Strengthening Capacity in developing bankable transport infrastructure projects for enhanced connectivity

UNCTAD experience with PPPs and finance

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FROM POLICIES/FRAMEWORK TO PPPs PROJECT DELIVERY, THERE IS A LONG WAY.

KEY FACTORS FOR PPPs SUCCESS

- An enabling environment for private investment;
- Effective institutional arrangements to drive the PPP process cycle (screening of projects to appraisal and preparation of projects - project finance, contract management);
- Good cooperation between institutions involved in the PPP process cycle;
- Engagement of all key stakeholders;
- Institutional capacity of the Government;
- Sound understanding of the needs of particular sector.

HIGHLY QUALIFIED PUBLIC OFFICIALS AND STRONG INSTITUTIONS IS KEY TO DELIVER QUALITY AND SUSTAINABLE INFRASTRUCTURE PROJECTS
CAPACITY-BUILDING APPROACH TO TACKLE THE COMPLEXITY OF PPPs

1. NEEDS ASSESSMENT

- Assess country’s PPPs context/performance, financing, map stakeholders and identify capacity-building needs;
- Map country’s PPPs institutional/regulatory framework, process cycle and compare with international standards and best practices.

2. TAILORED AND TARGETED CAPACITY-BUILDING ACTIVITIES

- Step-by-step training programme focused on knowledge gaps including through the PPP cycle sustainable financing mechanisms, and centered on the public sector perspective;
- Training content supported by real case project preparation and delivery;
- Analysis of international case studies but also study of local cases (projects);
- Build on existing tools to support different phases of the cycle;
- Knowledge and experience sharing with other countries.
OVERVIEW OF PPPs

OVERVIEW OF PPP FRAMEWORK

OVERVIEW OF PPP STRUCTURING & FINANCING

OVERVIEW OF PPP PROCESS CYCLE

PROJECT IDENTIFICATION & PPP SCREENING

APPRaisal AND PREPARATION

APPLICATION OF PPPs ON TRANSPORT

TENDERING

CONTRACT MANAGEMENT

STRUCTURING AND DRAFTING

APPRAISAL AND PREPARATION

PROJECT IDENTIFICATION & PPP SCREENING

APPLICATION OF PPPs ON TRANSPORT

CAPACITY-BUILDING TRAINING ON PPP WITH FOCUS ON TRANSPORT

STRUCTURE

GENERAL

SPECIFIC TO TRANSPORT

FOUNDATION

- Overview of PPPs
- Overview of PPP Framework
- Overview of PPP Structuring & Financing
- Overview of PPP Process Cycle

ADVANCED

- Contract Management
- Tendering
- Structuring and Drafting
- Appraisal and Preparation
- Project Identification & PPP Screening

- Special Topics on PPPs for transport
- Risk allocation in transport projects
- Hands-on Training using a Project Preparation Platform
- Roundtable with specialists by sector

- Case Studies on transport
- Application of PPPs on transport
TYPICAL PPP PROCESS

1. Identify priority project
2. Screen as PPP
   - Screen priority projects for PPP potential
3. Prepare as PPP
   - Identify and allocate risks and responsibilities
   - Appraise project feasibility, commercial viability, value-for-money, fiscal responsibility
4. Proceed as PPP
   - Define performance requirements
   - Define payment mechanisms
   - Establish dispute resolution mechanisms
   - Provide for termination
5. Draft PPP contract
6. Manage PPP contract
   - Decide the procurement strategy
   - Market PPP
   - Qualify bidders
   - Manage bid process
   - Reach financial closure
7. Sign contract
8. Manage PPP contract
   - Set up contract management structures
   - Monitor and manage PPP delivery and risk
   - Deal with change

Financing sustainable transport infrastructure and services

UNCTAD is currently collaborating in UN-wide project on SDGs finance in improving access to finance to transport infrastructure and services (Zambia and Burkina Faso) through **PPPs and innovative finance**. Activities include (i) an assessment/country’s diagnostic for PPPs and innovative finance; and (ii) building capacities of key stakeholders to identify and formulate adequate PPPs programme and financing actions (including green/blue bonds) and mechanisms to support potential transport projects.
UNCTAD Sustainable freight transport (SFT) TOOLKIT

1) UNCTAD SFT Portal  
https://unctadsftportal.org/

2) Training Programme

3) UNCTAD SFT Framework  
https://sft-framework.org/

For more information: https://unctad.org/topic/transport-and-trade-logistics/infrastructure-and-services
Thank you

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