

Role of trustee on Public Private Partnerships (PPP) realization based on DEMO. Evidence from Colombia

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Abstract

In the last decades Colombia has introduced several institutional arrangements in order to attract investment at infrastructure facilities and installations, so that this research is aimed to compare and clarify the different frames between Colombia and China in reference to the introduction of trustee as a fair investment vehicle for Public Private Partnerships (PPP) realization in Colombia. Additionally, in order to attract investment from China to Colombia, this research depicts the realization of Public Private Partnerships (PPP) through the use of trustee as special investment vehicle. The study aims to identify advantages and disadvantages comparing both systems, on one side, the conventional system using Special Purpose Vehicle (SPV) as mechanism of PPP realization, and, on the other, the case of Colombia introducing trustee as a complementary SPV cooperation tool. The current project aims to present a theoretical contribution by exploring the unopened box of function comparison within trustee and the conventional system to discover how it works, this comparison is underpinning pros and cons between both schemes. It aims allowance to contribute creditors, investors, policy makers, governmental entities, to encourage its use by clarifying the difference within the application and realization of PPP projects as it is also compared between both countries, China and Colombia, served by Enterprise Ontology according to (Dietz 2006) it's a theory focused on the essence of the operation of an enterprise which will be the realization of a trustee for this study purpose. Subsequently, Design and engineering methodology for organization (DEMO) is a theoretically grounded methodology which will provide relevant concepts from a construction and analysis perspective. Supplying problem analysis, seeking solutions and alternative evaluation plans through proposing and solving complex business tasks and collaboration activities that are not described appropriately nor well supported with other engineering methodologies such as Unified Modeling Language (UML) which

would make it larger with complex diagrams hard to understand. The study will serve in detail this research presenting a domain model that translates the realization of trustee in the PPP which will result in a theoretical framework delivered from Colombia's trajectory in the implementation of PPP's through the proposed vehicle of collaboration.

Keywords: Trustee, Special Purpose Vehicle (SPV), Design and engineering methodology for organization (DEMO), Public Private Partnership (PPP).

INTRODUCTION

Background

Nowadays, the main problem faced in developing countries is to provide sufficient infrastructure in order to produce tangible development, according to Organization for Economic Co-operation and Development (OECD) estimates that emerging economies could need as much US\$1.5 trillion/year of infrastructure investments up to 2030, yet it is considered that these countries only spend currently about US\$800–900 billion, leaving a very remarkable gap to be financed.

Furthermore, current literature have analyzed factors influencing and moderating success in PPP projects such as Albaladejo (2019), Leiringer (2006), Yinglin (2019), Zhang (2019), Wang (2019), Eaton (2006), Akbari (2019) whose main objective was assessing whether one to another affects the project progress where conclusions have brought an important amount of literature showing different types of factors increasing and decreasing success in the development of PPP'S. In developing countries, some studies have shown that trustee influences positively investment attraction, credit allocation and higher level of governance (control of corruption, government effectiveness, regulatory quality, and rule of law) reduces the negative influence of risk assumed by private partners on private investments. (Wang Liu, et al., 2018).

According to the World Bank PPPs can be a tool to get more quality infrastructure services to more people. When designed well and implemented in a balanced regulatory environment, PPPs can bring greater efficiency and sustainability to the provision of public services such as energy, transport, telecommunications, water, healthcare, and education. PPPs can also allow for better allocation of risk between public and private entities.

However, these studies haven't analyzed profoundly the role of trustee as a tool collaborating and guaranteeing the realization of PPP projects in developing countries, so that, literature is still insufficient compared to its potential, assuring control in a vast number of fields in a project, hence, guaranteeing success in the realization of PPP'S.

Penner, J.E. (2014) stated that trustee consists of a contract where one or more than two persons, called trustors, transfer ownership of assets to be managed by another person, called a Trustee. In Colombia, Trustees are independent financial entities (fiduciary companies) regulated and supervised by the Government. The fiduciary (Trustee) acquires the obligation to manage the assets in accordance with the purpose established by the trustor, in favor of one or several beneficiaries, that, depending on the purpose, may be the same person as the trustor or another's (called beneficiaries).

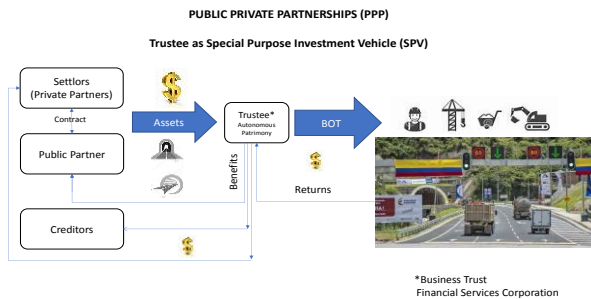


Fig 1.1 Trustee as Special Purpose Vehicle

On the other hand, corruption is viewed as a major barrier to development and negatively impacts the level of domestic private investment and foreign direct investment (FDI) in developing countries (Pusok, 2016). Another reason supporting benefits from trustee controls towards investment attraction due to its transparency and equal treatment within public and private investors.

This study has been structured towards filling this gap by supplying the information with methodologies that support and bring itself to the expected results.

Research objective

Therefore, this study develops a theoretical framework to analyze options for financing and attracting investment in infrastructure for developing countries, so that, the main objective guiding this research consists on exploring how to fill up this need toward pushing up emerging economies such as Colombia.

In the same way, the study aims to contribute investors, policy makers, governmental entities, to encourage the use of trustee by clarifying the differences within different application and realization of PPP projects as it is compared between China and Colombia, demonstrating and assuring through the trustee a fair treatment among its counterparts involved at executing complex infrastructure projects and to take the case of Colombia as an example that could be adopted in the Chinese investment market as in other countries.

Particularly back to Colombia, the announced peace agreement in 2016 between Colombia and the Farc (guerrilla group) has aroused a massive interest of multinationals in this country which has been carrying out the task of attracting infrastructure investment that has generated a great bench of experiences and lead gradually the implementation of new policies. Within China's interests in Latin America, Colombia represents a large margin of opportunity with many ties to be entrenched and, above all, conducive circumstances for Chinese investors to come to the country as the developing need for infrastructure, the wealth of natural resources, a better security situation and an ongoing peace agreement implementation undoubtedly makes of this country attractive for investors.

Consequently, according to the above introductory context, taking into account that there are not sufficient investigations about mechanisms satisfying collaboration in the realization of such a projects, either from practical or theoretical aspects, this investigation is going to fill the aforementioned gaps by answering the following questions:

Q1: How to describe the role of trustee as Special Purpose Vehicle (SPV) in the context of Public Private Partnerships (PPP)?

Q3: Whether attractive would be the use of trustees for PPP operation after exploring its pros and cons in Colombia considering the absence of trust financial vehicles for PPP realization in other countries?

The current work is important and valuable since developing countries deal with big challenges, one of them is attracting investment, provided that most countries in development face permanent lack of resources for infrastructure on one hand, and for creditors and investors its important to get to understand a variety number of tools guaranteeing their resources are appropriately invested in successful projects.

In terms of beneficiaries, such projects are impacting directly to the community as long as it brings opportunities such as industrialization, trade, tourism, education, etc.

To sum up, this research aims to formulate a theoretical framework proposing worldwide new alternatives for project financing and attracting investment in infrastructure for developing countries, so that, the main goal solving the aforementioned questions is exploring how to fill up this financing need toward pushing up emerging economies such as Colombia.

RESEARCH METHODOLOGY

In order to accomplish the objective on attracting investment from China to Colombia, the research is aimed to be successfully developed to discover through the application of DEMO relevant advantages or disadvantages

comparing both systems, on one side, the conventional system using Special Purpose Vehicle (SPV) as mechanism of PPP realization, and, on the other, the case of Colombia introducing trustee as a complementary SPV cooperation vehicle which will address to underpin a theoretical contribution by opening the box of function comparison of trustees to discover how the system works.

Below the roadmap of this research:

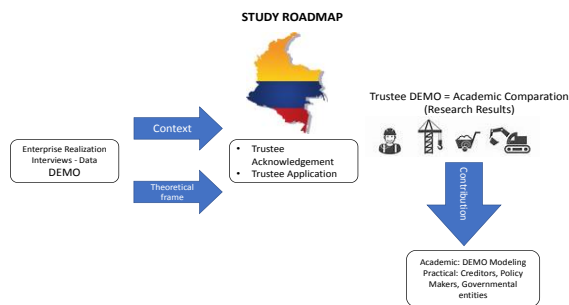


Fig. 1.1 Study Framework

Evidences shown are demonstrated through collection of information guided from Inductive method and applying the data collected using DEMO in order to identify, compare, clarify and ease illustration of the research objectives.

Additionally, an organized and methodologic process in data collection, makes necessary the use of Inductive Method towards the analysis and comparison under Enterprise Ontology - DEMO.

Particularly for this study which consist of different theories in order to accomplish the research purpose, Hussey and Hussey (1997) state that the use of different research approaches, methods and techniques in the same study is known as triangulation and such triangulation can overcome the potential bias and sterility of single method approaches.

Triangulation of theories, where a theory is taken from one discipline and used to explain a phenomenon in another discipline. (Easterby-Smith et al., 1991).

The purpose is to reach conclusions and general premises that can be observed and applied to similar situations of PPP implementation globally, results that will be demonstrated with the application of the information processed using DEMO.

With the idea of properly collecting the information, it has been designed a work schedule based on the following steps:

1. Determination of methodology
2. Interview, design, planning
3. Application of the interview
4. Classification of the material
5. Processing information

6. Analysis and interpretation
7. Coding information
8. Application to DEMO
9. Results

Now when clear about which data collection methodology will be used, the study go on identifying the Instrument to be used to collect the information. Taking into account that the development of this research depends on information that must be collected directly from the primary source.

When this happens, we are talking about primary source information, it implies using techniques and procedures that provide the appropriate information. There are different techniques, some of them frequently used in economic and administrative sciences.

For this, the existing options are observation, surveys and interviews, the latter is considered the one that best adapts to the needs of the research because the interview assumes that it is applied in a population that is not homogeneous in its characteristics, knowledge and possibility of access to information. This process consists of the reception, classification and arrangement of interviews, these procedures depend on the type of study or investigation and the type of data to be collected.

Flexibility within the interview situation would therefore be advantageous when exploring new ground as the current study. Indeed, Fielding (1994) points out that unstructured interviews are consistent with Inductive Method theory methodology as they are valuable 'methods of discovery'.

LITERATURE REVIEW

Different studies have been developed supporting on one side the Institutional Economic Levels for the first part of the present dissertation and on the other, there is a vast amount of literature related describing business process changes from different perspectives and for different objectives applying DEMO.

For several years, Colombian trade policy has favored the foreign investment attraction. It is in response to the trend that began in the 1980s in developing countries to open their markets, a process given in Colombia in the 1990s. This trend made foreign investment a key asset in these countries' growth processes, as the idea was imposed that it could be a mean of overcoming existing gaps in resources, technology transfer and capacities (Tienhaara, 2009).

Insufficient infrastructure has been a problem for almost all countries; this problem is exacerbated by the lack of funds available in the public sectors (Matos-Castaño et al., 2014; Qiu and Wang, 2011).

Furthermore, it is well known that when the Government assumes control and investment over infrastructure itself leads a low efficiency in the development and operation of these projects. PPP as a vehicle which deliver resources from private and public investing firms is a great opportunity for resolving the aforementioned deficiencies of infrastructure in developing countries, (Chan et al., 2011); nowadays it is arguably that PPP's are the most significant, worldwide trend in the public sector (Garvin and Bosso, 2008; Koch and Buser, 2006), creating a good chance for promoting good governance as an important factor for the success of PPP projects in terms of developing sound economic policy and administrating projects (Li et al., 2005).

These projects have contributed our study to identify success factors for PPP projects, providing critical factors with ideas that have been included in this research as part of the current problem in projects realization bringing the opportunity to the study to introduce possible solutions by using trustee in PPP's which are presented as theoretical and practical contributions of our research.

The aforementioned phenomenon aims to increase trust from private participation in development of infrastructure as from 1990 to 2019 according to the World Bank, Colombia has achieved the financial closure of 188 PPP projects including Airports, Collection and Transport, Electricity, Information and communications technology (ICT), Natural Gas, Ports, Railways, Roads, Water and sewerage, most of these projects are mainly from local investors, Spain and Canada. This trend gives opportunity to highlight and dig more into the cause of this success that is happening right now to Colombia whose roots are mainly coming since 2012 when trustee was compulsory adopted in PPP projects. That point is where this study want explore more about in order to demonstrate by comparing why this framework has been running successfully.

According to the World Bank (2019), the total number of infrastructure projects with private participation in 2019 reached 409 projects within 62 countries, ranking China as first investor worldwide with 39% of the total investment commitment of 96.7 billion million US dollars, in projects of energy; transport; information and communications technology (ICT) backbone; water and the newly included municipal solid waste (MSW) infrastructure in low- and middle-income countries.

Therefore, the efficient provision of infrastructure services is one of the most important aspects of development policies, especially in countries that have oriented their growth abroad. For most economists, the absence of adequate infrastructure, as well as the inefficient provision of infrastructure services, constitutes one major obstacle to the effective implementation of development policies and obtaining economic growth rates that exceed international averages. (CEPAL, 2004)

Moreover, the adequate availability of infrastructure, as well as efficient provision of services contributes to develop competitive advantages and achieve a greater degree of productive specialization. Likewise, infrastructure networks also constitute a central element of the integration of the economic and territorial system of a country, making possible transactions within a given geographical economic area abroad. In this sense, such networks constitute a backbone of the economic structure of countries and their markets, as well as of the specific mechanisms of articulation of national economies with the world economy. (CEPAL, 2004).

As an example of China as a global investor specially in Colombia, recently in the process of granting 4G highways in Colombia, the Autopistas Urabá consortium, in which the China Harbour Engineering Company has a 30% stake, won the concession of the Via del Mar 2 Highway that will connect the region of Antioquian municipalities of Cañas Gordas, Uramita, Mutatá and El Tigre. The project will be implemented under the PPP modality with an investment of 1.31 billion Colombian pesos and will consist of works over 245 road kilometers. This project is the first major infrastructure work with Chinese participation and opens the door for the investment in infrastructure of this country to have greater development in Colombia (El Tiempo, 2015).

A PPP is generally run in four big stages: development, realization, operation and transfer. The development stage starts with the project initiation and ends at the financial closure and transfer. The development stage comprises feasibility and design, realization the construction, and commissioning. The operation stage is relatively simple as compared to the realization stage, but longer and exposed to external uncertainties along the remaining concession period which is usually ten to thirty years. The PPP process assumes diverse tools and guaranties in order to captivate investors and creditors assuring fulfillment to the expectations of all participants. (Shuibo Zhang, 2013)

Glaser and Strauss (1967) defined “inductive approach in which the immersion in the data serves as the starting point for the development of a theory about a phenomenon” (Guillemette, 2006), which tends “to generalize in the direction of ideas theoretical, emphasizing the development of theories rather than the testing of a theory” (Hunt & Ropo, 1995). In other words, "empirical reality is seen as an ongoing interpretation of meanings produced by individuals inserted in a common project of observation" (Sudabby, 2006).

A rigorous procedure to be formulated in a logical way that allows to provide information leading to solve the research questions, so that, an inductive methodology is seen as allowance through the observation the particular phenomena (in this case the context of PPP in Colombia vastly exposed in the first stage of this research work).

DEMO is based on a theory, which considers an organization to be an interaction of individual social subjects. To obtain a full representation of a

system, an ontological model is divided into four sub-models that describe different aspects of a complete model (Figure 2.1). A construction model (CM), located at the top of the triangle, is the most concise model and describes how transactions and actor roles are composed to construct a system. A process model (PM) describes the detailed causal relationships and constructions that exist in processes. A fact model (FM) describes the objects and facts that are related to a process. Lastly, an action model (AM) describes the action rules for the actor roles. Using these models, DEMO proposes a consistent, coherent, concise, comprehensive and essential representation of an organization. (Dietz, 2006).

Focusing on its transactional context based on DEMO in order to present a theoretical contribution, the Enterprise architecture of enterprise ontology is developed under the four Aspect Models of DEMO construction model (CM), DEMO process model (PM), DEMO fact model (FM) and DEMO action model (AM).

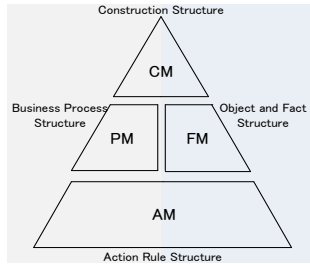


Fig. 2.1 DEMO aspect models

DEMO Aspect Models (AM) and Construction Model (CM)

According to the explanation from Yang Liu (2014) the following is the description for Construction Model (CM) given in figure 2.2:

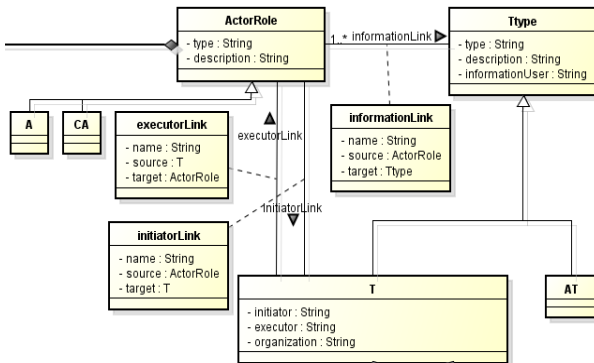


Fig 2.2 Meta-model of DEMO construction model

In DEMO, every transaction is of some type, called a *transaction type* (Ttype for short). Each Ttype involves two *actor roles*, who are authorized to commit or produce the facts generated by the transactions. An actor role acts as either the initiator or executor of a transaction. Actor roles are either elementary or composite: *Elementary actor roles* are actor roles within the system of focus, and they can be the executors of only one transaction type; *composite actor roles* (CA for short) represent actor roles that are not focused. A composite actor role can execute more than one Ttypes. Ttypes and related actor roles (A and CA) are described in the *Organization Construction Diagram* (OCD) of the DEMO CM.

DATA ANALYSIS

Applying the Performa-Informa-Forma Analysis to the Trustee PPP and the Conventional PPP, the first approach for trustee Administration and Payments is shown below:

Transaction Type	Result Type
1-T01 Contract signature completion	R01 Contract signature completion
1-T02 Autonomous patrimony creation	R02 Legal protection: Resources separated exclusively for the project
1-T03 Money Transference	R03 Money is deposited in the Autonomous Patrimony
1-T04 Investment for best profitability	R04 Resources are invested for best returns in trust funds
1-T05 Project Execution	R05 Project follow up
1-T06 Operation Manual execution	R06 Supervision (general task) under the rules of an operational manual “tailor made”.
1-T07 Progress control and payment	R07 Execution and payments (specific tasks) are processed fulfilling previously added operational manual requirements.
1-T08 Contract Settlement	R08 Contract accomplishment check and signed
1-T09 Refund profit from investment	R09 Profit and balance excess reimbursement

Fig. 3.6.1 Trustee PPP – Administration and Payments

Transaction Type	Result Type
2-T01 Contract signature completion	R01 Contract between Concessionary and the Bank
2-T02 Bank account creation	R02 Concessionary opens Bank account
2-T03 Money transference	R03 Money deposit into Bank account
2-T04 Static resources in the bank (minimal profit)	R04 Resources produce minimal returns
2-T05 Project execution	R05 Execution
2-T06 Operations execution according to the contract	R06 Contract compliance according concessionary criteria
2-T07 Progress and payment according concessionary own criteria	R07 Disbursements and compliance under concessionary criteria
2-T08 Contract settlement	R08 Contract ends according concessionary arrangements

Fig. 3.6.2 Conventional PPP – Administration and Payments

The Crispient

An elementary organization according to the CRISP meta model a crispie. So, every elementary actor role is the kernel of a crispie. Moreover, an organization is conceived as a network of collaborating crispies, called a crispient. We will use a diagramming technique for representing crispient. (Dietz, 2006)

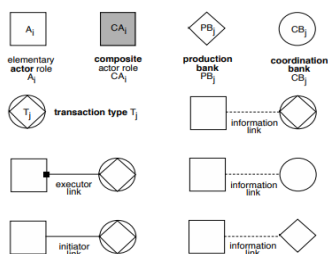


Fig. 3.7 The Crispient (Dietz, 2006)

On the basis of the crispient representation of an organization, the state base of an actor role can now be specified as the union of the contents bases of all coordination and production banks with which it is connected via information links. (Dietz, 2006).

Below, the representation of a Trustee Administration and Payments (on the left) and a conventional Administration and Payment (on the right) where the Perfoma, Informa, Forma analysis gives the criteria to identify and highlight transactions according to the level of Human Ability coloring links on red, green or blue as shown in the following sampler:

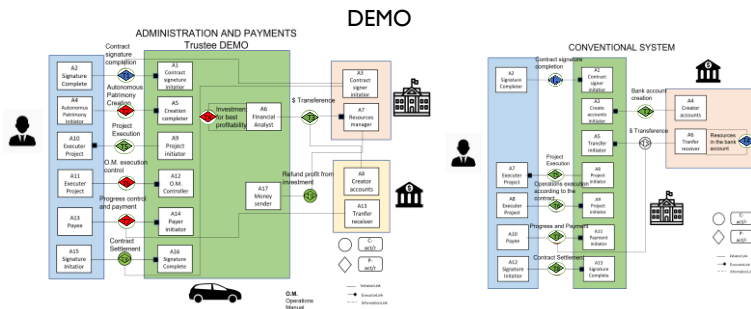
Trustee Administration and payments – Investment

The **added values** of the trustee are explained below, first, with the **creation of an autonomous patrimony** the equity of the concessionaire and trustee are legally separated, the latter is **exclusively aimed to invest** its assets in the project, the fiduciary is a professional **investing in trust funds** (collective portfolios, stock market, real estate investment, etc.) so that, the resources are going to produce profit **safely**. It also guarantees **dual control** in the execution of the project either from the Public Agency and the Business Trust Corporation.

In addition to the aforementioned, the execution of the work is thoroughly monitored, usually making payments according to **progress** in the project, it also includes an additional actor who would be the **supervisor**. In the conventional scheme this type of **controls** would not be so clear, given the independence of the parties from both the Public Agency and the Concessionaire, so it is great to add trustee to the scheme of PPP Projects due to its **reliability** as it is a financial entity supervised by the State, its **transparency** and its **controls** giving trust and balance between the parties

involved (Concessionaire, Public Agency, Contractors, Creditors-Investors). The resources are placed in investment funds producing **profit** for the project, these additional resources **wouldn't be part of the project** in other PPP schemes.

Trustee PPP compared to Conventional PPP – Administration, payments, investment



red for Performa items, green for Informa items, and blue for Forma items. (Dietz 2006)

Fig. 3.8.1 Comparison Administration and Payments - DEMO

Managerial Derivative Contract trustee

This is one of the most remarkable trustee due to it is aimed to address thoroughly the **administrative**, **accounting** and **finance** in the contractual process of construction projects.

Trustee and Concessionaire are able to handle **derivative contractual process**, under the rule of an **Operational Manual (Transaction 2)** setting clear managerial guidelines, Legal framework, **check lists**, approvals, and payment boundaries.

As long as resources remain **separately** in different subaccounts in order to **reserve budget** for accomplishing the whole project plan.

Additionally, there is a **supervisor** which main duties is to **control payments** and follow up the time frame.

In **transaction 4** another plus value is the implementation of a **Corporate Governance Code** including managerial **Ethic Values and Principles** in order to protect and guarantee the PPP and the parties involved into it. Additionally, it is possible to add some other aspects such as **Contracting Modalities, Bidding process guidelines, authorizations, investment policies**, etc.

Committees like Fiduciary, Finance, Operations and Contractual can be within other aspects controlling and solving different tasks of the PPP execution. For example, Contractual Committee can be assigned with duty of choosing the best offer according to price, quality, experience, etc.

Other aspects shown in **transaction 17** such a contract breaches,

penal clauses, controversies, amendments, insurances, are **controlled and supervised from trustee**. These areas are the plus value of trustee as long as concessionaries are professionals focused on construction than in the administrative-accounting-operational facts of the project which are the expertise areas of Business Trust Corporations.

Furthermore, in **transactions 15 and 16 Trustee** verifies payment conditions in accordance with the operating manual, verification of the **signature manual** and **resources availability, allocation of the item in the subaccount** destined for the project and discount of the guaranteed portion (trust in guarantee) that can be from **10% to 20%** of the value of the contract whose purpose is to **guarantee the quality and stability of the work among a specific time period**. This reserve is going to be reimbursed after verifying all has been accomplished during the period of time agreed.

This style of governance of trustee administration denotes transparent governance, which contributes to curbing corruption and attracting foreign investment (Neshkova and Kostadinova, 2012).

Transaction Type	Result Type
1-T01 Contract signature completion	1-R10 Contract signature completion
1-T02 Operation Manual Creation	1-R11 Operation manual "Taylor made"
1-T03 Sub-accounts Creation	1-R12 Sub accounts created to protect resources specifying destination
1-T04 Manual Corporate Governance Creation	1-R13 Approval of managerial best governance practices
1-T05 Project time frame setup	1-R14 Commitment on activities and timing
1-T06 Competitive bidding process selection	1-R15 Cost efficiency in the process
1-T07 Best Offer Selection	1-R16 Best supplier proposal selection
1-T08 Contract signature completion	1-R17 Legalization of documents
1-T09 Guarantee Exhibition	1-R18 Guarantee certificate
1-T10 Guarantee compliance check and approval	1-R19 Approval of guarantee
1-T11 Commencement act signature	1-R20 Contract initiation
1-T12 Project Execution	1-R21 Performance of the contract
1-T13 Project Control	1-R22 Monitoring contract compliance
1-T14 Progress Control-Payment	1-R23 Execution, follow up, evaluation – payment
1-T15 Construction guarantee reserve 20% (\$)	1-R24 Deposit (\$) in sub-account reserve
1-T16 Stability of construction control	1-R25 Quality of the work guarantee reserve
1-T17 Guarantee execution (fix the damage) or reverse reimbursement	1-R26 Either executing the guarantee or refund reserve
1-T18 Contract settlement	1-R27 Liquidation act signed

Conventional PPP - Managerial Derivative Contract

Transaction Type	Result Type
2-T01 Contract signature completion	2-R09 Contract signature completion
2-T02 Operation Policies according to the contract	2-R10 Operation under internal - own concessionary policies
2-T03 Accountant Policies according to	2-R11 Internal Accountant Policies

the contract	
2-T04 Corporate Governance Application according to the contract	2-R12 Own – contract Corporate Governance Principles
2-T05 Project time frame setup	2-R13 Time frame follow up under criteria of concessionary-Public Agency
2-T06 Offers receivment	2-R14 Offers are collected
2-T07 Selection supplier according to contract	2-R15 Supplier chose under concessionary lines
2-T08 Contract signature completion	2-R16 Contract Signed
2-T09 Guarantee Exhibition	2-R17 Guarantee Exhibited
2-T10 Guarantee check and approval	2-R18 Guarantee reviewed
2-T11 Commencement act signature	2-R19 Initial act signed
2-T12 Project execution	2-R20 Project development
2-T13 Follow up Administration and construction contract terms	2-R21 Concessionary and Public Agency follow up
2-T14 Progress and Payment	2-R22 Payments according contract terms
2-T15 Insurance policy for loss and damage	2-R23 Policy Issuance
2-T16 Construction durability procurement	2-R24 Guarantee of construction
2-T17 Insurance claim or Final act	2-R25 Either repair defects of the work or proceed to contract settlement
2-T18 Contract settlement	2-R26 Contract termination

CONCLUSIONS AND FUTURE RESEARCH

All the advantages discovered and clarified with trustee are mostly related to corruption statistics, and the advantages of trust administration, Supervision from Government, sub-accounts, expertise supervision of Trust Business Corporations, transparency, balance for the parties, guarantee for creditors and the Public Agency.

World Bank statistics and multilateral organizations have referred to Colombia as one of greater business environment in Latin America. Positioning the country as one of the best places Latin-America to develop PPP projects due to institutional, trustee structure, legal guarantees, etc.

Conclusions are going to be listed as general and specific, the latter is going to be presented as a comparative chart through deductive reasoning, below the general conclusions through inductive reasoning:

- Theoretical contribution of clarifying the realization of Trustees by a deep insight of DEMO could help further research on enterprise construction model, especially for financial institutions.
- DEMO gives a deep insight of construction and realization of trustee's function and clarifies the action roles and transactions.
- Describing the advantages of trustee as a strategical and transparent investment vehicle that can be adopted by investors, policy makers, governmental entities, business trust managers etc.

- Depicting the realization of PPP in the Colombian context will encourage investors by a better understanding of trustee management.
- Trustees promote equilibrium within the counterparts at executing complex transactions in the projects.
- Colombia can be an example that could even be adopted in the Chinese investment market as in other countries.
- This research aims to identify patterns encouraging Chinese companies to invest in PPP by a better understanding of trustee's management realization in Colombia.
- Additionally, this methodology could be useful for managers at Business trust corporations as DEMO gives a broad overview and deep insight from functional perspective to the construction and realization of the trustees.
- Every single trustee is a "taylor made service" trust operation manual is created through which the procedural, approval and signature requirements of the business operation are established.
- Another reason supporting benefits from trustee towards investment attraction due to its vast amount of benefits. Corruption is viewed as a major barrier to development and negatively impacts the level of domestic private investment and foreign direct investment (FDI) in developing countries (Pusok, 2016).
- The institutional development of PPP in Colombia is achieving a good level of maturity which gives security to potential investors.
- The introduction of trustee gives a guarantee of success for the investment of resources in this type of projects giving confidence to the investors.
- Long-term projects (up to 30 years) will produce profit either from public sector contributions – service fees and payments corresponding to the fee paid for the use of the infrastructure by users.
- Investors are able to offer public infrastructure projects to accomplish public needs, seeing this opportunity as a profitable and ideal environment for investment.
- It is an attractive scheme also for the State, especially for developing countries since due to the scarcity of resources to invest in infrastructure in general, this type of project facilitates the investment of resources of private origin, which implies less demand for resources necessary to materialize large public infrastructure projects and the payment will be made to the extent that the infrastructure is available, which necessarily obligates the project developer to finish the construction in order to put the infrastructure into service so that they can receive their revenues.

Specific conclusions, discovered through application of data with DEMO which resulted of comparing both systems:

Last but not least, based on the results of this research, the work not only aimed to investigate and discover the advantages of the use of trustee, but to leverage the existing opportunity to strengthen ties between China and Colombia through captivating investment from Chinese public and private companies by a better understanding of infrastructure market of Colombia. This is a big topic aimed to develop deeply for future research.

Additionally, there is a big chance to undertake studies among success factors of PPP projects, in order to compare the level of influence of those factors in PPP with Trustee versus the Conventional SPV System. Critical success factors (Bing Li , A. Akintoye , P. J. Edwards Corresponding author & C. Hardcastle 2005) such as: Corruption, good governance, strong private consortium, appropriate risk allocation, commitment and responsibility could be within other, some of the fields with great potential for future comparisons.

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