

Invitation to the PPP DONORS' Meeting on 8 October 2013

United Nations Geneva, Palais de Nation

Public-Private Partnership (PPP) is an essential part of the government (procurement) strategy to meet the desired ambition on infrastructure needs. These needs may vary from hospitals, roads, housing and (high speed) rail initiatives, water and other sectors.

Although PPP is a proven method for investment and development of a region or country and many countries have a success story to tell, there is a long history of PPP failures which unfortunately, despite the efforts by the international community, continue to occur. The current approach and existing capacity building programmes have not achieved the desired results. This state of affairs has contributed to much of the failed PPP projects, and in doing so, resulted in wasted foreign aid money invested in many programmes over the last 15 years. About 75% of the PPP capacity building programmes did not result in a single (successful) PPP project. At least 200 million US dollars have been spent without results.

The member States of UNECE supported the initiative to set up an International PPP Centre of Excellence (ICoE) in order to disseminate the Best Practice Guides and develop, in close cooperation with PPP Specialist Centres hosted in different countries, the private sector, IFIs and NGOs, international standards and internationally accepted recommendations on PPPs. The ICoE, a small but effective and efficient hub in Geneva, will work upstream. This means that all major PPP partners (including EPEC, IFIs and NGOs) will combine knowledge and experience to develop a set of rules and guidelines for PPPs. In this way a common language, a common approach and worldwide standards on PPP will be created. This will reduce the time and money spent on PPP policy and will prevent costly mistakes. It will also increase the possibility to speed up the process and create a pipeline of PPP projects for IFIs and private investors to invest in. It will strengthen the economic growth in developing countries and will lead to a more advanced private sector investment instead of high dependency on the donors, such as the WBI. These standards will emphasise on the integrity and anti-corruption measures and investment in national SMEs as part of the PPP policy.

We are aware that as donors you have probably spent already millions in capacity building programmes in least developed countries, developing countries and transition economies. Directly or indirectly (by EU or IFI funds) you invested in capacity building with poor or even zero result. By supporting this PPP ICoE initiative, the donors' money will be used more effectively and success in PPP will become more realistic if not guaranteed. As donors, you can use the Best Practice Guides and these standards over and over again, for other countries or areas, which results in funds spent more efficiently and effectively.

A strong government involvement is essential for a successful PPP pipeline and trust from investors. Currently, governments are still struggling although several case studies, guidelines, and an immense array of toolboxes and toolkits do exist. For national governments it is close to impossible to make a choice, let alone make the right choice. Supported by mostly individual consultants, each with their own background in PPP, vast in depth but lacking the international overview becomes a major weakness. The International Centre of Excellence on PPP will not reinvent the wheel, but design an appropriate one for

each case. The combination of knowledge and experience of all stakeholders will be converted in standards which will give a strong impulse to the PPP development.

This donors' conference, to which your Organisation has been already, seeks funding for the International Centre of Excellence. The UN approved international PPP standards will make sure to combine all parties working on PPP, embracing their knowledge and experience and achieve the objective of facilitating and reducing the choices of governments in PPP to a reasonable and understandable level.

The UNECE ICoE team will make a courtesy call next week or the week after to discuss the donors' conference and the possible involvement of your organisation. The ICoE's aim is an active involvement of the DONORS to support their policy in private investment enhancement and countries as well as areas of interest.

I do hope you will participate in the Donors' meeting in Geneva on 8 October and support this initiative.

Kind regards
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