

Project Proposal

PPPs in Urban Rail Transit Projects

1.1 The progress of global urbanization, especially in developing countries, is leading to an increased need in ecological and green urban-metro transport solutions. As a result, urban rail transit has become a priority for public transport in large and medium-sized cities, and generated large demand for the construction of urban rail transit projects, which should be developed under the people-first principles and the requirements of the sustainable development goals (SDGs) advocated by the UN.

1. Project Purpose

The purpose of this project is to develop a UNECE PPP standard in accordance with the best practices of urban rail transit PPP projects that promotes effective private sectors involvement in the investment, construction and operation of urban rail transit infrastructure. Specific goals include compiling standard PPP documentation and practical elements in urban rail transit PPP projects; identification of elements that reduce transaction costs and attract private capital and financing; and explore TOD (Transit-Oriented-Development) models in which government departments can implement urban rail transit PPP projects through co-development instead of traditional public means.

2. Project Scope

Urban rail transit is a core component of modern urban public transport systems and is crucial for urban development and improving the lives of citizens in and around urban centres. Compared with traditional transport systems, urban rail transit has significant potential for being a green and environmental-friendly transport system that also provides energy-efficiency, a means for land-conservation, improved transport capacity, pollution reduction and higher security, all in line with the principles of sustainable development and especially suitable for the public transport needs in large and medium-sized cities. Urban rail transit often requires huge investments, involvement of many stakeholders, and high construction and operation quality, and therefore can benefit from the involvement of the private sector and the distinct characteristics of the PPP model of urban rail transit projects.

Presently, national transport authorities and PPP policymakers around the world are trying to develop integral PPP policy systems for urban rail transit, while the World Bank and the Asia Development Bank have also been actively advocating the construction of public transport systems. This project will provide a sector specific standard based on best practices with PPP model principles and recommendations that are readily usable by international organizations and governments. This project will also summarize previous cases of urban rail transit projects, and develop operational manuals for urban rail transit PPP projects on the basis of lessons learned.

This project will focus on implementing the specific requirements of people-first principles and

the SDGs advocated by the UN within urban rail transit PPP projects and study the logical framework of PPP project implementation, analytical framework of VfM and FAA, project planning goals and implementation solutions, resource allocation, market appraisal and risk-sharing schemes, as well as procurement management and information disclosure requirements. Lastly, this standard will focus on operational elements and norms that are critical to urban rail transit PPPs.

3. Project Deliverables

3.1 PPP standard document.

On the basis of case studies and other empirical evidence, a standard for urban rail transit PPP projects that includes, among other things, operational models, policies and legal framework, transaction structures and risk allocation, with a particular focus on connecting the standards to people-first principles and SDG requirements, the signing of PPP agreements, contract dispute resolution, and financing patterns.

4 Geographical Focuses

4.1 The focus is global.

5 Project Team Members and Required Functional Expertise

5.1 The project team is open to experts with broad knowledge in the area of urban rail transit PPPs and will draw from governmental PPP departments, finance, construction and operation entities and agencies, professional consulting and research institutes and civil society organizations. The team will be timely adjusted and optimized according to the standard development and substantive requirements.

Project Leader: Dr. Kaimeng Li

7 Resource Requirements

7.4 Participants in the project shall provide resources for their own participation. China will take the responsibility of raising funds to support the development of the PPP standard, and the project itself does not need additional financial assistance from the Secretariat of the UNECE.

8. Timetable

8.1 The project team will follow the seven steps stipulated by the UNECE and arrange the project operation schedule accordingly. Proposed tentative Schedule and Activities of Urban Rail Transit PPP Standard Development

June 2016 – Project initiation and approval by the UNECE Team of Specialists on PPPs

December 2016 – First draft ready for review by key stakeholders

March 2017 – Publication of draft standard on UNECE website for public review

July 2017 – Endorsement of draft standard by TOS PPP Bureau

August – October 2017 – Draft standard submitted to CECI