



At a forum held for member countries in Riyadh

## **Participants Call for Public-Private Partnership Model to Handle Development Challenges**

**Riyadh, Kingdom of Saudi Arabia, 22.03.2017** – The Islamic Development Bank’s First Public-Private Partnership Forum called for adopting its namesake model handle the challenges of socioeconomic development in the bank’s member countries.

Dr. Bandar Hajjar, President of the Islamic Development Bank Group, said that the group is putting every resource available at the disposal of its 57 member countries so they could gain experience in building successful partnerships between the public and private sectors in every field, especially with the gigantic chasm between the two in the funding they provide for these partnerships.

“We all know that laws and regulations alone are no guarantee for a successful partnership,” said Hajjar. “Both parties must work hard to create successful, ties that actually work. Each one of the two sectors have multifaceted administrative, economic, judicial, legal, and social aspects that need to intertwine and hook up at just the right points, and all stakeholders must share a common understanding of the principles of transparency, disclosure, accountability, and equal rights, as well as a clear determination of responsibilities for the efficient use of resources, boosting competitiveness, finding new sources of funding, expanding projects, creating new job opportunities, and solidifying economic stability in our member countries.”

Of the forum’s four sessions, the first saw a discussion of examples of successful public-private partnerships in various member countries.



## مادة إعلامية



المنتدى الأول للبنك الإسلامي للتنمية  
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Participants also reviewed the bank's history, its objectives, and its activities to mitigate poverty, eliminate famine, upgrade healthcare, provide quality education, and develop infrastructures in member countries.

The panelists also discussed ways to determine which sectors should get the highest funding from the bank for public-private partnerships in the coming years.

Participants in the second session discussed the public-private partnership model that Saudi Arabia adopted to support the Kingdom Vision 2030 in terms of developing national infrastructures.

The session covered the main challenges facing the Kingdom in government-implemented infrastructure projects, legislative and regulatory readiness to accommodate the public-private partnership model, and the sectors in which such a model has proven successful.

They also discussed the role the IDB can play in supporting the Kingdom Vision 2030, pointing out that water desalination and housing are two of the sectors that are set to see the strongest interest in public-private partnerships.

Session three discussed motives that drive the implementation of the public-private partnership model, as well as the challenges that thwart it, such as inadequate revenues that prompt governments to seek alternative sources of funding. They also discussed successful projects that resulted from this model of partnership, new regulations and bylaws that facilitate it, and the growing awareness of regulatory frameworks that govern public-private partnerships.

The fourth and final session covered the developmental needs of member states, how public-private partnerships can help fulfill those needs, and the current challenges they face in bringing about such partnerships.



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Participants stressed that these partnerships need support at the highest levels of government, and need to have teams of specialists in place that are dedicated only to this model. Also, universally recognized procedures and contracts need to be adopted, so as to evince a strong enough sense of security that would encourage funding and attract global talent, which ultimately would build capabilities and expertise in the private sectors of respective member states.

More than 300 government figures and private-sector business leaders from the member countries participated in the forum, set to be the first of many that are scheduled to be held successively in member states.

The IDB launched the forums after the major changes witnessed in the economies of many of the bank's member states, mostly due to weak oil prices, at a time of immense pressure for infrastructure projects to continue in these countries, which are as far-flung as Africa and South East Asia, and especially now that the traditional model of the government-funded infrastructure project has long since proven to be no longer adequate with the huge disparities between national budgets and the colossal funds needed to keep these projects on track.