



Public Private Partnerships & Rail

Jan van Schoonhoven

Executive Program Leader UNECE PPP Center of Excellence



Agenda

- PPP's, can you do without?
- Who needs the UNECE?
- Some suggestions



PPP's, can you do without?

Public-Private Partnerships (PPP):

- involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.

.....And 56 other definitions and descriptions are available!

Public-Private Partnerships (PPP):

PPP will be there to professionalise the government by:

- aim at better service (or the same service) to the public
- for the same (or less) money

System of having a public tasks handled by the private sector. PPP will ensure that the private sector will be responsible for the life time of the provided services, both by partnership as well by the sound risk allocation and financial mechanism.

PPP's, can you do without?



- Public Finance
- Infrastructure provided and financed by the government



- PPP
- Infrastructure initiative by the government
- Project Finance
 - User payment
 - Availability payment



- Privatisation
- Infrastructure initiative by the private sector
- Financed by the private sector

PPP's, can you do without?

Infrastructural Needs versus Recourses

- **Asian-Pacific (ADsB)**
 - Until 2025 demand of US\$ 5 trillion in infra
- **Africa (AfDB)**
 - Each year US\$ 6 billion in Health
- **Worldwide (OECD)**
 - US\$ 45 trillion until 2040 to mitigate climate change effects
- **Asian-Pacific (IMF)**
 - Until 2025: US\$ 1,2 trillion available
- **Africa (IMF)**
 - Foreign Aid: US\$ 0,5 Billion
 - Own resources: US\$ 0,01 B
- **Worldwide (WB Data)**
 - About WW GDP 2011 (68Tr)

Fact: Private Investment essential for development and poverty reduction



PPPs, you cannot do without!

Necessary impulse to economic growth and/or essential services for all.

Not by privatisation and not for the rich only.

- Access to clean and sufficient water, but water resources stay in the hands of the government
- Health and Healthcare, but not private clinics; healthcare accessible to all
- Implementation of ILO standards and for the development of the country
- International standards, to fight corruption and ill performance

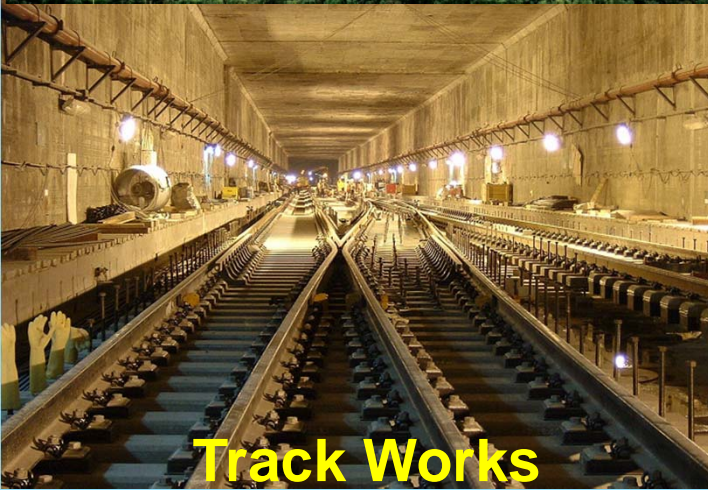


PPP: EMERGING OPPORTUNITIES IN RAILWAYS

- ✓ Development of rail infrastructure capacity by supplementing public financial resources
- ✓ Growing freight volumes despite competition from road transport
- ✓ Property Development opportunities near Rail Lines
- ✓ Demand for rail based transport in suburban rails systems, connectivity to ports,
- ✓ Additional capacity to some crucial routes
- ✓ Substantial reduction in O&M costs and higher efficiency in railway projects Increased viability due to spreading & sharing business risks



Rail: very complex projects





WHO NEEDS THE UNITED NATIONS ?

UN ECONOMIC COMMISSION FOR EUROPE
INTERNATIONAL CENTER OF EXCELLENCE ON PPP

UN PPP INTERNATIONAL CENTER OF EXCELLENCE

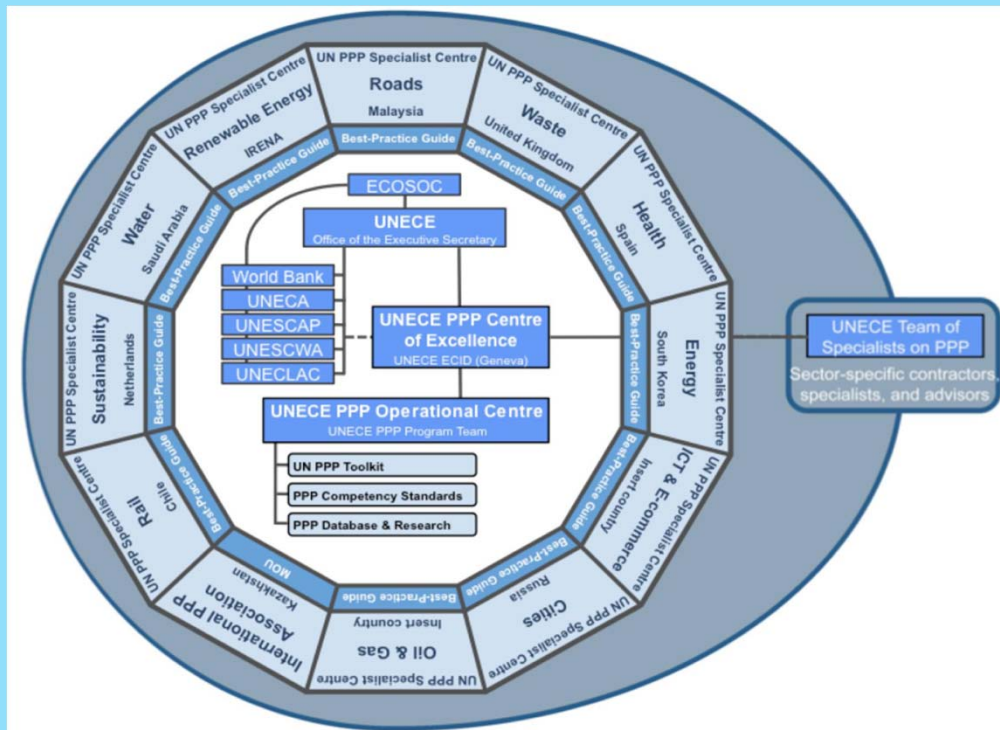
A small hub in Geneva

- Disseminating **Best Practices** on PPP
 - Best Practices developed at national level by Specialist Centres
 - Ready to implement in other countries or regions
-
- ✓ Learn from those who are doing PPP's
 - ✓ Exchange success as well as failures
 - ✓ Learn by doing, not by reading
 - ✓ Learn faster by have the BEST PRACTICES

Credo: Use the best practises and learn form proven experience



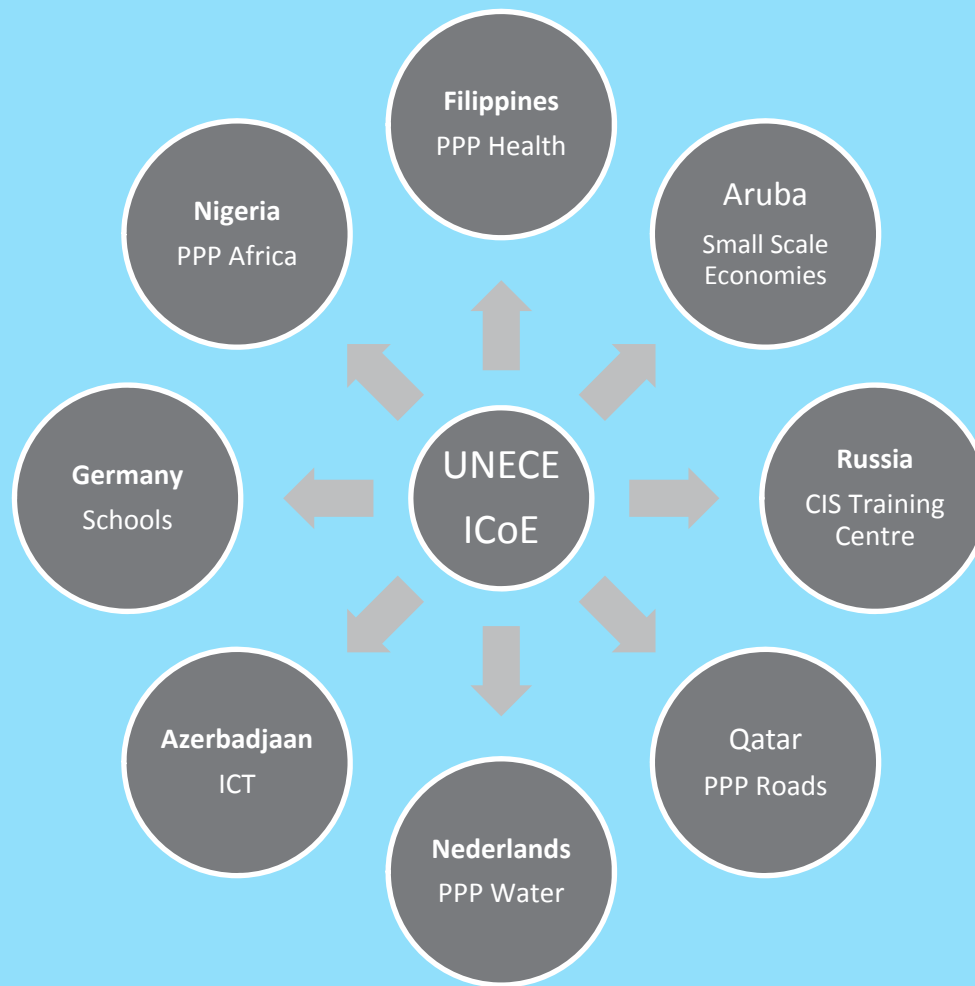
INTERNATIONAL CENTER OF EXCELLENCE



- ✓ Best practices, not case studies
- ✓ Latest and real project experience
- ✓ Exchange between members
- ✓ Capacity Building were necessary
- ✓ Optimum use of all knowledge

- ✓ ICoE will assure
 - Quality assurance
 - Objectivity and Neutrality
 - Exchangeable information
 - Advice and support
 - Additional value
- ✓ Collaborations with ADB/WBI etc

UNECE ICOE MEMBERS





UNECE ICoE

- **Readiness assessments (which PPP at what moment)**
- **Implementation Plan for PPP (how to start)**
- **PPP Advisory Board (independent advice from Private Sector)**
- **Benchmark on PPP development (steep learning curve)**

- **Access to Best Practices on PPP**
- **Access to Training Modules on PPP and Toolkit**
- **Access to seminars and workshops on PPP**

- **Deliver Best Practices on THEIR PPP**
- **Deliver Training Modules on THEIR PPP Topic**
- **Organise seminars/ workshop to disseminate THEIR knowledge**



Suggestion

Only steady improvement of the PPP environment will ensure a safe and sound PPP pipeline, survive financial pressure and political changes:
Its for the long run with long term commitment

Therefore

Exchange information and best practices, build capacity

Efficient

Work together and develop a clear PPP Rail environment

Aim: Create a Center on PPP in Rail



THANK YOU

<http://www.unece.org/ceci/welcome.html>

Jan.vanSchoonhoven@unece.org

PPP@UNECE.ORG