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**Project Working Group on Transport and Border Crossing (PWG-TBC)**

16<sup>th</sup> Session  
20-21 April 2010  
Almaty, Kazakhstan

**Establishment and strengthening of public-private partnerships in the SPECA subregion**  
*(Item 5.7 of the agenda)*

*Note by UNECE / UNESCAP*

1. Further to the discussions and elaborations at the fifteenth session of the SPECA PWG-TBC, the UNESCAP secretariat has continued fostering synergies among member States, international financial institutions and other stakeholders, including the private sector, to promote the development of public-private partnerships (PPP) in the region including SPECA countries.
2. In line with UNESCAP resolution 64/4 on the implementation of the Seoul Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific, the secretariat organized the High-level Expert Group Meeting on Public-Private Partnerships for Infrastructure Development (Jakarta, 14 April 2010). The meeting provided an opportunity for agencies involved in the development of PPPs to discuss issues of common concern in PPPs for infrastructure development. A set of recommendations aimed at enhancing effectiveness of initiatives including a draft Jakarta Declaration formulated at the meeting were submitted to the Second Asia-Pacific Ministerial Conference on Public-Private Partnerships for Infrastructure Development 2010, hosted and organized by the Government of Indonesia (Jakarta, 14-17 April 2010), with technical assistance provided by UNESCAP. The Ministerial Conference adopted the Jakarta Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific, which provided a framework for addressing the key issues and challenges facing the region, while encouraging countries to actively engage in regional cooperation initiatives to strengthen PPPs for infrastructure development in support of continued economic and social development. Subsequently, the Declaration was adopted as UNESCAP resolution 66/5 of 19 May 2010 on the implementation of the Jakarta Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific.
3. In order to more effectively promote development of public-private partnerships in the region including SPECA countries, the following measures should be considered and implemented, if appropriate, by the international organizations, financing institutions and member countries: (a) interventions involving high-level policy advocacy aimed at increasing the awareness and

understanding of policy- and decision makers; (b) networking of PPP units and programmes aimed at sharing information and experiences; (c) the development of comprehensive training programmes and resource and training materials for policymakers and practitioners at different levels; and (d) engagement of academic and national training institutions (particularly those involved with the training of civil servants) in offering regular short and long training programmes. At the national level, there is also a need to review the existing institutional and regulatory arrangements, assess readiness of countries to embark on public-private partnership projects, the standardization of contracts at the national level, the streamlining of the public-private partnership process, capacity-building in the public and private sectors, and networking among public-private partnership units and programmes.

4. The United Nations Economic Commission for Europe (UNECE) organized the Conference on “Financing the development of Road and Rail Transport Infrastructure” (Vienna, 17 November, 2010). With the support of the Organization for Security and Cooperation in Europe (OSCE) the Conference was held in the framework of the UNECE Trans-European Motorways and Trans-European Railway projects, which provide a cooperation platform for almost 21 Central, Eastern and South-Eastern European countries.

5. Government ministers, international officials, policy makers and experts discussed solutions for financing road and rail infrastructures in the wake of the financial crisis. The UNECE Executive Secretary, Jan Kubis, said in the opening address that “ensuring the adequate provision of infrastructure is a key Government responsibility given the important implications throughout society and the economy. The nature of transport infrastructure does not allow to fully rely on market forces”. He added that Public Private Partnerships (PPPs) could be one way of financial contribution to such projects.

6. One of the conclusions of the Conference was that PPPs are not a solution to all development plans, since not more than 10-15 per cent of all transport investment is likely to attract private funding and private participation. It should be recalled that PPPs offer deferred payment and that basic prerequisites must nevertheless be respected, i.e. a clear legal and regulatory framework, cost and risk sharing, room for negotiations and flexibility, etc.

#### **The Project Working Group may wish to**

- encourage the SPECA member countries to pursue policy measures to create the appropriate institutional environment for the development of public-private partnerships
- encourage the SPECA member countries to strengthen the training programmes for government officials and other relevant stakeholders by taking advantage of training materials on PPPs prepared by UNECE and UNESCAP.