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# Strengthening Capacity in developing bankable transport infrastructure projects for enhanced connectivity

**UN-OHRLLS Training-workshop for  
policy-makers from Landlocked  
Developing Countries and Transit  
Countries**

**Bangkok 13:00; 20 May 2021**

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# **Innovative approaches to creation of Ancillary Transport infrastructure in LLDCS - Greenovative<sup>®</sup> Finance and regional ancillary infrastructure funds**



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**Investment in the green economy needs to take place on a far greater scale over coming decades if we are to achieve the Sustainable Development Goals.**

**Now, a fresh take on sustainability is empowering a virtual second industrial revolution based on a simple truth: that the clean, green, efficient, less-wasteful, less polluting way of doing business can also be the most profitable way of doing business.**





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**Currently, there is no precise and commonly accepted definition of “green finance” primarily for two reasons: (i) many institutions and/or publications do not try to define the term and (ii) the definitions that are proposed vary significantly.**

**Greenovative™ Finance (“GvF”) - comprises all forms of investment or lending that take into account environmental impact and enhance environmental sustainability. A key element of GvF is sustainable investment, where investment and lending decisions are taken *NOT* only based on profitability or economic factors, but in conjunction with environmental screening and risk assessment to meet environmental sustainability.**





**Larry Fink, CEO of BlackRock: “Not long ago, building a climate-aware portfolio was a painstaking process, available only to the largest investors. But the creation of sustainable index investments has enabled a massive acceleration of capital towards companies better prepared to address climate risk. ... We made this commitment on the strength of a deeply-held investment conviction: that integrating sustainability can help investors build more resilient portfolios and achieve better long-term, risk-adjusted returns.”**



**The World Bank, Asian Development Bank and other donors, as well as the countries of Central Asia and Black Sea region, have spent billions of dollars to improve roads in the Eurasia to encourage truck and other vehicular transport from the Far East to Europe. While the intrinsic road infrastructure quality is good, the ancillary infrastructure is obsolete in most of the Central Asian states. This ancillary infrastructure includes outdated customs and border crossings, a shortage of both warehouse trans-shipment facilities and parking spaces, a lack of hotels/motels, maintenance/repair stations, modern fueling stations and an absence of modern eco-friendly fuels.**

**Ancillary infrastructure can be defined as standard facilities situated along roads and aimed at supplying drivers with water, food and bare necessities, as well as providing overnight accommodation, refueling and timely technical maintenance for vehicles as well as safe parking areas. In addition, vehicular border crossing points also make up part of ancillary infrastructure as they include special parking places and separate lanes for vehicles, convenient connections with trunk roads, etc.**



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**The comprehensive appraisal of the situation has led us to the formulation of the concept for a Regional Ancillary Infrastructure Fund (RAIF).**

**RAIF concept seeks to bring together public and private capital, allowing for public investors to join forces with private sector investors making a significant contribution to infrastructure investment and acting as a catalyst for further investments in the sector at difficult economic times.**



**Alternatives to traditional public financing are playing an increasing role in the development of infrastructure. In recent years, new infrastructure investment in various countries has included projects with exclusively or predominantly private funding sources. These collaborations, broadly known as public-private partnerships (“PPPs”), have emerged as one of the most important models, governments use to close the infrastructure-funding gap and improve productivity and service performance outcomes for infrastructure.**

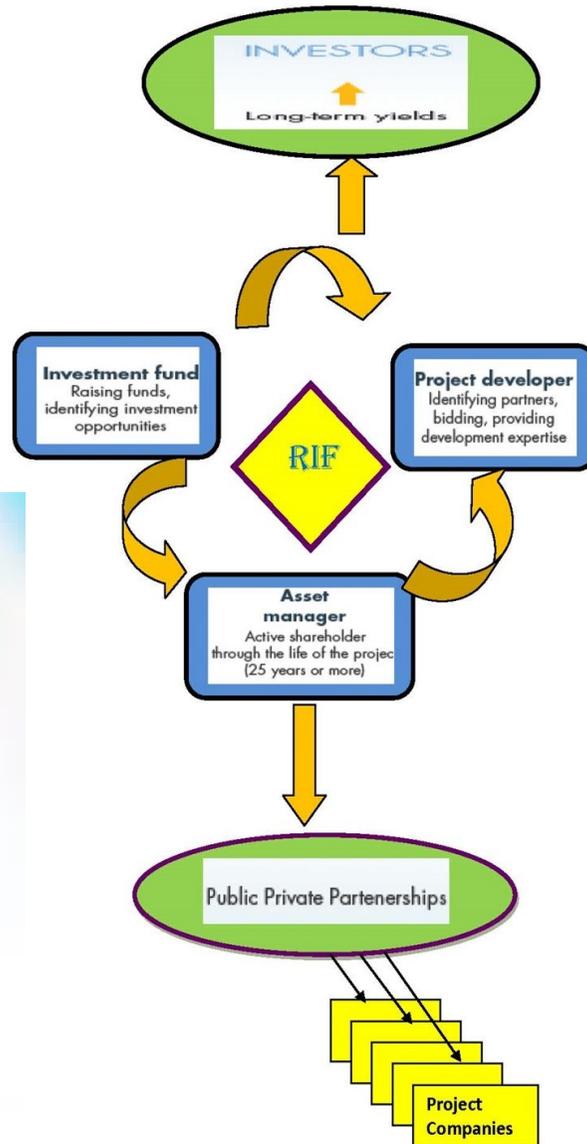
**Many factors play a role in PPP development, including local geography and political climate, the sophistication of government entities and capital markets, the forces driving formation of partnerships, and the factors enabling their creation.**



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## THE ROLE OF THE REGIONAL INFRASTRUCTURE FUND

By Juliette Passer, 2012





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**The proposed Regional Ancillary Infrastructure Fund's specific innovation lies in a return to the basics of responsible investment, holding assets over the long-term in ancillary infrastructure projects in serving the public interest. RAIF will successfully combine two cultures: (i) a public sector culture, through an investment philosophy aligned with that of the public authorities and (ii) a private sector culture, through a business model enabling RAIF to remain proactive, independent and innovative.**





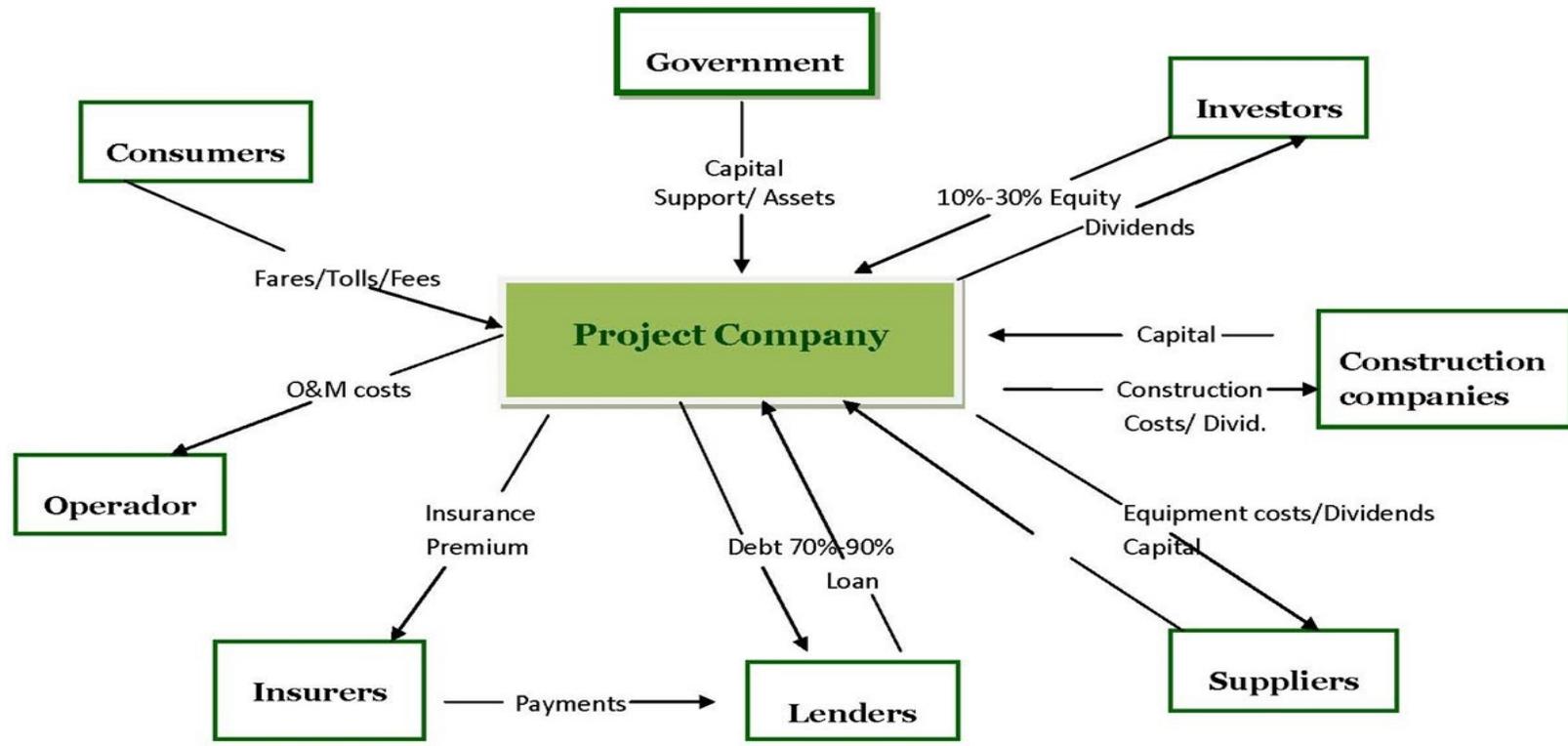
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**For the United Nations, green financing plays an important role in delivering several of its Sustainable Development Goals. Within Eurasian countries, investment in ancillary infrastructure which serves the public interest, necessitates a socially responsible approach, consistent with the principles of Greenovative<sup>®</sup> Finance.**

**RAIF will develop an ethics charter and corporate governance philosophy, which will cover the management of all its investments, and will take into account sustainable development and environmental requirements necessary to meet public obligations.**



## Chart of Financial Transactions of PPP Participants



**RAIF will deliver the financing of each project by matching the needs and expectations of all parties involved and will select experienced and reliable industrial partners, including global leaders in the construction and engineering fields, and also will work with large pools of commercial banks and local business leaders.**

**RAIF's participation in projects from inception through to implementation will provide a guarantee of generating sustainable value over the long term.**





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***Ancillary infrastructure investment creates a positive cycle of growth, providing essential networks and services for today's generations, stimulating economic growth and improving the standard of living for current and future generations!***





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# Thank you!

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