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

24th Session
18-19 November 2019
Ashgabat, Turkmenistan

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

(Item 4.6 of the Agenda)

Note by UNECE/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 UNECE secretariats have been promoting the use of PPPs under their regular programmes of work. Over recent years ESCAP and UNECE 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 <https://www.unescap.org/our-work/macroeconomic-policy-financing-development/infrastructure-financing-and-public-private-partnerships>) and an International Centre of Excellence on Public-Private Partnerships (PPPs) has been established at UNECE (Further details on the work programme of the Centre are available from the UNECE website (<http://www.unece.org/ceci/ppp.html>)).

ESCAP activities related to PPP

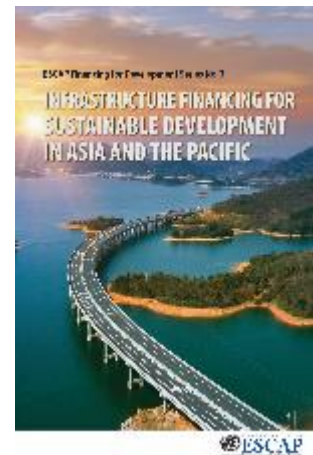
3. To further expand private sector involvement in infrastructure development in SPECA countries, a number of critical steps are however required. In particular, appropriate institutional and legal frameworks need to be put in place and a sustainable capacity-building programme on PPPs is required for both the public and private sectors. In this regard, ESCAP has created an e-learning series on public-private partnerships aimed at policy makers. 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. ESCAP has taken the initiative to serve member States’ needs and successfully organized the first meeting of the Infrastructure Financing and PPP Network of Asia and the Pacific with support from the China Public-Private Partnerships Center (CPPPC) in Guiyang, Guizhou Province, China on 12 and 13 September 2018. The event gathered the heads of PPP units, infrastructure financing specialists and capital market experts from 23 countries in the region to enhance knowledge and capacity of PPP units on the effective use of PPP mechanisms as well as other infrastructure financing strategies to support the pursuit of sustainable infrastructure development.

5. Building on this, ESCAP organized the second meeting in Manila, Philippines, on 7 to 9 August 2019, with the aim of advancing the dialogue from the first network meeting and further engage the recommendations of the network members on the role of this network and the establishment of the web portal and project pipeline in order to strengthen an Asia-Pacific platform of public authorities, financiers, and market stakeholders who plan and implement infrastructure financing projects.

6. Subsequent to the establishment of the planned web portal and project pipeline at the second meeting of the Infrastructure Financing and PPP Network of Asia and the Pacific in Manila, Philippines, on 7 to 9 August 2019, this third network meeting was organized with the support of the China Public-Private Partnerships Center (CPPPC) under the Ministry of Finance of China to be held in Ningbo, China, on 2 to 3 September 2019. While the second meeting in Manila had a subregional attention on Southeast Asia with emphasis on the role of the network and site visits, this meeting in Ningbo prioritized capacity building and training session.

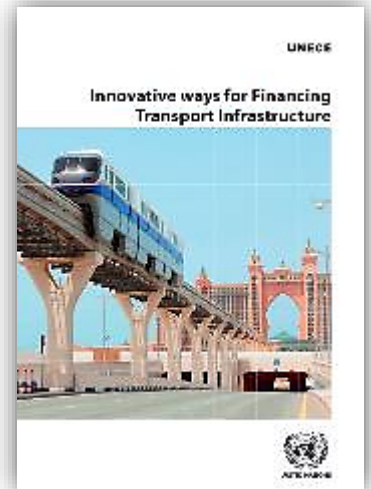
7. In October 2019, ESCAP has published an analytical book entitled “Infrastructure Financing for Sustainable Development in Asia and the Pacific”. This publication advocates for a holistic approach to be adopted on infrastructure financing, where both public and private sectors, as well as key stakeholders such as the United Nations, have significant roles to play in accelerating the pace of infrastructure investments towards the 2030 Agenda for Sustainable Development. To this end, the book seeks to identify and discuss crucial and emerging issues in financing for sustainable infrastructure development and highlight various important topics in the infrastructure financing area. These include: the roles and constraints of both public and private sectors; the potential of leveraging capital market for infrastructure financing; capturing externality effects to attract private sector investors and financiers; key issues regarding cross-border infrastructure development; and unique challenges and opportunities of land-locked developing countries (LLDCs) and small island developing states (SIDS) in financing infrastructure. The book is available at: <https://www.unescap.org/publications/infrastructure-financing-sustainable-development-asia-and-pacific>



UNECE activities related to PPP

8. During the 4th UNECE International PPP Forum in May 2019, experts discussed and reviewed the status and development of the UNECE Standard on Public-Private Partnerships in Railways, the UNECE Standard on PPP in Roads and the draft UNECE standard on PPP in Urban Rail. More information could be found at: <http://www.unece.org/ppp/forum2019.html>.

9. A publication on Innovative ways for financing transport infrastructure was released during 2018 by UNECE. The publication can be found here: <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.



10. At the 2019 session of the Working Party on Rail Transport (SC.2) a discussion will be held on the Luxembourg Protocol to The Convention on International Interests In Mobile Equipment On Matters Specific To Railway Rolling Stock on financing rail rolling stock.

The Thematic Working Group may wish to:

- Nominate members from their respective countries to the Infrastructure Financing and Public Private Partnership Network of Asia and the Pacific and actively participate in its activities;
- 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 UNECE and ESCAP.