

A toolkit for assessing the use of public-private partnerships in tourism

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Abstract. The ongoing development of tourism as a catalyst for sustainable socio-economic development of cross-border regions requires the development of public-private partnerships in the implementation of projects along the entire value chain in tourism. The article is devoted to the study focused on the peculiarities of using the mechanisms of public-private partnership in the creation of objects of tourist infrastructure in the regions of Russia, the assessment and identification of the best regional projects. The authors proposed a technology for analyzing and identifying the best public-private partnership projects based on a unified system of integrated and internal criteria for project evaluation. We tested the approach on the example of 33 regional PPP projects. The analysis shows that the quality and effectiveness of their implementation depend not only on the equitable nature of the interaction of public and private partners, but also on the consolidation of resources, as well as the distribution of financial risks and costs in achieving the project goals. The results of the study can be used in the practice of implementing projects of public-private partnership in the field of tourism in cross-border regions.

Keywords: public-private partnership, tourism, projects, regional projects

1. Introduction

Public-private partnership (PPP) in tourism is widespread in different countries, in such areas as transportation, accommodation, attractiveness, events, business skills, etc. [1-4]. The authors understand PPP as a system of interaction between the state and business on a long-term contract basis. This system of interaction includes not only joint participation in the creation of socially significant projects (infrastructure facilities), but also in its subsequent operation and maintenance in the interests of the public side, as well as in the distribution of risks, responsibilities, and rewards. The issues of expanding the use of PPP mechanisms in the implementation of projects along the entire value chain in the sphere of tourism are very relevant for the border areas of Russia, Kazakhstan, China, and Mongolia. The border areas of these countries form the cross-border space for the implementation of international tourist routes (the Silk Road, the Golden Mountains of Altai, the Tea Road, etc.). In the considered countries, the basis for the development of PPP has been created. However, in all of them (except China), the experience in implementing PPP projects in the field of tourism is quite small (Table 1).

In Russia, as in other countries, many researchers consider PPP as the most effective tool to increase the competitiveness of tourism, both in the whole country [5] and at the regional level [6], as

well as in individual tourism sectors [7, 8]. In recent years, a number of Russian regions have been introducing PPP mechanisms. At the same time, inter-regional comparisons of the effectiveness of tourism development projects based on PPP are practically absent.

Table 1. Development of public-private partnership in tourism in Russia, Kazakhstan, China, and Mongolia.

	Russia	Kazakhstan	China	Mongolia
PPP legislation	+	+	+	+
Institutional environment	+	+	+	+
National PPP centers	+	+	+	+
Number of PPP projects, units	2400	861	12562	~ 170
PPP projects in tourism, %	3.8	0.6	6.0	-
PPP projects in tourism with the participation of foreign investors, %	-	-	4.0	-

Source: compiled by authors [9-12].

In many ways, this is due to the lack of information on regional projects implemented under PPP terms, as well as the lack of development of methodological tools for their evaluation. Regional practices vary significantly in terms of both tourist facilities and forms of PPP implementation. But in the regions, sufficient experience in the preparation and implementation of projects under public-private partnership agreements, concession agreements, life-cycle contracts, or lease agreements with investment commitments has not yet been formed. Under these conditions, the study of regional PPP projects in the field of tourism, their comparison and systematization is relevant. This will allow to diagnose the state of development of PPP, identifying the best practices of its implementation for replication in cross-border regions.

2. Materials and Methods

As an information base of the study, regulatory documents and information and analytical materials used. They are posted on the websites supporting projects of PPP, Ministry of Culture of the Russian Federation, Federal Agency for Tourism, subjects of the Russian Federation. The methodological apparatus of the research is represented by the development of an algorithm for assessing and identifying best regional practices. Adapted to the tasks of research, the hierarchy analysis method is the basis of the algorithm [13]. The algorithm includes analysis of regional projects implemented under PPP terms; formation of a system of criteria and scoring of projects; ranking criteria and identifying the best PPP projects in tourism.

At the initial stage, the compliance of tourist projects of subjects of the Russian Federation with the features of a PPP is determined, depending on which legislative basis a particular project is implemented. The criterion base of the research is represented by a group consisting of the criterion of the project's compliance with the characteristics of PPP and other seven integrated criteria. Each of which contains from one to several internal criteria detailing the degree of compliance of a particular project with an integrated criterion (Table 2). A total of 16 internal criteria for evaluating PPP projects are proposed for consideration, which by their significance may have different expert assessments: from 0 (minimum score) to 0.5-0.7 (average score) and 1.0 (maximum score). The scoring of projects according to aggregated criteria are determined by the following formula:

$$K_i = K_{PPP} * \sum_{j=1}^m K_{ij} \quad (1)$$

where K_i is the score of the project on the i -aggregate criterion, $i= 1...7$; K_{PPP} is the criterion of compliance of the project with features of PPP, $\kappa=1,2$; K_{ij} is the project score by the j -th internal criterion of the aggregate criterion i ; m is the number of internal criteria in the enlarged criterion i .

The criterion of compliance of the draft with the PPP features K_{PPP} is 1 if the project is implemented on the basis of the federal laws on PPP and concession agreements, or 0.5 if it is implemented on the basis of other legal acts regulating relations in the sphere of PPP.

Table 2. The system of criteria for evaluating regional projects implemented under PPP terms.

Integrated criteria	Internal criteria
Planning and management (K ₁)	– Current stage of project implementation (K ₁₁) – State support mechanism (K ₁₂)
Essential conditions of a project (K ₂)	– Achieved results (K ₂₁) – The mechanism of return on investment (K ₂₂) – Strategic planning document (K ₂₃)
Financial and economic indicators (K ₃)	– Fixed investment (K ₃₁) – The ratio of budget and extrabudgetary funding (K ₃₂)
Economic performance indicators (K ₄)	– Dynamics of officially registered visitors (K ₄₁) – Dynamics of the number of employees working at the enterprise (K ₄₂) – Percentage of employees who have undergone training / retraining courses (K ₄₃) – Dynamics of the volume of paid services (K ₄₄)
HR security (K ₅)	– Availability of programs / plans for training and advanced training of all groups of categories of workers (K ₅₁) – Availability of teaching and learning materials for employee training (K ₅₂)
Security in the organization of tourist services (K ₆)	– The presence of approved rules / instructions for security in the implementation of services / safety data sheet (K ₆₁) – Creating conditions for people with disabilities (K ₆₂)
Public acceptance (K ₇)	– Public recognition (awards, medals, diplomas, awards) (K ₇₁)

Source: developed by the authors.

At the stage of ranking the enlarged criteria based on the formation of the so-called matrix of paired comparisons of criteria, the weights of the criteria are calculated. This shows how many times one project is more powerful than another according to this integrated criterion. The final scheme of the decision-making process to identify the best projects is the procedure for line-by-line expert filling in the matrix of pairwise comparisons, the rows and columns of which are named after the projects. The number of matrices is equal to the number of aggregated criteria. Then, for each vector of project evaluations, project weights are calculated, which is the corresponding row of the decision matrix. Project evaluations at the final stage are calculated using the following formula:

$$A_j = \sum_i Y_i * \sum_j a_{ij} \quad (2)$$

where: A_j – evaluation of the j -th project, $j=1 \dots p$; p – the number of projects; Y_i – the weight of the i -th aggregate criterion, $i=1 \dots 7$; a_{ij} – the weight of the j -th project by the i -th criterion.

The best project is the project with the maximum assessment value.

3. Results

We tested the developed approach using the software “Regional Features of Investment Projects Implementation” [14]. In the study, 33 projects were reviewed from 28 regions of Russia. It was revealed that 7 projects are being implemented in accordance with concession agreements, 7 projects were on the basis of other legal regulations. At the same time, the public partner in most projects are the local governments, which indicates the development of rather municipal-private partnerships (MPP). Based on the proposed algorithm, the estimates of regional projects on the seven integrated criteria are calculated. It is revealed that the most significant integrated criteria are: $K_1=0,31$ (planning and management), $K_4=0,20$ (financial and economic indicators), $K_6=0,17$ (economic indicators of tourism efficiency), $K_5=0,14$ (essential terms of the project). A fragment of the final rating of PPP projects in the field of tourism is given in Table 3.

Table 3. Rating the best practices of the constituent entities of the Russian Federation in the implementation of projects in the field of tourism under the terms of PPP (MPP).

Project Name / Criteria	Volgograd region: “Elton” Sanatorium and Resort Complex	Kaluga region: Manor Polotnyany plant	Buryatia: Camp “Ugolek”	Irkutsk region: “Sports Park Recreation”	Orenburg region: “Reconstruction of the park named after P. A. Persiyanov”
Planning and management	0.133	0.077	0.133	0.117	0.097
Essential conditions of implementation	0.087	0.087	0.117	0.138	0.117
Financial and economic indicators	0.138	0.107	0.087	0.107	0.128
Economic indicators	0.112	0.138	0.031	0.031	0.031
HR security	0.031	0.128	0.128	0.102	0.128
Security	0.117	0.071	0.117	0.117	0.117
Public acceptance	0.046	0.138	0.128	0.046	0.046
Evaluation	0.114	0.1	0.1	0.1	0.097
Rank	1	2	3	4	5

Source: [15].

4. Discussion

The audit of regional PPP (MPP) projects in the field of tourism allowed to form a list of best practices in the forms established by the federal and regional legislation on PPP (MPP) and recommendations for their implementation [15]. In general, the results of the study indicate an insufficiently intensive process of using PPP mechanisms in the forms provided for by federal and regional legislation on PPP. The analysis shows that the quality and effectiveness of the implementation of the best projects depends not only on the legally established partnership, equal interaction between the public and private partners, but also on the consolidation of resources, as well as the distribution of financial risks and costs in achieving the project goals. It is assumed that the issues of improving the quality of preparation and management of PPP projects should be the focus of the constant attention of tourist administrations of the regions.

5. Conclusion

The proposed methodological approach in the article allows to analyze the regional projects being implemented with PPP terms, to compare them according to different criteria, and to identify the best ones. According to the authors, all the best PPP projects can be implemented in any region in the format of the “right decision.” In the context of increasing the role and contribution of PPP as one of the key factors for attracting investment in tourism, the urgent need to deepen such case studies arises in order to generalize and disseminate best practices, as well as improve the quality of training and management of PPP projects.

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