

# **Project Proposal**

## **PPP Standards for Rail**

It is generally recognised that transport by rail is an important element in encouraging economic growth and development. Improved rail links can facilitate cross-border traffic and ease bottlenecks in established network corridors. They can also present a competitive alternative to long distance transport by road or air. At the same time, transport by rail is usually more energy efficient than other modes of transport, and investment in rail schemes is therefore a key component of low carbon transport strategy.

In recent years there has been an increase in private sector participation in the creation and enhancement of railway infrastructure through the use of public private partnerships. This trend is likely to continue, although experience has shown that there are significant obstacles to be overcome for the successful implementation of rail schemes in this way.

### **1. Project purpose**

- 1.1. The purpose of the project is to develop a UNECE Standard on best practice for the management of Public Private Partnership (PPP) programmes in the rail sector, whereby private sector participation, both technical and financial, can be made more readily available to assist in the creation and enhancement of railway infrastructure. The aim of the project will be to provide standards for a) a policy document on PPP for the development of rail schemes and b) a recommended common approach to risk allocation;
- 1.2. The project will also seek to encourage the use of alternative funding sources such as real estate development to assist with the general affordability of rail schemes under consideration.

### **2. Project scope**

- 2.1. Transport Ministries everywhere were giving rail a new emphasis in their multi-model transport policies. Transport Ministries in EU member states are being encouraged to bring forward rail schemes with financial support provided by the Connecting Europe Facility. The World Bank and Asian Development Bank are also active in promoting rail schemes in other countries where there is an appetite and need for the creation and enhancement of railway infrastructure. The project will provide complementary support for the development of rail schemes pursuant to these initiatives.
- 2.2. There have already been a number of rail schemes that have been successfully developed using a PPP programme. This project will seek to take the benefit of lessons learned and apply it with a view to creating guidance for the management of PPP programmes in the rail sector.

2.3. The categories of rail schemes to be considered will include high speed rail, railway station development and rolling stock procurement.

### **3. Project deliverables**

The project deliverables are:

- 3.1. Programme analysis: An analysis of existing PPP programmes in the rail sector, the rationale for their structure and an objective assessment of their advantages and disadvantages.
- 3.2. Programme standards: Standards for a structural template for the development of rail schemes, a common approach to risk allocation, and model forms of contract documentation.

### **4. Geographical focus**

4.1. The UN standard is a world standard, but the demand for rail infrastructure is the highest at developing and transitional countries. The focus on applicability will be on will be Central and Eastern Europe, Sub-Saharan Africa, Asia, South America and the MENA Region.

### **5. Project team membership and required functional expertise**

5.1. Membership is open to experts with specialist knowledge in the area of management of PPP programmes in the rail sector;

5.2. Project Leader: Jonathan BECKITT ([jonathan.beckitt@cms-cmck.com](mailto:jonathan.beckitt@cms-cmck.com))

### **6. Resource requirements**

Participants in the project shall provide resources for their own participation. The existence and functioning of the project shall not require any additional resources from the UNECE secretariat.

### **Timetable**

February 2015	Project approval by the ToS PPP Bureau
April 2015	First draft available for review by key stakeholders
June 2015	Publication of draft standard on UNECE website for public review
October 2015	Endorsement of draft by ToS PPP Bureau
November 2015	Draft standard submitted to CECI