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Man standing at railroad station

Public-Private Partnerships for Transport

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Public-private partnerships ("**PPPs**") can be an effective way to build and implement new infrastructure or to renovate, operate, maintain or manage existing transport infrastructure facilities. In both areas PPPs can be a mutually beneficial way to solve critical transportation problems.

Transportation infrastructure (airports, ports, rail, roads, urban transport) is indispensable to sustainable socio-economic development and trade. They link peoples and regions and connect firms to markets. Efficient transportation infrastructure is a major contributor to enhanced productivity.

It is anticipated that very significant investments will need to be made in the transportation sector globally over the next 20 years to meet the increased demand arising from population and economic growth. This will entail both the construction of new infrastructure, as well as the refurbishment and expansion of existing infrastructure, to accommodate both increased traffic flow and the increase in the size of transports (e.g. larger planes and ships). While the greater part of this demand is expected to come from developing economies, the infrastructure that will be required in developed countries is also forecast to be substantial.

At the same time, improved energy efficiency in the transportation sector will also be a key part of mitigating climate change. This will require innovative solutions. (See further on Climate-Smart PPPs)

PPPs provide a useful avenue for governments to access additional capital as well as technical expertise in the private sector to meet the very substantial demand from their populations for new and expanded transportation infrastructure in the coming decades.

As the transportation sector encompasses a number of subsectors, different considerations apply to PPP structures, depending on the subsector. Nonetheless, a number of thematic issues are relevant to all subsectors:

- Transportation infrastructure is by its nature monopolistic assets. Accordingly, the regulation of competition and public access in respect of the infrastructure will have important economic implications.
- The private consortium's ability to impose tariffs on users of the infrastructure is another important structural consideration, as it directly impacts both public amenity and the private consortium's ability to recover its investment.
- The allocation of revenue / demand risk for the infrastructure is another core negotiation point between the host government and private consortium in transportation sector PPPs.

Navigate the following subsections for more information and sample laws and agreements.

Related Content

- **Public-Private Partnerships for Transport**

- **Public-Private Partnerships in Airports**
- **Public Private Partnerships in Ports / Port Reform**
- **Public-Private Partnerships in Roads**
- **Railway PPPs**
- **Urban Passenger Transport**
- **Transportation Toolkits**
- **Gender & Transport Projects**

Additional Resources

- Climate-Smart PPP Legal and Regulatory Framework
- Climate-Smart PPPs

Subsections

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Public-Private Partnerships for Transport

Airport view

Image not found or type unknown

Public-Private Partnerships in Airports

Containers

Image not found or type unknown

Public Private Partnerships in Ports / Port Reform

Street with traffic

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Public-Private Partnerships in Roads

Blurred railway car

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Railway PPPs

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Train

Urban Passenger Transport

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Traffic

Transportation Toolkits

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Person traveling

Gender & Transport Projects

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Bus stop

Bus Shelters, Stations and Terminals

Man standing at railroad station

Further Reading: Public-Private Partnerships for Transport

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