

PUBLIC-PRIVATE PARTNERSHIPS IN THE NETHERLANDS: POLICY,
PROJECTS AND LESSONS

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Erik-Hans Klijn

Summary

Discussions in The Netherlands on public-private partnerships (PPP) started in the nineteen-eighties and were motivated mainly by the need for financial savings. The discussion resurfaced in the nineteen-nineties and the focus shifted towards improvements in quality and access to the required expertise. This article demonstrates that, while the national discussion on PPP has been strongly influenced by the UK's experiences with Private Finance Initiatives (PFI) and has focused on promoting the new contractual forms (DBFM) it has inspired, in reality most PPP projects show more loosely coupled forms of co-operation.

Prof. dr. E.H. Klijn

Department of Public Administration

Faculty of Social Science

Erasmus University Rotterdam

P.O. Box 1738

3000 DR Rotterdam

klijn@fsw.eur.nl

1. Introduction

The idea of a public-private partnership is not new in The Netherlands, with the most famous example being the VOC (United East Indian Company) which was founded in 1602. The VOC was founded and financed by private merchants and the municipality of Amsterdam to undertake trade and shipping activities in the Far East. It established trading posts in several countries and became one of the largest and most important players in the trade between the Far East and Europe¹.

The municipality of Amsterdam owned 50 percent of the Company, and in turn, the VOC was heavily involved in the building and restructuring of the city of Amsterdam. The town hall of the city of Amsterdam which was completed in 1662 stands as a symbol of the cooperation between these two public and private actors.²

In this article, we focus on the re-emergence of PPPs in the Netherlands since the 1980s.

Section 2 summarizes the policy discussions that have taken place on PPPs in the Netherlands, and Section 3 explores the PPP projects that have been implemented or planned and compares them with the issues that were discussed during the policy debates.

We will see that, while the debates on PPPs focused mainly on ideas related to the contractual form that originated with the UK's PFI, most PPP projects in The Netherlands do not focus on this form and are instead more partnership-oriented. The paper concludes with the lessons drawn from this exploration.

2. The policy discussion about PPP in The Netherlands

After the Second World War, the connections between the public and private sectors were very strong; however, these links were mainly at an institutional level. For example, there was a guided wage policy, supported by intense accommodation and negotiation between trade unions and employers working within a centralised institutional arrangement called a social economic council. Although the institutional relations remained over time and formed the base for the much praised (and much despised!) ‘Dutch Model’ that became famous in the mid 90s, these relations were substantially weaker than they were in the years immediately after the war.

The first wave of PPP policy: looking for other ways to finance public goods

The idea of Public-Private Partnerships received a great deal of attention in the 1980s as a consequence of governmental budget cuts and wide-spread rhetoric on the need to reduce the role of the state. Although the privatisation of state-owned firms and outsourcing the delivery of public goods and services were often mentioned recipes in various countries although the “new public management” concept, which was gaining currency in the UK, New Zealand and Australia, did not achieve similar popularity in the Netherlands (or other mainland European countries).

PPPs were first mentioned in official Dutch documents in 1986. The following lines were included in the coalition agreement signed by the parties that formed the government in that year: “*New forms of Public-Private Cooperation will be established with local governments, local and regional private actors, and, if necessary, central government,*

which will aim to increase the volume of investment in, for instance, urban restructuring”.

This statement was followed by several other policy statements including the national traffic scheme, which discussed the potential of using private financing and PPPs to build five vehicular tunnels, a high-speed passenger railway to Paris, and a freight railway to Germany (The Betuwelijn). Involving the private sector to increase investments of spatial projects was also mentioned in documents of the Ministry of Housing and Environmental Planning. After these political statements were made, PPPs were used to complete two tunnel projects using a somewhat innovative contractual form. Interestingly, investment in the projects was not raised by a toll, but by a ‘shadow toll’, where the central government paid the private actors for each car that passed through the tunnel. The interest in PPPs diminished somewhat after they were introduced. Their cause was not helped by the fact that an evaluation of the two tunnel projects showed that the projects were more expensive than they would have been with public financing.

The second wave: raising quality?

The discussion on PPPs received renewed interest in the late nineties. They were mentioned in the 1989 coalition agreement of the Kok II Cabinet (the second coalition of the Social Democrat Party and the Liberal-Conservative Party). This agreement stated:

“The Aim is a controlled enlargement of the use of PPPs in The Netherlands. The knowledge, expertise and experience required will be combined in a knowledge centre, as suggested in the ‘Knowledge through Co-operation’ report. This knowledge centre will

draft policies relating to PPPs in close cooperation with the sector ministries, support concrete PPP projects, and offer advice on PPP projects”.

The report ‘More Value through Co-operation’ mentioned in the coalition agreement was the result of a broad civil service commission initiated by the Ministry of Finance. The commission explored the experiences of various countries with PPP and, based on this information, formulated the conditions for a successful PPP venture. Interestingly, in addition to focusing on financial instruments and organisational forms (mainly contracts), the report also paid a great deal of attention to managing the process of interaction (see Kenniscentrum, 1998). This attention to the process dimension of PPPs is unique in that it has not been seen in any reports and publications of the Knowledge Centre since then. The Knowledge Centre is part of the Ministry of Finance, and its founding in 1999 was a result of the political statements in the report included in the coalition agreement mentioned earlier. Its objective is to further the goals suggested by the political statements made in the coalition agreement.

The Knowledge Centre's annual reports and the discussions of PPP in the central government have emphasised the contractual forms of PPPs. It is clear from the number of references in the documents and the emphasis on innovative contractual forms that the ideas in these discussions have borrowed greatly from the UK's Private Finance Initiative, which had been used to contract for a significant number of projects by then.

The Knowledge Centre regularly updated the Ministry Council and Parliament on the status of PPP projects and initiatives via a stream of reports and annual overviews. The centre dominated the discussion on PPP until 2006 when it ceased to exist. In its reports

and especially in its annual overviews, the Knowledge Centre made the keen observation that the high expectations for PPPs were not always justified, and that projects were not 'ripe fruit' ready for immediate initiation. In 2001, the Knowledge Centre observed that while progress had been achieved in many projects, the actual process of tendering or contracting proceeded at a relatively slow pace. They listed the following reasons for this:

- public actors involved in such projects often have different views;
- public actors find it hard to formulate clear and functionally-specific output;
- the incentive to involve private actors diminishes when government subsidies are granted to projects; and
- private actors cannot always participate in every stage of the process.

A year later, discourse on PPPs took on a slightly more critical tone. Individuals invested in the efforts of the Knowledge Centre had become especially disappointed by the progress of PPPs focused around contractual concessions. Documents from the Centre concluded that, although the PPP concept made sense, the results obtained and the number of projects realised were too limited (Kenniscentrum PPS, 2002). At this point, the Knowledge Centre also lamented the fact that the existing PPP projects were relatively small, as this increased transaction costs for both public and private actors, and made learning difficult.

After 2002, the tone of the report again changed slightly. The message was still that PPP growth was too low: for example, a 2004 report stated: "The application of PPP is still too incidental" (Kenniscentrum 2004, pp.2). However, the report continued by mentioning that "a precondition is that both the public and the private sectors have

realistic expectations of the potential of PPP. The public sector should not try to entice the market (and other government authorities) with projects that they have not determined to be unfeasible and the private sector must not submit proposals if their only “added value” is postponed payment” (Kenniscentrum, 2004 pp.2). The report also stressed that although the first projects (the construction of two roads) that adopted a DBFM-like contract had been completed, PPP projects generally took a substantial amount of time, implying that public actors should play a more active and defined role, beyond merely subsidizing the projects (see Kenniscentrum, 2004).³ The policy discussion about PPP faded a bit after 2004, but the ideas were incorporated within several separate ministries which were focused on realizing the existing PPP projects.⁴

Continuity and change

An ongoing theme in the reports and in the policy-related discussions and arguments in The Netherlands (particularly in the Knowledge Centre) is that public actors should simply define specifications and then make space for private actors to implement and create innovative products. The second wave of PPPs clearly distinguishes itself from the first in this regard. While attention in the first wave focused clearly on PPPs as an instrument for saving public money or for financing projects, the second wave laid greater emphasis on raising the quality of policies and products. Thus, while the first wave of discussion about PPP is about saving costs the second one is to enhance investments in environmental projects by involving private partners.

3. PPP projects in The Netherlands: an overview.

An interesting question is how the actual practice of PPP in The Netherlands compares to the policy discussion that took place. To answer this question, we examine the sectors within which PPP projects are dominant in The Netherlands, and the character of these projects. Several prominent examples are used to further this discussion (see boxes).

THIS IN BOX: BOX 1 THE SIJTWENDE CASE

Without a doubt, the most famous PPP case in The Netherlands is also one of the most peculiar. It involves a private consortium that became intertwined in a prolonged conflict between the Ministry of Transport and the municipality of Voorburg over the construction of a road in a densely populated area. The case illustrates how a Public-Private Partnership can work in an impressive manner to generate new solutions and to create more efficient and satisfactory decision-making. The Sijtwende project originated before World War II, with objective of constructing the 'Noordelijke Randweg' (Northern Ring Road) between the A44 (the road from The Hague to Leiden and Schiphol) and the A4 (from Rotterdam to Amsterdam). The project became critical again in the 1980s and 1990s because of increased traffic. However, the municipality of Voorburg resisted the construction of the road, which would run through its vicinity, as it argued that residents would suffer from the traffic. Voorburg was only willing to provide zoning (planning) approval for the new road if it was built underground, or in a shielded cutting. These alternatives were very expensive and the Ministry of Transport, Public Works and Water Management was not prepared to bear the costs. It preferred the aboveground alternative as it was substantially cheaper.

Ultimately, Voorburg agreed to cooperate on the condition that the ‘Sijtwende’ option was used. This was an alternative (‘cut and cover’) plan developed on the initiative of a consortium of business organizations (Bohemen, Van Hattum and Blankevoort BV), that specialized in (underground) construction. The consortium, “Sijtwende BV”, presented their plan to the municipality of Voorburg and the Ministry of Transport, Public Works and Water Management. Initially, the Ministry was sceptical, as it saw the plan as a delaying tactic by the Voorburg municipality. After several suspicious interactions between the parties who deeply distrusted each other, the region Haaglanden⁵ and the Ministry of Transport, Public Works and Water Management signed a four-party agreement in July 1996. This made the public-private partnership a juridical fact. At the same time, the formal instruction procedure that the Ministry of Transport had initiated against Voorburg was halted along with the ministry's development of its own alternative for the VL. The parties decided to cooperate to pursue the underground option that would allow buildings to be built on top of them (a ‘hollow dyke’). There would also be provisions in the project for a tramline to be built alongside the road.

Although there have been a number of misunderstandings and minor frictions among the actors, the cooperation has been, for the most part, running smoothly. Sijtwende BV has been very active from the start, and has worked to facilitate the inter-organizational cooperation among the four stakeholders by reconciling the interests of all stakeholders' in the plan. The result of this cooperation is a project based on the idea of multiple uses of land. The new road will be executed partly above-ground and partly underground (in a so-called 'hollow dyke'). The two tunnels (one for the road and one for the tramline) were

completed in 2005. About 700 houses, a number of office buildings and a fire station are currently slated to be built on and around the completed tunnel.

Example based on: Edelenbos/Klijn, 2007

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PPP projects: mostly infrastructure and urban projects

Most PPP projects in the Netherlands occur in the areas of Transport, Housing and Urban Development. A study of 51 of the larger PPP projects in 2002 by Ecorys demonstrated (see Table 1) that most of the projects that were taking place then were either infrastructure or area development projects. Although the situation has changed slightly since 2002, and several other project types have been identified (such as school buildings and hospitals with PFI-like construction schemes), the broad conclusion continues to hold today (see Kenniscentrum 2004; Klijn and Twist, 2007).

Table 1. 51 PPP projects divided by type. Source: Ecorys, 2002

Type of project	% of projects
Infrastructure projects	54%
Roads	24%
Other transport infrastructure	22%
Other projects	8%
Area Development	46%
Industrial areas	14%

Green infrastructure	12%
Urban development/restructuring	8%
Vinex (=new extensions of cities)	6%
Combination projects	6%

Two types of PPP projects

Most PPP-related writings by both academics and practitioners make a clear distinction between joined partnerships and contractual projects (Klijn/Teisman, 2000; Canoy et al, 2001; Ham/Koppenjan, 2002; Kenniscentrum 2002; Klijn/Teisman, 2003). Table 2 sums up the main differences between the two forms. The contractual form is very prominent in the PFI-like projects in the UK and dominates policy discussions at the central level, as seen in the documents produced by the Knowledge Centre of the Ministry of Finance. However, the joint partnership form seems to be more dominant in urban projects (see Ecorys, 2002; Klijn et al 2006; Klijn and van Twist, 2007).

Table 2. Co-production in PPP via contracts and partnership

Characteristics	Contractual arrangements	Joint Partnership arrangements
Problem type and solution specifications	Public party specifies problem and the solution/product to be implemented	Public and private party are involved in a joint process of problem and solution specification
Scope of project	Tendency to search for clear divisions; any expansion in	Tendency to search for expansions in scope and links between

	scope must occur within the framework of clearly delineated responsibilities	elements
Preconditions for success	Clear contract and tendering rules and clearly formulated problems/project requirements	Linking ambitions and goals, establishing effective rules for interaction to create commitment and profitable cooperation
Level of co-production	Limited and occurring primarily prior to the tendering process; what follows is mainly monitoring and less co-production (at least in the classical contractual arrangement). Recently, more attention has been paid to 'managing the contract'.	Extensive during the whole process; at first focused primarily on defining the nature of the ambition (searching for the scope of the project) and searching for linkages, subsequently focused more on co-production and the joint realisation of the ambitions

Adapted from Klijn/Teisman 2000

According to most publications on PPP in The Netherlands, the partnership form dominates the domain of development projects (Canoy et al, 2011; Ecorys, 2002; Kenniscentrum, 2004; Veld, 2007) and is characterized by the involvement of many different actors and complex networks of interdependency. These projects are characterised by intense interaction and complex decision-making (see also Klijn et al,

2006; Veld, 2007). Contracts are only part of the whole process of cooperation (especially at the implementation phase).

In the contractual form of PPP, more found in the infra structure projects, the relationship is closer to the classic 'principal-agent' relationship. The principal (public authority) chooses someone to implement a project by means of a tendering process. In the contractual form of PPP, the design, building, financing and maintenance of a product or service are integrated within the contract. The added value of this form lies in the lower costs of co-ordination between the various components.

PPP: involvement of private actors and stage or implementation?

Although, as we have seen in the previous section, PPP has become an important instrument in government policy, the actual realisation of PPP projects is less advanced. Many well-publicised projects that have attracted national discussion on PPP are still in the planning (area development projects) or pre-tendering (infrastructure / product PPP's) stage (see Ecorys, 2002; Kenniscentrum 2004). Only recently have we seen more projects reaching the implementation phase, and most of these projects tend to be of the partnership type. In general, an increasing number of proposals are getting through to realisation (Kenniscentrum 2004). A recent study of managerial behaviour in 18 complex PPP projects (Klijn et al., 2006) suggests that private sector actors are beginning to have a greater involvement in the PPP's process⁶. Table 3 provides an overview of the involvement of private actors in 18 well-known PPP projects and the status of their

implementation. In 2006, six out of 18 projects (30%) were in the implementation phase, and the rest were in the planning phase. This number has risen to over 50% in 2008.

Table 3 Involvement of private actors per phase in 18 selected PPP projects.

Projects	Planning phase			Implementation phase
	Consultation	Joint development	Private initiative	
Total (18)	7	13	2	6

Source: Klijn et al., (2006)

The organisational form: contracting or partnership?

The impression one gets by following the PPP debate is that, despite government attention on contractual forms of PPP, most organizational forms of PPP project are fairly light on that aspect. Since most PPP projects concern environmental projects, we used a survey of environmental projects in The Netherlands to test this and several other commonly held assumptions.⁷ We asked the respondents to the survey about the formal organizational forms they chose for the project. Table 4 summarizes their answers.:

Table 4. Organizational form in environmental projects (N=317)

No formal organizational form 5%

Project group with regular meetings between parties	53%
Joint project office	16%
Autonomous legal entity	8%
Different form	19%

Source: Klijn et al, 2008

We can see that the 'project group' is by far the most popular organizational form followed by the 'joint project office' and the 'autonomous legal entity' forms. In 5% of the projects, respondents claimed that there was no formal form of organization. A further 19% of case respondents indicated that the form they use did not fit in any of the categories indicated.

Of course, contracts still play an important role in the implementation phase of the partnership form of PPP. Large building activities do not get started without the creation of traditional contractual agreement between public and private actors. But in general our material points to the fact that until now we have not seen much innovative contractual PPP's and most of the PPP's can be characterized as loosely coupled partnerships

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Box 2. Wieringerandmeer: An example of a green infrastructure PPP project

An official development competition was organised among private consortia in November of 2003 to elicit plans for the Wieringenmeer (Wieringenlake), an area in the north-west of The Netherlands. This area was reclaimed from the sea several centuries

ago, but remains sparsely populated. It is an area of low economic activity, primarily used for agriculture, and it has been less successful in attracting or retaining young people. These features, along with the need for better water management in the area, led government planners to explore ideas to redevelop the area around the Wieringenmeer (a polder!). One suggestion was to create a lake which could be used both for water management as well as to stimulate tourism and other activities that could help realise the area's economic potential

To the relief of the initiators, there were ten entries into the competition and five consortia were subsequently invited to propose a development for the competition. Although the five plans that were submitted were all realistic according to the jury, the private consortium “Lago Wierense” was appointed as the eventual winner. Lago Wierense (LW) is a collaboration between Volker Stevin and Boskalis, a large building company, and Witteveen+Bos, an architecture bureau.

The decision to use the development competition as a means to involve private parties was not an easy one to reach. It was the subject of intense debate between the external project leader who was in favour of the plan, and the representatives of the province who were not as enthusiastic about it. After heated discussion, the province agreed to the procedure. However, once the competition was over, the County took over the external project manager's role and the project stagnated because of conflicts between the County and the other actors (mainly the municipalities). In addition, there were laborious negotiations between the private consortium that won the competition and the Province, once it took on the role of project manager. By the end of 2005, it appeared that the

process was finally taking off and the actors succeed in working together on the development. The municipalities and Province made the official decision to start implementation in early 2008.

This project is interesting because it was among the first few in which a more process-oriented approach involving many actors was combined with the use of innovative contractual designs. The case also demonstrates the importance of co-operation between public actors in connecting the various public interests with each other, as well as the need for the process manager to be able to skilfully integrate multiple demands. The province had difficulties in performing that role

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4. Contractual partnerships: few but gradually growing

As previously indicated, most PPP projects in The Netherlands can be viewed as being partnership forms of PPP. However, several more PFI-like contractual forms of PPP have been developed in the last five years partly as result of the promotion of this form by the Ministry of Finance. There has been much discussion of the precise costs and revenues of these new contractual PPPs and the assumptions with which the calculations are made affect the revenues realised. Unfortunately, the actual figures only become available after the project is completed. According to the Ministry of Transport, the Wijkertunnel, which was one of the first PPP projects to be developed under a DFBM-like contract in the 1980s, turned out to cost 9 percent more than similar projects that were more traditionally-administered, with other agencies estimating even greater cost disadvantages. The Permanent Committee for National Spending estimated that the

project cost 13.5% more and the National Audit Committee placed the extra costs at 40%. This discussion was repeated with regards to the costs of the high speed rail to Paris. In this case, the Ministries of Finance and Transport reported to Parliament that value was obtained, as costs were between five to ten percent lower than they would have been if more traditional methods had been adopted. However, The National Audit Committee moderated this claim by adding that this was "an outcome with much of the uncertainty of a theoretical exercise" (see Klijn and van Twist, 2007). Table 5 presents a tentative overview of the revenues collected from the DBFM contracts that have been tendered thus far.

Tabel 5. DBFM contracts in The Netherlands and their revenues

Project ¹	Date of contract	Omvang contract	Contract form	Design & Build period	Maintenance period	Cost reduction (estimate)
HSL-IP (rail project)	2002	3,41 mld	DBFM	?	30 year	2-5%
Harnasch-polder	2003	429 mln	DBFO	4 jr	30 year	10,5%
A59 (road project)	2003	244 mln	DBFM	2,5 jr	15 year	14%
N31 (road project)	2003	120 mln	DBFM	4 jr	15 year	19 %

¹ A description of these projects can be found here: <http://www.minfin.nl/nl/onderwerpen,publiek-private-samenwerking>

project)						
Montaigne lyceum (school building)	2006		DBFM	1,5 jr	28,5 year	16 % (PSC)
Ministry of Finance (building)	2006	175 mln	DBFM	?	25 year	15% (PSC)

The information presented in Table 5 allows us to better discuss how value is calculated.

In case of the two road projects (A59 and N31), the added value will only be realized during the contractual period. Their costs depend largely on the risks that are taken by the government authorities and whether these lead to extra costs can only be assessed at the end of the project. Furthermore, the added value does not depend solely on the chosen contractual form, but is always linked to other circumstances, such as competitiveness and market conditions.

Despite these criticisms, the verdict on these projects is still somewhat positive as demonstrated in Table 5. The financial estimations are positive, as are the evaluations of effectiveness and quality (see Klijn/van Twist, 2007).

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BOX 3: School as PPP project: an example of innovative contracting

The Montaigne Lyceum is a multifunctional secondary school in The Hague with 1200 students. The school was built under a concession contract in which a private contractor was responsible for providing quality housing and for maintaining and managing this facility. The most important actors involved in this relatively small PPP project were the Ministries of Education and Finance (especially the Knowledge Centre), the school board and the local municipality. The school board acts as the tendering authority because of its financial strength; in practice, however, the school's principal takes on this role.

Through the concession/tendering process, the Municipality and the school board hoped to achieve the best value in terms of price and quality for the new school building. The consortium 'Talentgroup' was selected using the European tendering procedure. The consortium was a combination of Imtech (a firm specialising in using a multidisciplinary approach to technological services), Structon (a large building company), Barclays (a UK bank with experience in PFI projects), and ISS (a service provider which also has significant PPP experience in the UK). The consortium was especially interested in this project, and viewed it as a pilot project that would allow them to gain experience and achieve market share in the educational market.

The whole process of tendering took a year and the half, with the longest period spent on formulating the specifics of the project and brokering an agreement between the public actors (Bult-Spiering/Blanken/Dewulf, 2005). Agreement between the school board and the municipality was crucial because housing in schools is the responsibility of municipalities in The Netherlands, and the municipalities pay fees for maintenance and other activities. The municipality took on a thirty-year contract that begins once the building is constructed, with payment linked to the quality of service.

Opmerking [1]: What does this mean?

END BOX

The difficulties associated with long contractual agreements arise because they do not fit well with the typical financial rules of governments. DBFM contracts include many maintenance costs which are not normally budgeted for because these non-building related costs are financed separately (if they are budgeted at all). This means that DBFM contracts are more expensive in the short term and require larger budgets, even if they are cheaper overall by comparison. This was the case in the A49 road project which was estimated to be 14% cheaper than a similar, non-PPP project. Another problem is that the savings are just estimates, and no one knows in advance if the savings will be realised because there is as yet only limited experience in The Netherlands with these long-term DBFM contracts (see Deloitte, 2003).

4. Conclusions and lessons from Dutch PPP experiences

It is clear that the spread of PPP as a phenomenon is proceeding less quickly than was expected about ten years ago. This is probably due to the rather optimistic view of the time it would take to achieve interesting project content in the projects to interest private actors and the time it took to achieve mutually acceptable decisions about the content and the organisation of PPP projects. These constraints apply especially to urban projects, which need lengthy preparation and implementation times.

Another important reason for the delays is the strong focus thus far on contractual forms of PPP, which are relatively new in the Dutch context. Public and private actors have had more experience with loosely coupled public-private relations in urban development and infrastructure, and UK-inspired PFI-type solutions being promoted by the Ministry of Finance may need time to gain acceptance.

This observation leads us to a second observation, which is that PPPs are a complex phenomenon. Even in the case of relatively small and simple projects, multiple actors are involved and each may have a different perception of the nature of the problem (or project) and the desired solutions. A recent evaluation of the Montaigne School project (see box 3) showed that it took a significant length of time to organise the tendering process. The complex character of decision-making is often overlooked in the stories on PPPs with a strong focus on contractual forms. Creating a PPP also requires intensive process management efforts to organize the complex interactions between the partners and to create interesting projects with the right scope (Klijn/Teisman 2003).

PPPs also face several organisational obstacles, as shown in the research on PPP in The Netherlands. First of all, many PPP projects have a multilayered characteristic. Not only are various private actors involved, very often, they also hail from different levels of their organisation. The involvement of Central Sector departments is particularly difficult to manage, as Central Ministries often demand that many conditions be met before the provision of subsidies, and these departments may have different monitoring regimes to ensure this. Domain-related conflicts between other actors also have to be handled to ensure a successful partnership. This reiterates for us the importance of intensive managerial efforts as condition for success in PPP projects.

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¹ But at the same time the VOC was also connected to more darker sides of colonialism!

² It is worth noting that, in those days, the city council itself was mostly composed of rich merchants, as was the central government of the republic. This was because, unlike other countries, The Netherlands did not have any kings or queens. It was ruled in a consensus-like manner, through negotiations between different counties and factions. Only in times of war would the state's power be temporarily transferred to a central

ruler, called 'the stadhouder' (commander of the army). These rulers were the ancestors of the present kings and queens of Orange.

³ In 2004/2005, the Knowledge Centre practically ceased to exist. However, at the same time, sections in other departments took over its initiator role.

⁴ One can now find sections within many ministries that promote PPP. Interestingly, one can find clear differences in flavour. While PPP discussions in the Ministry of Finance are still dominated by the contractual forms (see <http://www.minfin.nl/nl/onderwerpen,publick-private-samenwerking>), the attention of the Ministry of Housing leans more generally towards involving private partners in relatively complex urban projects (see <http://vromruimteforum.asp4all.nl/index.cfm?vid=CE40F12C-C09F-296A-61FDA3062A67D817>). This is clearly related to the type of projects they are dealing with as the second section will show

⁵ Haaglanden is a regional governance structure in which different municipalities work together in order so solve cross-boundary governmental problems.

⁶ The 18 selected projects contain most of the well-known PPP projects of the last 5-10 years.

⁷ In the survey, other questions were also asked (on trust, managerial strategies and outcomes); however, we do not report these in this article. We also wanted to have an indication of the 'level of PPP' of the environmental projects we researched. We measured the 'degree' of PPP of these environmental projects by using three items that are in line with what the literature considers to be important characteristics of PPP organisational arrangements: some degree of risk-sharing and adjustments in the strategies of public and private actors. The idea is that the level of PPP is not a dichotomy but a scale that ranges from high (shared risks, separate organizational form, and much coordination) to low. The items were:

- Organizational provisions to manage cooperation between public and private parties are present.
- (Financial) risks are shared between public and private parties.
- The activities taking place between public and private parties are coordinated.

Each item is on a five-point scale (from "Totally Agree" to "Totally Disagree"). The three items have a high Cronbach's alpha of 0.84. We recoded the variables (a high score on each item means a high score on PPP) and divided this score by 3 to get a measure of the degree of PPP in the project. The scores varied between 1 and 5 and the average is 3.58. 11% of the scores were below 2 and 27% of the scores were above 4. This suggests that the average degree of PPP of these projects is relatively high (see Klijn et al, 2008), confirms our expectation that many PPP projects take place in an environmental context.