
**Thematic Working Group on Sustainable Transport, Transit and
Connectivity (TWG-STTC)**

23rd Session
27-28 August 2018
Astana, Kazakhstan

Establishment and strengthening of Public-Private Partnerships in the SPECA region

(Item 4.6 of the Agenda)

Note by ECE/ESCAP

1. Given the massive financial requirements for developing and maintaining transport infrastructure and the limited budgetary resources and borrowing capacities of countries, it is unlikely that the public sector will be able to deliver the entire infrastructure needed for development. Therefore many governments have been taking measures for further engaging the private sector. Involving the private sector is needed not only to provide innovation and efficiency gains in delivery and management of infrastructure and services, but also to provide new sources of finance.
2. Recognizing the potential of Public-Private Partnerships (PPPs) as an alternative financing and delivery modality, ESCAP and ECE secretariats have been promoting the use of PPPs under their regular programmes of work. Over recent years ESCAP and ECE have developed and disseminated resource and training materials; conducted national and regional capacity building activities; established regional knowledge networks through regular regional meetings of PPP units and programmes; and provided advisory services and technical assistance. These resources are available in English from the ESCAP website (<http://www.unescap.org/our-work/transport/financing-and-private-sector-participation>) and an International Centre of Excellence on Public-Private Partnerships (PPPs) has been established at ECE (Further details on the work programme of the Centre are available from the ECE website (<http://www.unece.org/ceci/ppp.html>)).
3. To further expand private sector involvement in infrastructure development in SPECA countries, a number of critical steps are however required. In particular, appropriate institutional and legal frameworks need to be put in place and a sustainable capacity-building programme on PPPs is required for both the public and private sectors. In this regard, ESCAP has created an e-

learning series on public-private partnerships aimed at policy policymakers. Featuring six modules, the series provides users with essential information about the benefits and limitations of PPP models for infrastructure development (the e-learning series can be accessed on <http://www.unescap.org/our-work/transport/financing-and-private-sector-participation/> public-private-partnership-course and includes now a PPP awareness certification exam). ESCAP also continues to facilitate knowledge and experience sharing among the countries of the region. ESCAP has also launched an online Qualitative Value-For- Money Toolkit to support Governments in early stage identification and selection of projects suitable to be delivered on a PPP basis. To facilitate the use of PPP for dry port development, a “Project Structuring Options and Model Agreement” has been developed specifically for this type of infrastructure and is now available online.

4. There is an increasing realization that mobilizing private resources through Public-Private Partnerships (PPP) and long-term financing sources can potentially help overcome resource constraints and improve public service delivery. Reflecting this view, in December 2017, the Intergovernmental Committee of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) on Macroeconomic Policy, Poverty Reduction and Financing for Development requested the UNESCAP secretariat to consider developing a network of units and experts working on public-private partnerships and infrastructure financing issues. Responding to this request by member States, UNESCAP is partnering with China’s Public Private Partnerships Center in organizing the first meeting of the PPP Network of Asia and the Pacific in the City of Guiyang, Guizhou Province, China, on 12-13 September 2018. The objective of developing this network is to facilitate the sharing of experiences among participants and to strengthen mutual learning and cooperation across Asia-Pacific PPP units, infrastructure specialists and capital market experts to promote solutions for infrastructure financing across the region.

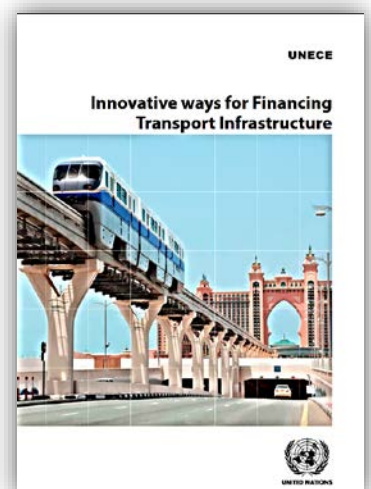
5. Recognizing the importance of infrastructure development for achieving the goals of the 2030 Agenda for Sustainable Development, ESCAP is supporting its member States in mobilizing domestic and international resources for this purpose. As part of this continuous effort, ESCAP has been working over the last few years with countries in the region to design different infrastructure financing strategies. In this connection, ESCAP organized the Regional Event on Financing Sustainable Infrastructure Development in Asia and the Pacific in Bangkok, Thailand on 6 December 2017. This regional event provided a platform for policy debate and knowledge exchange among participants regarding these financing strategies. It also enabled participants to

present country-specific perspectives on these issues while reaching consensus on good practices for sustainable infrastructure development. Overall, the regional workshop aimed to increase knowledge and awareness of financing sources and modalities in areas of infrastructure finance. The workshop also built the capacity of government officials and policymakers to prepare financing strategies for sustainable infrastructure development with a specific focus on public-private partnerships (PPPs) and capital market financing. The event also considered how to strengthen a network of PPP and infrastructure financing experts that would enable further collaboration on these issues.

6. ESCAP is currently working on a book entitled “Infrastructure financing strategies for Sustainable Development in Asia and the Pacific”. This book discusses alternative, yet complementary, strategies to fill its infrastructure finance gap. These range from strategies to improve the efficiency and effectiveness of public infrastructure investment projects from ways to engage the private sector through public-private partnerships and the development of financial instruments and markets. Because of their added complexity compared to national infrastructure projects, special attention is paid to the financing of cross-border infrastructure projects. This book will be the third issue of ESCAP Financing for Development Series. The series publishes monographs on selected issues on financing for development from a regional Asia-Pacific perspective.

7. During the sessions on Transport Infrastructure, experts discussed and reviewed the status and development of the draft UNECE Standard for PPPs in Rails, and the draft UNECE Standard for PPPs in Airports. More information could be found at: <http://www.unece.org/ppp/forum2016.html>.

8. A new publication on Innovative ways to finance transport infrastructure was released during 2018 by UNECE. The publication can be found at the following link: <http://www.unece.org/index.php?id=49423&L=0>. The publication includes five chapters where the second one speaks about the public private partnerships. The PPP models, the policy and legislative framework, the economic context and affordability, the planning and organizing, the training and resources as well as the transparent procurement and management processes are being discussed and analysed. Furthermore a series of case studies and good practices are included.



The Thematic Working Group may wish to:

- Attend the first meeting of the PPP Network of Asia and the Pacific in the City of Guiyang, Guizhou Province, China, on 12-13 September 2018 and nominate members from their respective countries to the network
- Ask the TWG-STTC members to update the meeting on developments in PPPs in their countries (revised legalization, institutional arrangements and so on), including specific transport projects procured through this mechanism;
- Encourage SPECA countries to pursue policy measures to create the appropriate institutional environment for the development of public-private partnerships;
- Encourage SPECA countries to strengthen the training programmes for government officials and other relevant stakeholders by taking advantage of training materials on PPPs prepared by ECE and ESCAP.