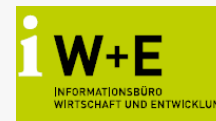




Workshop 2: How to Manage Facilities The German Experience: Management of Development PPPs



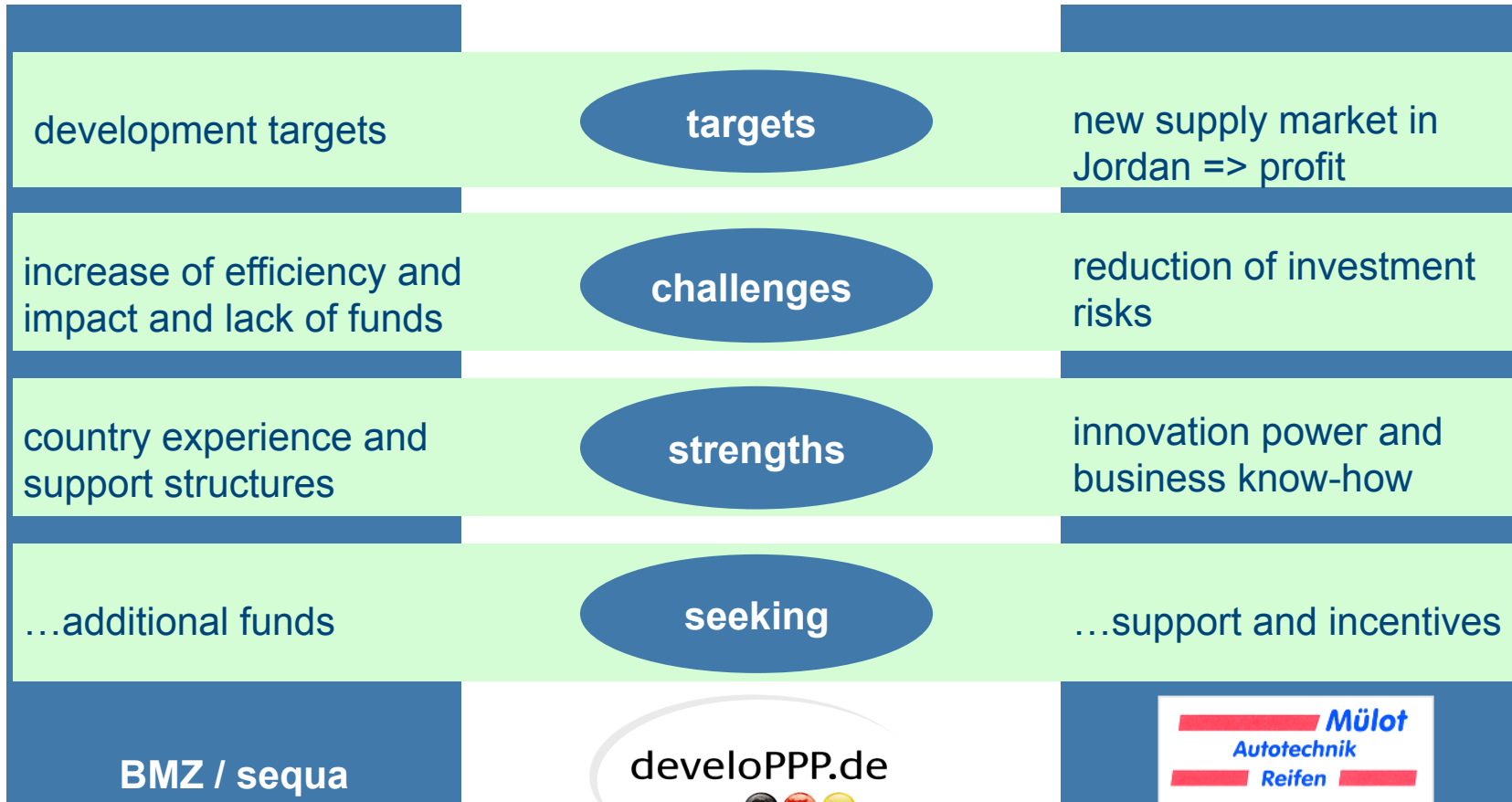
Vienna, 24.11.2009
Gebhard Weiss

Contents

1. Analysis of a Best-Practice Example
2. Tyre Market in Jordan
3. Project Partners
4. Project Targets
5. Major Project Activities
6. Establishment of Model Projects
7. Benefits for the Partner Country
8. Conclusions I: Ingredients of “good” PPP-Projects
9. Conclusions II: Ingredients of an effective PPP-Facility

1. Analysis of a Best-Practice Example

„Technology and Know-how transfer
in tyre retreading in Jordan“

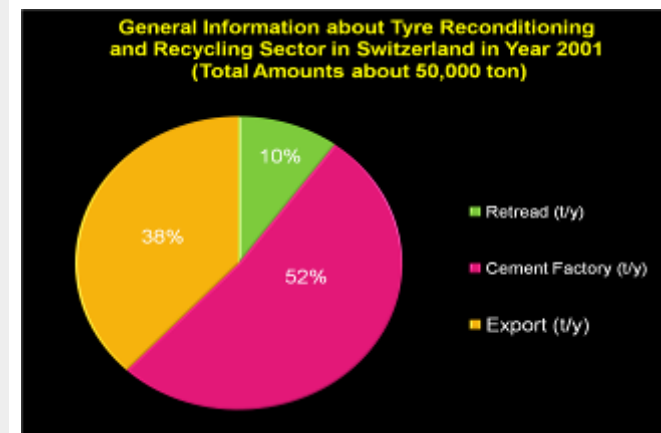
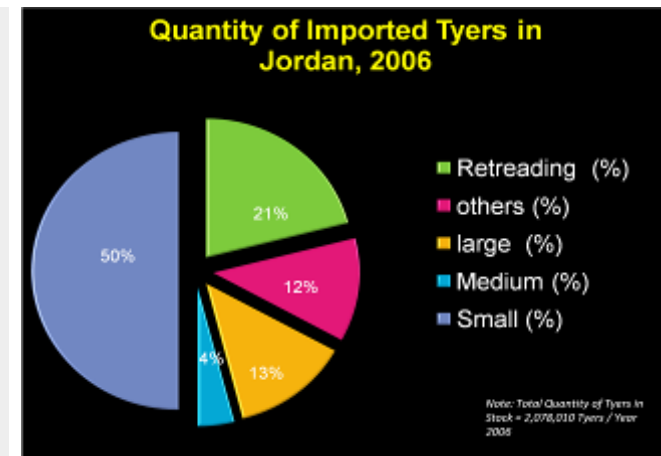


2. Tyre Market in Jordan

In Jordan the tyre retreading market is lacking of technology, know-how and qualified staff.

- Annual imports of tyres around 2 - 2,4 million tyres
 - 20% of imports (about 440.000 tyres) are imported from countries as France, Germany and Japan => These tyres can be retreaded without any problems.
 - - 80% of imports can be retreaded with some additional costs

- There are 17 companies for tyre retreading with a total capacity of only 20 - 30 thousand tyres.
Reasons:
 - No technological standards
 - No market analysis
 - **Lack of technology, know-how and qualified staff**



3. Project Partners

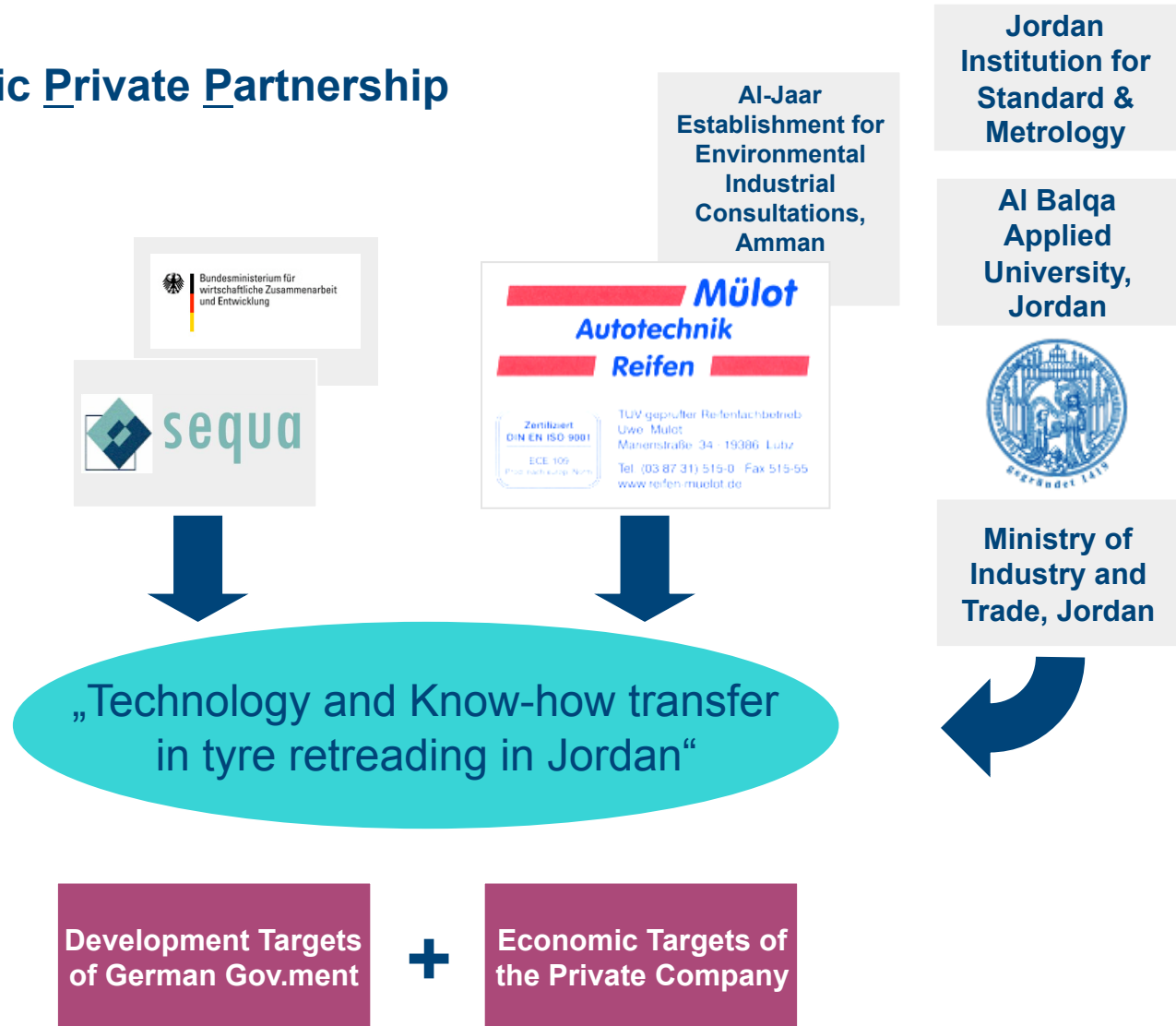
PPP means Public Private Partnership

Stakeholders

Project Funding

Project Title

Project Targets



4. Project Targets

The Project has both economic company targets and development targets

■ Development Targets

- Saving of energy and raw materials
 - Life cycle of retreaded tyres could be extended up to 5 times
 - Only 20% of tyres are being retreaded
- Reduction of environmental pollution and protection of climate
- Reduction of imports of new tyres => foreign currency savings
- Reduction of tyre prices (cost reduction ~ 30%)
- Vocational education & Training => Increase of local employment

■ Company Targets

- Market entry in Jordan
- Establishment of Jordanian suppliers to Muelot

5. Major Project Activities

Sustainability can only be achieved by modifying a system. Training alone does not establish a sustainable system.

- Practical and theoretical training for Jordanian staff and decision makers
- Support to relevant retreading companies by optimizing their technological processes and quality control systems
- Support to the Jordan Institution for Standard & Metrology by developing and implementing new standards for retreading
- Creation of public awareness for environmental and economical concerns (lectures at universities, development of promotion materials and posters for the relevant authorities, as well as participation in trade events and exhibitions)

6. Establishment of Model Projects

Selection of the local partners under aspects such as:

- existing technical equipment,
- existing staff qualifications,
- level of readiness to accept technical and organisational modifications,
- available sources for old tyres and existing logistics concepts.



- Training Phase 1: In Germany
- Training Phase 2: In Jordan

Ad 6. Training for Jordanian multipliers and decision-makers

Phase 1: 2 Weeks in Germany for 10 persons: The participants came from authorities, private companies, universities and research institutions

- **Theoretical Training**
 - technology and processes,
 - law und ordinances,
 - logistics and quality control
 - commercial aspects and marketing
- **Practical Training**
 - at various work stations of Muelot Autotechnik
- **Visits**
 - to ministries and other authorities in Germany
 - to further companies in Germany for retreading and recycling





Ad 6 Training for Jordanian multipliers and decision-makers

Phase 2: Further training in Jordan

All steps have been planned and executed jointly with the pilote companies:

- analysis of weaknesses of the relevant companies
- preparation of technical and organizational solutions
- improvement of the production and quality control
- use of production support facilities
- upgrading of production tools in the pilot companies
- theoretical and practical training courses

7. Benefits for the Partner Country: Jordan

Jordan shall benefit from the project on various levels ...

- modern technology in tyre retreading
- international standards in tyre retreading
- modern training systems in tyre retreading industry

=> effects/impact

- cost reduction in tyre production => cheaper tyres in the market
- contribution to cleaner environment
- higher safety of retreaded tyres
- reduction of tyres imports => savings of hard currency
- opening of new exports markets for Jordanian producers
- decrease of unemployment

8. Conclusions I: Ingredients of a “good” PPP-Project

Sustainability can only be achieved by modifying a system. Training alone does not establish a sustainable system.

- ✓ Companies have to **reach out to a broad target group**, i.e. they have to train more people than they need for their own purposes.
- ✓ PPP-proposals meeting the following criteria have **good chances of getting financing** under develoPPP.de:
 - **involvement of local partners** for multiplication
 - **establishment of training infrastructure** in the partner country
 - introduction of **new training courses** and study programmes
 - **giving advice to decision-makers** (in the area of VET)
 - **influence (VET) structures** in the partner country

9. Conclusions II: Ingredients of an effective PPP-Facility

Ingredients of an effective PPP-Facility are clear rules, permanent communication, manageable bureaucracy and the “right” agencies

- ✓ Call for ideas is a good instrument as it stimulates companies to submit their proposals just by setting a deadline.
- ✓ **Bureaucratic procedures have to be manageable for and transparent to the applicants.**
- ✓ **Clear access criteria for companies** (e.g. turnover, staff) ensure that private partners have experience and resources necessary to implement the project.
- ✓ **Close cooperation between company and implementing agency** in developing and monitoring the project ensures high project quality.
- ✓ **Detailed planning phase and detailed project agreement** ensure transparency for both sides and are a pre-requisite for a smooth project execution.
- ✓ **Continuous programme marketing** is called for, as there is still a great potential for new PPP projects. Business membership organisations should get involved in marketing activities.
- ✓ The **implementing agencies require highly qualified staff**, since a PPP-Facility such as develoPPP.de is a programme that requires a plenty of explanations and discussions.

Contact

**Gebhard
Weiss**

sequa gGmbH

Managing Director
Alexanderstr. 10
D-53111 Bonn
Germany

Phone +49 (0228) 98238 - 21
Fax +49 (0228) 98238 - 19
Mobile +49 (0171) 2006329
Mail gebhard.weiss@sequa.de
Internet www.sequa.de

The German Experience: Management of Development PPPs

develoPPP.de: a project example

Jordan: know-how transfer in tyre retreading



project and partners

Company: Mülot Autotechnik Reifen, Lüz - tyre retreader since 1969, one of the most modern retreading plants in Germany. Mülot plans joint venture with Jordan retreading company.

Local partners: Jordan Ministry of Trade and Industry, Jordan Institution for Standards & Metrology , Jordan retreading companies.

Due to a lack of know-how and modern technologies, the quality of retreaded tyres is still inadequate in Jordan. The project wants to **enable Jordan retreading companies to produce recycled tyres of higher quality**. It includes **seminars for retreading experts** and decision-makers, **consultancy for 3 pilot companies** to improve their retreading practices, the **development of recommendations for the Jordan government** on how to introduce modern standards in retreading and an **awareness campaign** for the public.

company's interests

- ✓ The cooperation with Jordan companies helps Mülot to identify future joint venture partners.
- ✓ The introduction of European standards for tyre retreading helps Mülot to be successful on the Jordan market.
- ✓ Through cooperation with public partners Mülot gets recognition and a better market position in Jordan.

development effects

- ✓ Project improves working conditions and product quality in retreading companies and thus strengthens the competitiveness of the retreading industry in Jordan.
- ✓ Higher recycling rate of old tyres contributes to reducing waste products.
- ✓ Reduction of CO2 emissions from burning of old tyres helps save the world climate.

The German Experience: Management of Development PPPs

How to manage a contest of ideas

sequa evaluates project proposals and develops projects together with companies

The 4. develoPPP.de ideas competition of sequa started on 15 November 2009 and will end on 31 December 2009



For further information refer to: www.sequa.de