

Policy Dialogue on Infrastructure Financing Strategies for  
Sustainable Development in South and South-West Asia

---



Kathmandu, 25 January 2017

## *The path to successful PPP projects*

Mr Mathieu Verougstraete

---

Economic Affairs Officer

**UNESCAP – Financing For Development**

**Long term** (relationship beyond construction phase)

                                          **Contract based**

*"A **long-term contract** between a private party and a government agency, for providing public services and/or developing public infrastructure, in which the private party bears significant **risk** and management responsibility, and remuneration is linked to performance "*

~~Privatization~~

Source: PPP Reference Guide 2.0

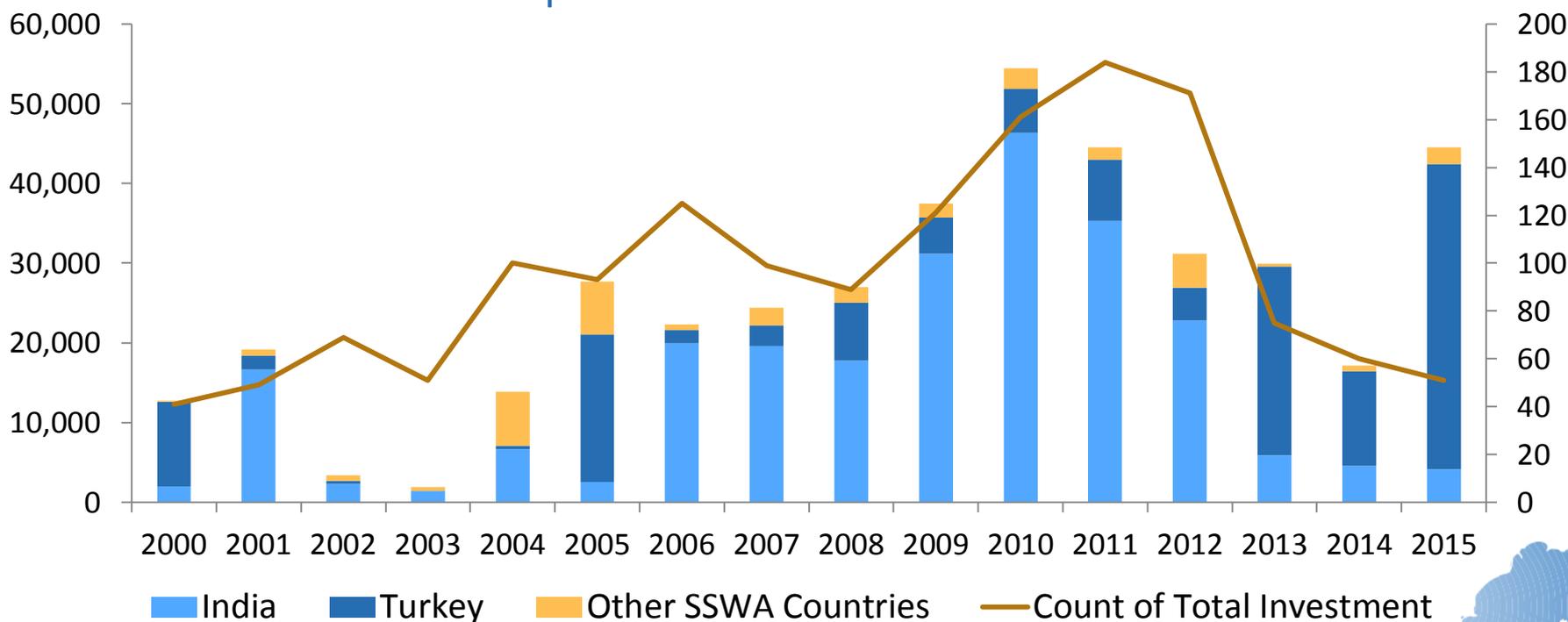
- ✓ Mobilizing resources
- ✓ Achieving a long-term solutions
- ✓ Transferring risks to the private sector



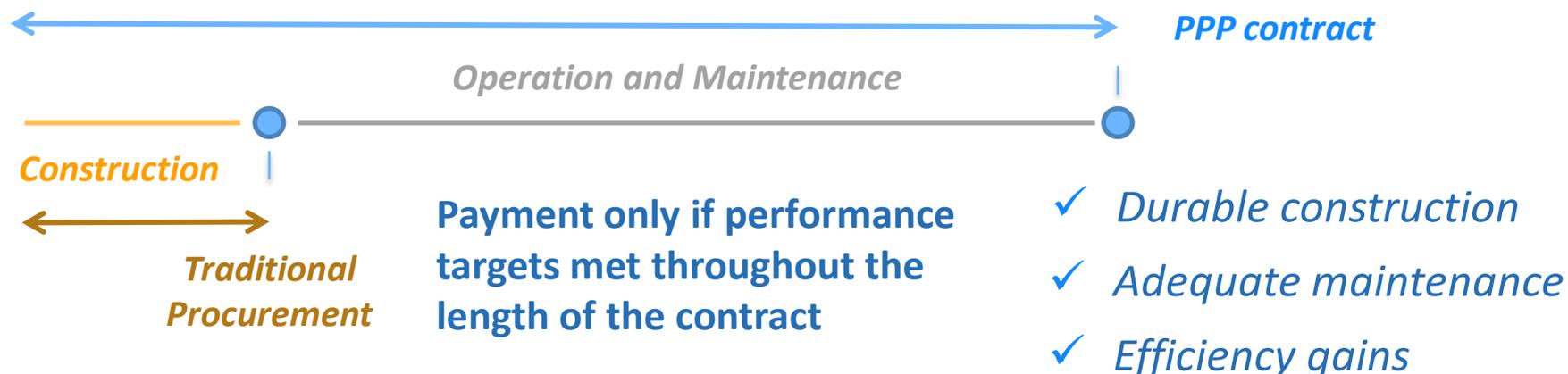
# PPP Track record in the region

## Resources mobilized

- Over \$ 40 billion mobilized in 2015 (driven largely by Turkey)
- Indian levels remain low compared to 2006-2012 period
- PPP covers max 20 % of infrastructure requirements based on international experience



- **Long-term solution:** quality infrastructure for > 20+ years



- **Risk transfer:** If the project costs more than planned → private sector covers the difference

*86 % of public infrastructure projects are above budget*

Source: Flyvpjerg et al. / data: 258 Infra Projects over 1910-2000 (Europe / USA / Japan)

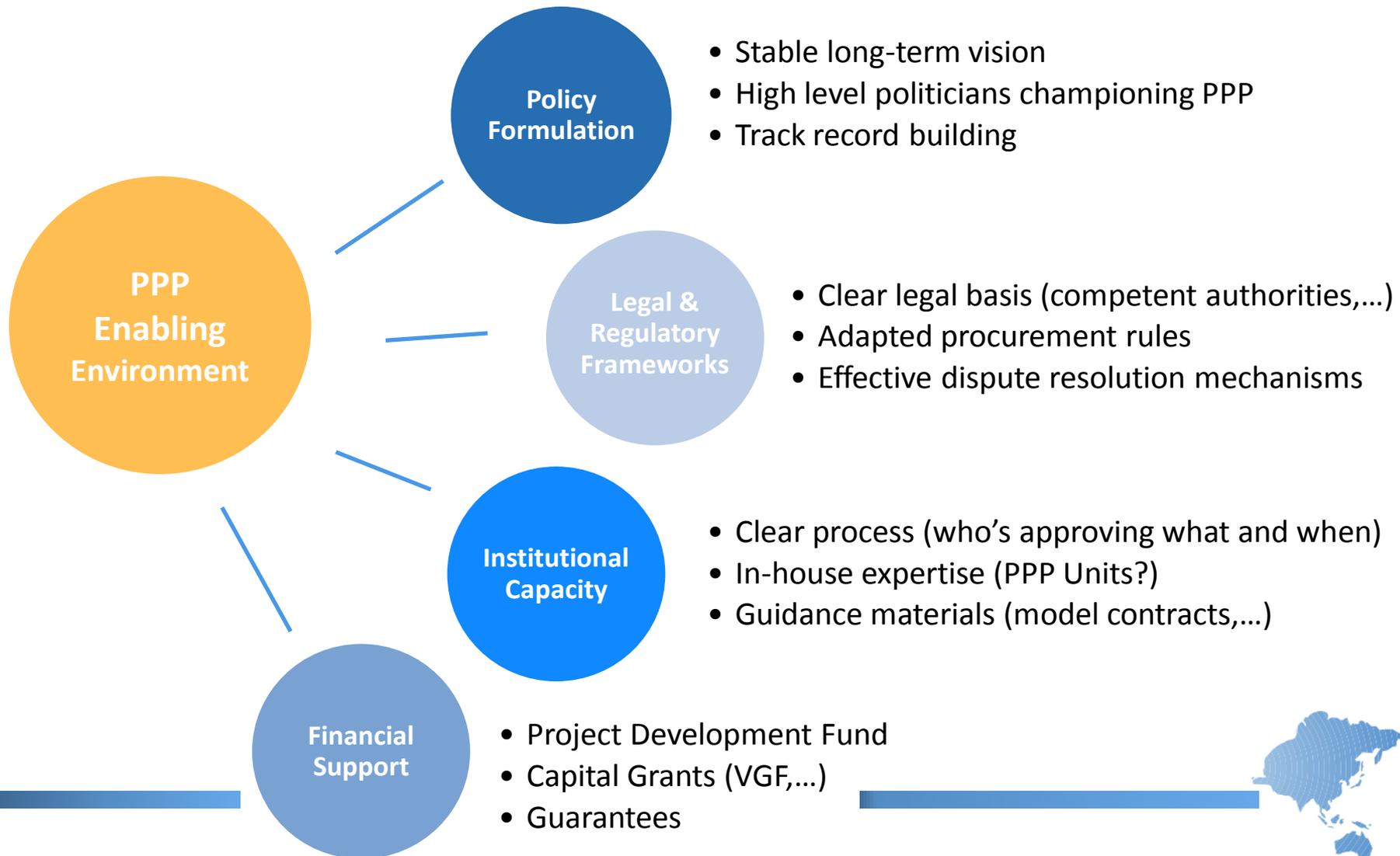


- **Not free:** users and/or tax payers have typically to pay for the project to be delivered profitably
- **Public guarantees = contingent liabilities:** fiscal risk has to be properly assessed and monitored
- **Complex arrangement:** high transaction costs / internal capacity constraints / not suitable for all projects (limited flexibility)
- **Private sector capacity** to take such long-term commitments / enough competition?
- **Possible public resistance**



# Governments have a role to play...

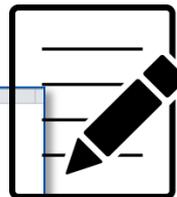
... to create an enabling environment for PPPs



# PPP Enabling Environment Planning Actions

## ■ ESCAP “PPP Readiness” assessment

Legal and Regulatory Provision for PPP			Average assessment by:		
Please add your scores into the green fields (4=very good; 3=good; 2=moderate; 1=fair; 0=poor)			Government	Domestic private sector	International private sector
41	Establishment of clear legal basis for PPP process	Legal basis for private sector participation in PPP is clearly defined	<add number>	<add number>	<add number>
		Limited restriction on participation of foreign investors in PPP projects			
42	Legal provision for property acquisition	Judiciary understands and accepts PPP policy framework			
		Authority and procedures are clear for acquiring rights of way			
43	Adequacy of structures providing for economic regulation of PPP projects	Regulatory authority is clear for all PPP types expected			
		Price and quality of PPP monopolies regulated to protect consumers and others			
44	Implementation of economic regulation (including quality and fairness issues)	Price regulation sufficiently flexible to adjust to major cost changes			
		Powers and resources are adequate to regulate PPP			
45	Regulatory Environment, total:	Accounts of PPP projects available to regulators and subject to effective query	0	0	0
		Regulators demonstrate competence, independence and efficiency	0	0	0



*Questionnaire to identify key bottlenecks...*

- Legal and Regulatory Provision for PPPs
- PPP Policy Framework
- PPP Capacity
- PPP Process: Selection and Contracting
- PPP Process: Post Selection
- Social Dimension of PPPs



- ✓ Bhutan
- ✓ Cambodia
- ✓ Lao PDR
- ✓ Myanmar

*... and to plan government actions*

# PPP Legal & Regulatory Frameworks

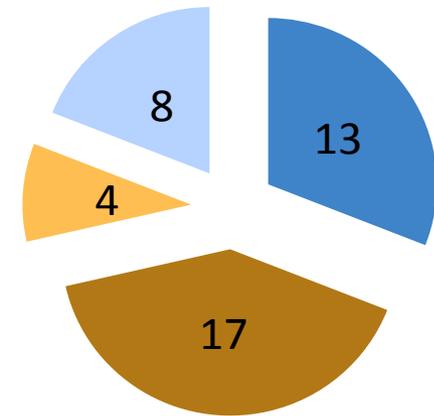
- Objectives, Scope and Models of PPPs
- Institutional Responsibilities (Approval, ...)
- Financial Support Mechanisms
- Procedures (Procurement, Dispute Resolution, etc.)

*Most countries have enacted **PPP Law** in the Asia-Pacific region (e.g. Afghanistan, Bangladesh and Turkey) ...*

*but some countries have simply issued*

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_1702](https://www.yunbaogao.cn/report/index/report?reportId=5_1702)



■ PPP Guidelines

■ PPP Law

■ Other



云报告  
<https://www.yunbaogao.cn>

云报告  
<https://www.yunbaogao.cn>

云报告  
<https://www.yunbaogao.cn>