

CARTAC and the IMF Host a Second Regional Workshop on Managing the Fiscal Impact of Public-Private Partnerships

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The International Monetary Fund's (IMF) Fiscal Affairs Department (FAD) and the Caribbean Regional Technical Assistance Center (CARTAC) are holding a regional workshop in St. Kitts from March 28-30, 2017 to promote the exchange of experience and build capacity in managing the fiscal impact of Public-Private Partnerships (PPPs).

The workshop brings together 46 officials from 16 CARTAC members in the region. It is financed by CARTAC and a Canada-funded regional project on fiscal management. The World Bank Group, through the Public-Private Infrastructure Advisory Facility (PPIAF), and the Caribbean Development Bank (CDB) are also participating in this event.

This workshop is the second in a series of activities to support country officials in the Caribbean region to better manage the fiscal costs and risks associated with PPPs. It will create a platform for country officials to exchange views and share knowledge on managing the fiscal impact stemming from PPPs in their respective countries.

In particular, the workshop provides hands-on training on the *PPP Fiscal Risk Assessment Model* (PFRAM), a joint IMF-World Bank tool which estimates the impact of a specific PPP contract on fiscal indicators, and identifies and helps mitigate fiscal risks arising from PPP contracts. Participants are presenting case studies from the region, and discussing cross-country solutions to help improve both investment management and fiscal reporting for PPPs. The workshop will also discuss the findings of a regional survey on managing fiscal costs and risks that was specially prepared for this event. Based on the findings from this workshop, the IMF and CARTAC will prepare a joint publication on managing fiscal risks arising from PPPs in the Caribbean, that will analyze regional challenges and present country-specific case studies and recommendations.

Background

Raising growth levels in the Caribbean hinges on improving both access to, and quality of infrastructure over the medium-term. With limited fiscal space for additional public investment, PPPs are particularly appealing for the region. The private sector can provide infrastructure services more efficiently than governments, and can bring additional financing to support public investment. However, PPPs are complex operations that entail fiscal costs and risks for the government. Therefore, successful PPP projects require strong institutions to effectively negotiate, manage and monitor their long-term fiscal impact.

The Caribbean Regional Technical Assistance Center (CARTAC) is one of ten IMF Regional Technical Assistance Centers (RTACs) located around the world in the Pacific, Caribbean, Africa, Asia, the Middle East, and Central America. RTACs were created to help countries strengthen human and institutional capacity to design and implement sound macroeconomic policies that promote growth and reduce poverty. CARTAC is financed by contributions from its 20 member countries, the IMF, and development partners (Canada, the European Union and the United Kingdom).

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