, 23. DOI: <https://doi.org/10.4337/9781845423438>

Hajdys, D. (2016). Wykorzystanie formuły partnerstwa publiczno-prywatnego w opiece zdrowotnej – doświadczenia Wielkiej Brytanii a sytuacja w Polsce. *Ekonomiczne Problemy Usług*, 125, 161–173. DOI: <https://doi.org/10.18276/epu.2016.125-13>

Jachowicz, A. (2015). Partnerstwo publiczno-prywatne narzędziem efektywnej realizacji zadań publicznych, *Diffin*, 161.

Kania, M. (2017). Zapobieganie i zwalczanie korupcji w projektach PPP, *PZP*, 3, 29.

Kania, M. (2018). Partnerstwo publiczno-prywatne. Komentarz do ustawy po nowelizacji z 5 lipca 2018 r., *Difin*, 15.

Kołodziejczyk-Jeziorska, K. (2016). Partnerstwo publiczno-prywatne jako model realizacji przedsięwzięć budowy i modernizacji infrastruktury publicznej w Polsce. *Zeszyty Naukowe PWSZ w Płocku. Nauki Ekonomiczne*, 1(23), 99–111.

Łakomy, M. (2012). Istota i rozwój rynku partnerstwa publiczno-prywatnego, *Studia i Prace Wydziału Nauk Ekonomicznych i Zarządzania*, 30, 72.

Łakomy-Zinowik, M. (2022). Public-private partnership in the context of sustainable development on the example of the water and wastewater. *Journal of Security and Sustainability Issues*, 12, 109-119. <http://doi.org/10.47459/jssi.2022.12.9>

McQuaid, R., Scherrer, W. (2010). Changing Reasons for Public Private Partnerships (PPPs). *Public Money & Management*, 30(1), 27-34. DOI: <https://doi.org/10.1080/09540960903492331>

Osinski, R. (2022). Sources of Finance for Public-Private Partnership (PPP) in Poland. *Central European Economic Journal*, 9(56), 19-37. DOI: <https://doi.org/10.2478/ceej-2022-0002>

Panasiuk, A. (2017), Partnerstwo publiczno-prywatne, *Presscom*, 173-174.

Piwowarczyk, A. (2019). Przedsiębiorca jako partner prywatny w ramach partnerstwa publiczno-prywatnego. *Acta Universitatis Wratislaviensis*, 329, 585. DOI: <https://doi.org/10.19195/0524-4544.329.47>

Płaczek, E. (2017). Rozwój logistyki społecznej poprzez partnerstwo publiczno-prywatne. *Zeszyty Naukowe Politechniki Częstochowskiej Zarządzanie*, 25(2), 145–155. DOI: <https://doi.org/10.17512/znpcz.2017.1.2.13>

Schulders, M. (2020). Forfeiting by Waiver as an Alternative to Project Financing for the Realization of Public-Private Partnership Projects in Poland, *Studia i Materiały*, 2, 86. DOI: <https://doi.org/10.7172/1733-9758.2020.33.7>

Schulders, M. (2020). The Potential of German Administrative Models for the Resolution of Public-Private Partnership Barriers in Poland. *Studia i Materiały*, 1, 73. DOI: <https://doi.org/10.7172/1733-9758.2020.32.6>

Szafran, J. (2016). Rozwój rynku partnerstwa publiczno-prywatnego na tle Unii Europejskiej. *Annales Universitatis Mariae Curie-Skłodowska Sectio H*, 3, 192. DOI: <http://dx.doi.org/10.17951/h.2016.50.3.185>

Szafran, J. (2017). Projekty hybrydowe - montaż partnerstwa publiczno-prywatnego i funduszy Unii Europejskiej w projektach rozwoju lokalnego i regionalnego. *Barometr Regionalny. Analizy i Prognozy*, 15(4), 93-99. DOI: <https://doi.org/10.56583/br.408>

Ustawa z dnia 27 października 1994 r. o autostradach płatnych oraz Krajowym Funduszu Drogowym (Dz. U. 1994 Nr 127 poz. 627, z późn. zm.)

Ustawa z dnia 28 lipca 2005 r. o partnerstwie publiczno-prywatnym (Dz.U. z 2005 r. Nr 169, poz. 1420.)

Ustawa z dnia 19 grudnia 2008 r. o partnerstwie publiczno-prywatnym (t.j. Dz. U. z 2022 r. poz. 407.)

Ustawa z dnia 11 września 2019 r. Prawo zamówień publicznych (t.j. Dz. U. z 2021 r. poz. 1129, 1598, 2054, 2269, z 2022 r. poz. 25, 872.)

Węgrzyn, J. (2015). Research trends of public-private partnerships (PPPs) in Poland. *Oeconomia Copernicana*, 6 (1), 125–136. DOI: <https://doi.org/10.12775/OeC.2015.007>

Wilczyńska A. (2013), Interes publiczny jako podstawa partnerstwa publiczno-prywatnego w Kania, M. (red.), Partnerstwo publiczno-prywatne. Teoria i praktyka, Difin, 23.

Wolański, M., Mrozowski, W., Zaremba, M. (2017). Public-private partnership - Theory, best practices and the newest Polish experience, SGH Warsaw School of Economics Publishing House, 73-78.

Yescombe, E. R. (2007). Public-private partnerships. Principles of Policy and Finance. *Elsevier*, 16-27. DOI: <https://doi.org/10.1016/B978-0-7506-8054-7.X5022-9>

Zagozdzon, B. (2020). Conditions for the Development of Public-Private Partnership - Analysis Based on an Example of Transport Infrastructure in Poland. *Komunikácie*, 22(1), 35-41. DOI: <https://doi.org/10.26552/com.c.2020.1.35-41>

Zawora, J. (2020). Wykorzystanie partnerstwa publiczno-prywatnego w realizacji inwestycji samorządowych. *Przedsiębiorczość - Edukacja*, 16(1), 370. DOI: <https://doi.org/10.24917/20833296.161.29>

Żegleń, P. (2017). Selected Conditions for the Development of Public-Private Partnerships (PPP) in Poland. *Folia Turistica*, 44, 127-144. DOI: <https://doi.org/10.5604/01.3001.0010.8735>