



Economic and Social Council

Distr.: General
10 January 2013

Original: English

Economic and Social Commission for Asia and the Pacific

Sixty-ninth session

Bangkok, 25 April-1 May 2013

Item 3 (c) of the provisional agenda*

**Review of issues pertinent to the subsidiary structure of
the Commission, including the work of the regional
institutions: Transport**

Note verbale dated 24 December 2012 from the Embassy of the Islamic Republic of Iran in Thailand addressed to the secretariat of the Economic and Social Commission for Asia and the Pacific

The Embassy of the Islamic Republic of Iran in Thailand presents its compliments to the secretariat of the Economic and Social Commission for Asia and the Pacific and, in reference to the third Asia-Pacific Ministerial Conference on Public-Private Partnerships for Infrastructure Development, which was held in Tehran on 14 November 2012, has the honour to transmit to the secretariat the text of the Tehran Declaration, the outcome document of the Conference.

The Embassy of the Islamic Republic of Iran further has the honour to request that the Tehran Declaration be brought to the attention of the Commission at its sixty-ninth session during its consideration of item 3(c) of the provisional agenda.

* E/ESCAP/69/L.1.

Annex to the note verbale dated 24 December 2012 from the Embassy of the Islamic Republic of Iran in Thailand addressed to the secretariat of the Economic and Social Commission for Asia and the Pacific

Tehran Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific

We, the Ministers and government representatives attending the third Asia-Pacific Ministerial Conference on Public-Private Partnerships for Infrastructure Development, held at Tehran, Islamic Republic of Iran, 14 November 2012,

Reaffirming the pivotal role of economic and social infrastructure, including but not merely limited to transit and transport facilities and services, water, wastewater treatment, solid waste management, drainage system, energy and power supply, Information and Communication Technologies (ICTs), education, health, welfare, tourism and recreational facilities in achieving sustainable development, disaster risk reduction in supporting development and achieving the Millennium Development Goals,

Taking note of ESCAP resolution 64/4 of 30 April 2008 on the implementation of the Seoul Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific and ESCAP resolution 66/5 of 19 May 2010 on the implementation of the Jakarta Declaration on Public-Private Partnership for Infrastructure Development in Asia and the Pacific,

Recognizing that insufficient and unsustainable infrastructure and related services have strong adverse effects on economic growth which will prevent the countries efforts to realize their full development potential in the region,

Emphasizing that, typically, infrastructure development requirements are significantly larger than budget provisions and public finance and that innovative solutions are needed in order to find adequate financial resources for the development of infrastructure, improve the efficiency of infrastructure operations and create incentives to promote the maintenance of infrastructure through appropriate policies and coordinated actions in the region,

Reiterating the importance of cooperation among the public and private sectors to bridge the gap between the required financial resources for infrastructure projects and the availability of finance through their partnership, within and among the nations in the region,

Further noting the value of the creation of specific financial arrangements for infrastructure development which would help to promote investment in infrastructure by the private sector in the region,

Recalling the outcome document, "The future we want", of the United Nations Conference on Sustainable Development held in Rio De Janeiro, Brazil, from 20 to 22 June 2012, which recognized the active participation of the private sector in contributing to the achievement of sustainable development, including through the important tool of public-private partnerships,

Noting that public private partnerships are a key strategy for building sustainable infrastructure and delivering related services, especially in the

context of the global economic downturn, which threatens to reverse the development gains made by countries in the Asia and Pacific region;

Recognizing that the sustainability of public-private partnerships is being undermined by a number of constraints in business environment, legislative, regulatory framework, institutional arrangements, financing, human resources and implementation process,

Further recognizing the important contribution that the United Nations bodies and specialized agencies, international financial institutions, and other relevant organizations are making in order to assist countries in reaching their full development potential,

Noting the discussion during the Ministerial Round Table on Enhancing Regional Cooperation in Infrastructure Development, including that Related to Disaster Management, at the 62nd session of the ESCAP Commission¹, on the establishment of a new institution, that is, an Asian investment bank along the lines of the European Investment Bank, as an important option to bridge the gap between the required financing for infrastructure development and the resources available,

Agree on the important role of public-private partnerships for the development of physical infrastructure in economic and social development, particularly transport infrastructure including Asian Highway, Trans-Asian Railway and dry ports and international transit corridors in the ESCAP region and connecting with other regions, such as the ESCWA and ECE regions;

Confirm that the provision of infrastructure and related services that contributes to sustainable development outcomes needs to be given high priority in our national development agendas,

Agree that the effective use of the cooperatives and non-profit organizations capacities in public-private partnership is one of the complementary factors in enhancing the development and provision of infrastructure facilities and services in the region,

Invite countries of the Asia-Pacific region, as appropriate, to consider the sustainability of their public-private partnerships by reviewing and assessing their:

- (a) Public-private partnership advocacy initiatives;
- (b) Opportunities to engage the private sector in infrastructure provision that supports sustainable development;
- (c) Public-private partnership strategies, policy frameworks and action plans for infrastructure development, as well as legislative, regulatory and institutional arrangements for public-private partnerships at the general and sectoral levels in order to identify any barriers to their effectiveness;
- (d) Financial instruments and capacity to meet long-term equity and debt needs of infrastructure projects;
- (e) Portfolio of bankable and sustainable infrastructure projects which could be offered to the private sector for financing;

¹ UN ESCAP Annual Report (19 May 2005–12 April 2006), paragraph 390 (d), p.34.

(f) Capacity for risk management in both public and private sectors and its impact on public-private partnership projects,

Further invite countries of the Asia-Pacific region to integrate sustainable development considerations into public-private partnership projects;

Also invite countries of the Asia-Pacific region to make their public-private partnership projects more inclusive and transparent by:

(a) Involving all relevant stakeholders including, where appropriate, cooperatives, academic institutions and non-profit organizations in the full public-private partnership cycle;

(b) Increasing the accountability of relevant stakeholders and the transparency of the public-private partnership process,

Encourage countries of the Asia-Pacific region, as appropriate, to develop their active engagement in regional cooperation initiatives, aimed at the provision of sustainable infrastructure and related services, including: developing energy pipeline and electricity grid networks; regional and subregional transportation networks; exchange of information; standardization of contracts, processes and procedures; sharing of experiences of both successful and unsuccessful PPP projects; and provision of training and technical assistance,

Request the United Nations bodies and specialized agencies, the relevant offices of the United Nations secretariat, international and regional financial institutions, bilateral donors and other organizations:

(a) to assist countries of the Asia-Pacific region in meeting infrastructure development challenges through: (i) regional and interregional cooperation in the development of public-private partnerships; (ii) the organization of meetings and regional networking arrangements aimed at promoting the exchange of experiences and information; particularly on disaster risk reduction and water resource management; (iii) promoting the use of ICT-based products, networks, services and applications, and to help countries overcome the digital divide as stipulated in World Summit on the Information Society Plan of Action of December 2003; (iv) to mainstream ICTs in their work programmes and to assist all levels of developing countries, to be involved in the preparation and implementation of national action plans to support the fulfillment of the goals indicated in the World Summit on the Information Society Declaration of Principles and the World Summit on the Information Society Plan of Action of December 2003, taking into account the importance of regional initiatives;

(b) to assist countries of the Asia-Pacific region in conducting an applied study on the positive and negative impact of taxes on public-private partnership infrastructure investment projects in the region and in launching a process for establishing a working group comprising of interested Asia and Pacific countries to devise Islamic financial instruments for financing public-private partnership projects;

(c) to assist countries of the Asia-Pacific region, on a mutually agreed basis, in their capacity-building programs, including public-private partnership policy framework formulation, legislative and regulatory reform and the administrative arrangements for public-private partnerships;

(d) to work collectively to establish an Asia Pacific network of public-private partnership units and programmes which would, amongst other matters, provide ad hoc advisory and training services, disseminate information on public-private partnerships and coordinate regional meetings of national public-private partnership units and programmes with the aim of developing public-private partnership programmes that contribute to sustainable development;

(e) to provide technical assistance, upon request, to help increase the public-private partnership readiness of countries of the Asia-Pacific region, giving special emphasis on least developed countries (LDCs), Landlocked Developing Countries (LLDCs), and Small Island Developing States (SIDS), including but not limited to: (i) preparing regional financing and risk management tools to reduce transaction cost; and (ii) developing risk mitigation mechanisms against exchange rate misalignment, environmental adverse impact, and natural disasters;

(f) to encourage financial and monetary institutions as well as international development banks to invest on public-private partnership bankable projects, especially in the transport, energy, water resources, Information and Communication Technologies (ICTs) sectors;

(g) to explore ways to facilitate cooperation among countries of the Asia-Pacific region on public-private partnership projects in their effort towards: (i) streamlining financial flows and motivating investment especially through attracting foreign direct investment to public-private partnership projects; (ii) setting up forums to invite private sectors of different countries to cooperate in public-private partnership projects; and (iii) encouraging and inviting countries of the Asia-Pacific region to consider setting up an Asian investment bank;

(h) to expand their supporting activities on public-private partnerships through cooperation with all regional arrangements and organizations,

Express also our deep appreciation to the People and Government of the Islamic Republic of Iran for generously hosting the third Asia-Pacific Ministerial Conference on Public-Private Partnerships for Infrastructure Development and for their warm hospitality and the excellent arrangements of the meeting.

Tehran, 14 November 2012
