

Ad Hoc Expert Meeting on

**Addressing the Transport and Trade
Logistics Challenges of the
Small Island Developing States (SIDS):
Samoa Conference and Beyond**

11 July 2014

**Public-private partnerships for transport
development in the context of the SIDS – the
case of the Caribbean**

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PPPs for transport development in the context of the SIDS: the case of the Caribbean

:

Carl Howell – Caribbean Development Bank



Presentation Plan

- Logistics and Connectivity: Where Does the Caribbean Stand?
- Jamaica as an example
- Closing infrastructure gaps in the region
- Some early lessons from PPPs
- Making PPPs work better: What should be done?
- Guarding against fiscal surprises
- A role for CDB moving forward

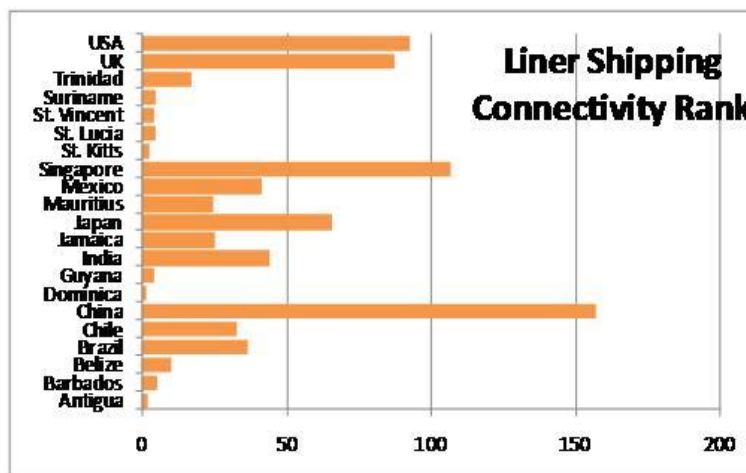


Setting the Stage

- World markets have opened since the elimination of barriers in the 1990s
- Resulted in the globalization of supply chains
- World trade has grown by 6% annually in the last 4 decades, while global GDP grew at 3.4% per year
- World trade has grown from 20% of GDP in 1971 to 51% in 2010 (WTO)
- Panama Canal expansion potentially expands regional trade volumes
- Jamaica is ideally located to take advantage of these trends



Logistics and Connectivity: Where Does the Caribbean Stand?





Jamaica Logistics Performance: The Global Logistics Performance Index

Item	Global Rank
Overall	124
Customs	123
Infrastructure	119
International Shipments	121
Logistics quality and competence	132
Tracking and tracing	117
Timeliness	107

Source: World Bank



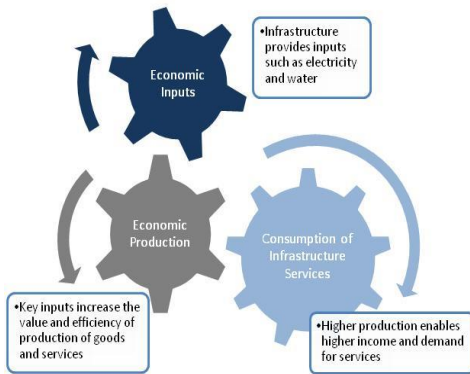
Jamaica Logistics Performance: What Does Jamaica Currently Need to Do?

- Jamaica ranks 124th out of 155 countries on the Logistics Performance Index
 - 45.3% of Singapore's score
- The Logistics Hub Initiative is intended to reduce supply chain barriers
- Infrastructure is important, but is only one dimension of logistics
- Focus is also needed on:
 - Customs reform
 - Tax reform
 - Human resource development

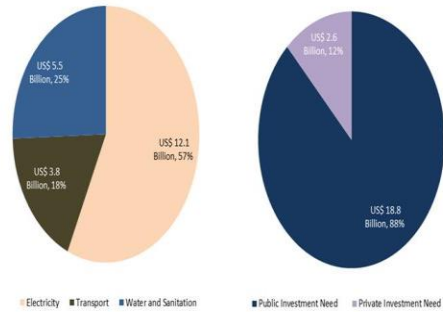


PPPs can help close infrastructure gaps in the Caribbean

PPP are critical inputs

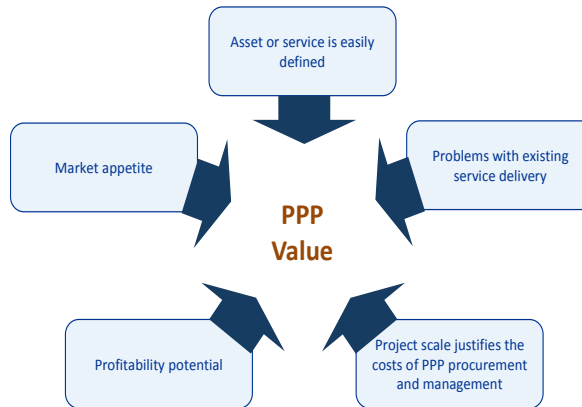


Projected investment needs to 2025



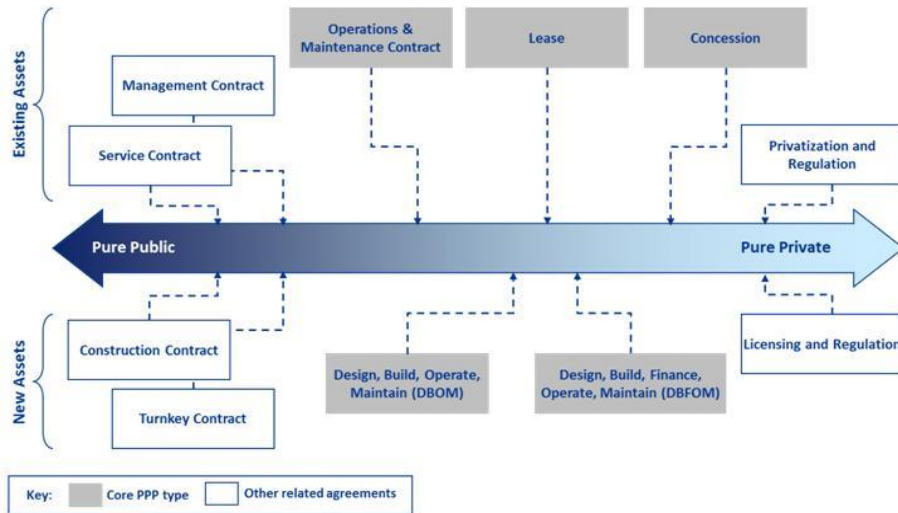
Some early lessons from PPPs

- PPPs add most value when





Some early lessons from PPPs... choosing the most appropriate model



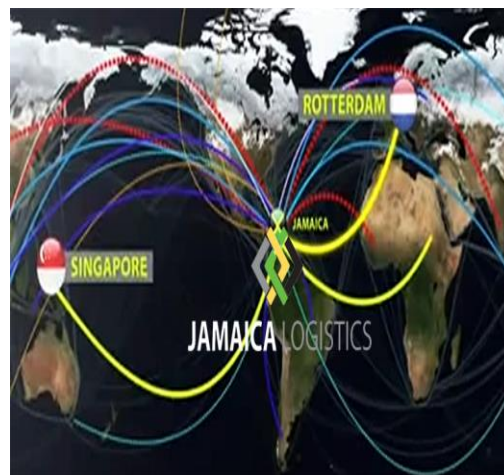
Positive PPP examples in the Caribbean

Bahamas

- Hutchinson Whampoa from Hong Kong has invested heavily in the transport and logistics sector:
- Grand Bahamas Airport – 50 %, Freeport Harbor 50%, Freeport Container Port – 51%, Sea Air Business Center – 50 %

Jamaica

- China Harbour Engineering Co (Goat Island Logistics Hub)
- Sangster and NM Int'l Airports





Making PPPs work better: What should be done?

- ✓ Develop PPP policies and processes (improving transparency and predictability)
- ✓ Create appropriate legal and regulatory environments
- ✓ Build robust institutional capacity
- ✓ Develop adequate human capacity
- ✓ Create fiscal management and accounting frameworks



Guarding against fiscal surprises

- Elements of a sound fiscal plan



- Differing treatments..
 - European System of Accounts 95 (Eurostat) standards). Based on risks allocation. Availability payments and viability gap funding recorded.
 - International Public Sector Accounting Standard IPSAS 32 (Concessions) and 19 (Guarantees). PPP could be included in government liabilities



A role for CDB moving forward: Upstream and Downstream Activities

- Establishment of a PPP Unit to support coordination of donor support
- Supporting sustained capacity building at the country level and improvements in regulatory environments
- Provide a platform for active and sustained dialogue on lessons of experience among Caribbean countries
- Provide access to funding



Thank you for your attention.

Questions?