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PUBLIC-PRIVATE PARTNERSHIPS CAN DELIVER CRITICAL INFRASTRUCTURE IF DEVELOPING COUNTRIES TACKLE FINANCING AND GOVERNANCE ISSUES



Developing countries must do more to create transparent, accountable business conditions if they are to raise the capital needed to finance critical infrastructure. This was a key theme underscored at PPP Days 2012, the premier global meeting for senior policy makers on Public-Private Partnerships (PPPs).



"PPPs are facing new and greater challenges due to the global financial crisis, increased regulation and because some banks are reluctant to provide funding, particularly long-dated debt. Multilateral development banks can play a pivotal role by helping governments find the right PPP structure and mobilize commercial finance," said Philip Erquiaga, Director General of the Asian Development Bank (ADB)'s Private Sector Operations Department.



Andrey Vasilyev, UNECE Officer-in-Charge, highlighted the role that PPPs can play in assisting countries to meet the Millennium Development Goals through the modernization of infrastructure and the improvement of public services, raising social welfare around the world.



"With these weakening economic conditions, developing countries have less fiscal and monetary space for remedial measures than they did in 2008-09. They need to prepare for the possibility of sources of financing drying up while creating the optimal business conditions for delivery of their infrastructure programs," said Clive Harris, Manager for Public-Private Partnerships at the World Bank Institute.



According to the Private Participation in Infrastructure database of the World Bank, the number of developing countries with new infrastructure PPP (PPI) projects in the first half of 2011 was the lowest since the early 1990s. PPI investments, excluding those in India and Brazil, have fallen by 34% compared with the same period in 2010.



In order to promote PPPs that are financially viable, governments need to establish governance frameworks to help with project selection, development, tendering and management. These frameworks should allow for

openness and transparency of public sector budgets and private sector contracts, which are crucial for addressing corruption and fraud. Multilateral development banks can help identify good practices in disclosing information on PPP contracts and engage stakeholders such as parliamentarians and national audit authorities so that they can play an effective role in the oversight of PPPs.

Some 750 experts from more than 90 countries attended the event that included two days of presentations and debates followed by a full-day Business Forum. The forum was open to the private sector and allowed a number of developing country governments to present their strategies, policies, projects and support for PPPs to the private sector for discussion. A special session focused on Japan and the role of PPPs in disaster risk reduction and post disaster reconstruction.

"PPP Days provides an excellent opportunity for the global PPP community and governments in particular to gather and exchange experiences and ideas," said Laurence Carter, Director of Advisory Services for Public-Private Partnerships at the International Finance Corporation. "This is a landmark event that provides the knowledge, tools and networking opportunities that are much needed by participants in order to set new PPPs in motion and improve on programmes already in place."

The four-day conference was jointly hosted by UNECE, the World Bank Institute, and the Asian Development Bank and was supported by the International Finance Corporation and the ADB Institute.

There were also valuable networking opportunities for participants, supported by the Governments of the Netherlands and Switzerland. The State Secretariat for Economic Affairs (SECO) of the Swiss Government also provided support for both virtual and actual PPP site visits on the fourth day. □

For more information, please visit <http://www.unece.org/ceci/ppp.html>.

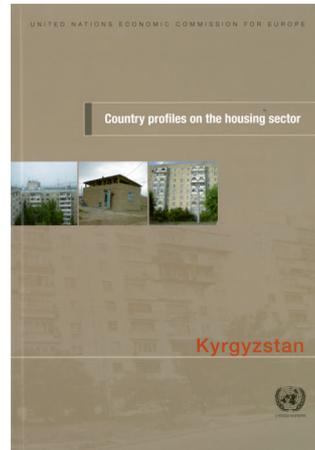
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KYRGYZSTAN'S COUNTRY PROFILE ON HOUSING LEADS OFF THE PRESS TO NEW COMMITMENTS IN THE COUNTRY

In Kyrgyzstan for every 1000 inhabitants there are only 210 housing units. This is less than half the EU average, which is 446. Average floor space per capita is also extremely low (around 5 m², compared to Europe, the United States and China, where floor space per capita is around 48, 81 and 26 m² respectively).

The Country Profile of Kyrgyzstan, launched yesterday in Bishkek, further highlights the need to refurbish deteriorated housing stock according to modern energy-efficiency standards. To tackle the widespread housing shortage, it recommends that measures be developed to reduce construction costs and to promote the use of local, sustainable building materials. The lack of up-to-date master plans and strategic land-management policies has led to spontaneous urban sprawl in larger Kyrgyz cities. The report recommends reducing the size of land plots allocated for construction in order to increase building density.

Recommendations of the Country Profile are being taken seriously by the country. "The housing challenge is high on the political agenda", confirmed Shekshenbek Shaimbetov, Advisor at the Department of Real Estate in the Government of Kyrgyzstan. As a result, the Government



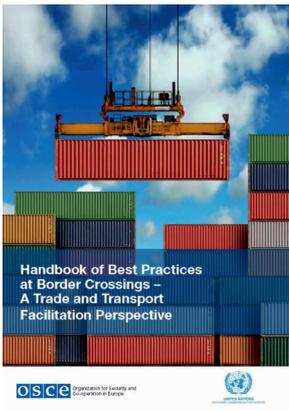
which has already launched a national programme on "Affordable Housing", submitted a draft of Housing Code to the Parliament for approval and is establishing a state mortgage lending agency.

Organized by the State Registry of Kyrgyzstan and UNECE, the launching event for the Country Profile on Housing and Land Management brought together over 40 representatives of different ministries and agencies, NGOs, international donor organizations and financial institutions. Participants agreed on a declaration calling the Kyrgyz Government to address the difficult housing situation through passing new laws, developing a strategic plan and enhancing the intersectoral coordination. □

The Country Profile is available in English and Russian at:
http://www.unece.org/hlm/publications_recent4.html.

For more information on the meeting, please contact Gulnara Roll at:
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UNECE AND OSCE LAUNCH A HANDBOOK OF BEST PRACTICES AT BORDER CROSSINGS



The United Nations Economic Commission for Europe (UNECE) and the Organization for Security and Co-operation in Europe (OSCE) launched a jointly produced handbook on border crossing policies in Vienna, Austria on 22 February 2012.

The Handbook of Best Practices at Border Crossings – A Trade and Transport Facilitation Perspective offers a rich array of

reference material and more than 120 best practice examples at border crossings. It covers available legal instruments, inter-agency and international co-operation, balancing security and facilitation measures, processing of freight, risk management, design of border crossing points, use of ICT technologies, human resource management and benchmarking.

The Handbook is designed for officials in transport, trade and finance ministries, customs agencies; transport, freight and logistics business communities; civil society and researchers.

Eva Molnar, Director of the UNECE Transport Division said the handbook will help facilitate legal trade and stop illegal trade, as well as cut red tape. "It is more than just a best practice guide," she said. "It is unique in the sense that its authors relied a lot on individual countries' contributions, and the publication combines theoretical and practical knowledge of our two organizations."

"This publication is a useful tool which aims to help improve and harmonize practices at border crossings," said Goran Svilanovic, Co-ordinator of OSCE Economic and Environmental Activities. "In the current difficult economic times, improving procedures at borders would bring about a higher efficiency and would lower the costs without large financial investments," he emphasized.

The publication was produced with financial contributions from Belgium, Finland, France, Kazakhstan and the U.S. □

The handbook is currently available in English at:
http://www.unece.org/trans/publications/wp30/best_practices.html
and will soon be made available also in Russian.

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