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UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE
TEAM OF SPECIALISTS ON PUBLIC-PRIVATE PARTNERSHIPS (TOS PPP)

Proposed Draft

UNECE PPP STANDARD FOR HEALTHCARE POLICY

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92 I Introduction

93 The Sustainable Development Goals (“SDG”s) were formally adopted in September 2015 as a global
94 mandate to end poverty, fight inequality and injustice, and tackle climate change.

95 The SDGs identify a range of measures to transform the health and wellbeing of the world’s
96 population, along with an emphasis on the need for sustainable development ^[9.1, 12.1-12.6, 17.14, 17.15] and
97 clear mechanisms for implementation.

98 SDG3 – “ensure healthy lives and promote wellbeing for all at all ages” is particularly relevant to the
99 healthcare sector, but success in meeting others such as SDG4 (quality education), SDG5 (gender
100 equality), SDG8 (decent work and economic growth), SDG9 (industry, innovation and infrastructure),
101 SDG10 (reduced inequalities), SDG11 (sustainable cities and communities), SDG12 (responsible
102 consumption and production), SDG13 (climate action), and SDG15 (life on land) all directly relate to
103 the quality of healthcare systems, the way healthcare is delivered and how it is accessed by the
104 world’s citizens. To realise these goals, significant investment in the improvement of healthcare
105 systems is needed.

106 To realise this, the 2030 Agenda recognises that successful delivery of the SDGs will depend on
107 global partnerships and cooperation between public, private and civil society. The UNECE supports
108 the use of global partnerships for sustainable development and has produced this Standard to provide
109 guidance to governments considering the use of Public-Private Partnership (“PPP”) programmes to
110 deliver investment in healthcare systems and infrastructure as a way of meeting SDG3 and contribute
111 towards satisfying the other SDGs. Within this Standard, cross references to the SDGs are shown in
112 square brackets.

113 II Objectives of the Standard

114 If managed well, PPP projects can help governments tackle development needs by bringing
115 sustainable investment, replicable processes and expertise to complex systems. PPP programmes
116 can support the successful implementation of healthcare policy ^[3.1-3.9, 3a-3d, 5.6], to improve universal
117 access to basic healthcare services ^[1b, 11.1], give patients the best care in an appropriate setting, and
118 making healthcare staff feel valued and fulfilled. The production of this Standard is intended as a step
119 towards universal implementation of the SDGs. The Standard is resource to assist governments in the
120 successful utilisation of PPP as a means of increasing their access to investment for the delivery of
121 needed facilities.

122 There are many models of PPP in the healthcare sector worldwide. The challenge for governments
123 developing a PPP programme is to ensure their PPP policy is consistent with their healthcare policies
124 and delivery strategy, and allows them to provide good quality universal coverage, helping them to
125 achieve the Sustainable Development Goals, alleviate poverty ^[1b] and provide universal access to
126 healthcare for their population. Since the success of PPP programmes depends on the appropriate
127 allocation of risks to the party best able to manage them, it is key that governments assess and build
128 market capacity as necessary ^[12a, 17.1, 17.19].

129 It is also essential that any PPP programme has popular support and governments considering PPP
130 programmes should first consult broadly with consumers, civil society and healthcare staff to ensure
131 the programme will meet their needs in the best possible way ^[17.17].

132 III Scope of the Standard

133 This UNECE Standard offers guidance on best practice in relation to the development and
134 implementation of PPP programmes in the healthcare sector, under which capital investment in
135 healthcare infrastructure (hospitals, clinics etc) and systems such as medical equipment and
136 information / communication technology (ICT) are funded using commercial finance repaid over a
137 long-term concession period or long term public sector commitments are made to private sector
138 partners in relation to public healthcare programmes. Projects delivered in this way range from acute
139 hospitals, mental healthcare facilities and community clinics, diagnostic and treatment centres to
140 outreach services such as dialysis and radiotherapy centres, and programmes of public health

141 promotion, research, advocacy, regulation and training^[4.3, 4.4]. The Standard does not apply to
142 partnerships to deliver healthcare services (without the need for capital investment); real estate
143 transactions; or leasing arrangements.

144 For the purpose of this Standard, the term PPP programme is defined as a framework or series of
145 projects under which a public authority grants long term contracts (with a duration exceeding 10
146 years) to a private sector partner for the design, financing, construction or refurbishment and
147 operation of healthcare service programmes or facilities. The term 'public authority' may include a
148 government department, a statutory provider of health services, a regulator or a health insurer. The
149 operation of those programmes or facilities may include the provision of services (which may include
150 clinical services, the supply and operation of medical equipment, management and maintenance of
151 the facilities and the provision of non-clinical services such as cleaning and catering). Under the
152 terms of these contracts, the private sector partner will raise private capital to pay for the new
153 facilities, which will be repaid by a lease or rental fee or a service concession from the public authority
154 provided that the facilities and services meet a specified outcome standard.

155 The recommendations of the Standard are based on a UNECE project which took place between
156 June 2014 and June 2015, managed by an international, multidisciplinary team of experts with
157 experience of PPP programmes and sustainable development. The project comprised a review of
158 published information, and responses to detailed questionnaires from public and private sector
159 organisations with experience of programmes of this kind, whose contribution is gratefully
160 acknowledged. Recommendations are aimed at national and provincial governments considering the
161 delivery of PPP programmes in the healthcare sector.

162 We are very grateful for the active contribution of agencies in the countries listed in Annex 1 who
163 contributed to the development of the Standard by responding to detailed questions on their own
164 experience.

165 The full list of projects and programmes from which lessons and experience were considered based
166 on published information in the development of the Standard is available on the project team website
167 at <https://www2.unece.org/wiki/display/pppp/Health+Policy> for governments seeking more detailed
168 advice, experience and lessons learned from the delivery of PPP programmes. The Standard will be
169 maintained by UNECE and the Healthcare PPP Centre of Excellence.

170 IV Sector Models

171 A Project Types and Examples of Healthcare PPPs

172 PPP projects in the healthcare sector may include the following:

- 173 • Development and operation of new buildings including hospitals, diagnostic centres, and local
174 clinics;
- 175 • Supply and operation of information technology and medical equipment;
- 176 • The development and management of health insurance systems, and the commissioning and
177 health service provision associated with them;
- 178 • Partnerships to develop new services, and to distribute drugs and medical equipment and
179 devices; and
- 180 • The creation of research and training infrastructure that supports the delivery of healthcare,
181 including the development and governance of institutions that will carry it out.

182

183 B Pros and cons of PPPs in the Healthcare Sector

184 Healthcare services are amongst the most complex and socially sensitive services that governments
185 provide to their citizens.

186 The advantages of a PPP Programme in the healthcare sector is that investment in healthcare
187 infrastructure and services can be delivered quickly and to specified standards, without resulting in
188 high levels of government capital expenditure. Services are delivered to objective standards, or
189 private providers suffer financial and operational penalties that can lead to contract termination.

190 The disadvantages of a PPP Programme in the healthcare sector generally result from inappropriately
191 specified or executed contracts. They can include a lack of flexibility; inappropriate transfer of risk,
192 leading to high costs or poor value for money; and a lack of transparency.

193 Successful PPP programmes in the healthcare sector have the following characteristics:

- 194 • They are well governed;
- 195 • They represent the best value for money of the realistic options available for improving
196 population health;
- 197 • They exhibit a high degree of transparency and public accountability;
- 198 • They learn lessons effectively from project to project;
- 199 • They engage effectively with the population they serve; and
- 200 • They adapt well to changing technology, healthcare delivery plans and casemix,

201 Conversely, unsuccessful PPP programmes in the healthcare sector are characterised by poor
202 governance and value for money, a lack of transparency and a rigid, inflexible approach.

203 PPP programmes tend to feature complex commercial and legal arrangements, so governments
204 should be careful when developing the scope and delivery arrangements to avoid conflicts. The
205 recommendations on the following pages provide guidance in the establishment of a healthcare PPP
206 programme, which can be supported by advice from the specialist Centre of Excellence. References
207 in the text are to the letter and number that appear in square brackets at the end of each
208 recommendation.

209 III Healthcare PPP Policy Standards

210 A Integrated Approach to Healthcare Policy and PPPs

211 Ensure PPP policy and legislation is robust and consistent with other policies [A1]

212 Governments should have a formal policy for the provision of healthcare services to their population
213 (“Healthcare Policy”), and a sustainable^[9.1, 12.1-12.6, 17.14] long term strategy for delivering it (“Healthcare
214 Strategy”)^[3.1-3.9, 3a-3d, 5.6, 17.15]. They should also prepare a development programme for the
215 infrastructure that will support them (“Healthcare Infrastructure Development Programme”), within
216 which a PPP programme may play a part. Both the Healthcare Strategy and the Healthcare
217 Infrastructure Development Programme should be based on objective evidence of the supply and
218 demand for healthcare services within the government’s jurisdiction and set out the reasoning behind
219 the quantity, quality, size, geographical and social distribution of healthcare facilities to be provided.
220 The Healthcare Policy, Healthcare Strategy and Healthcare Infrastructure Development Programme
221 should be consistent with World Health Organisation guidelines and government strategy and
222 commitments to initiatives such as the SDGs^[1b]. Particular attention should be given to ensuring
223 equity of access to basic healthcare services for the whole population^[11.1], actively ensuring that the
224 health system is accessible to disadvantaged and vulnerable groups^[1.3].

225 The policy and legislative framework for a PPP programme in the healthcare sector should be
226 consistent with governments’ Healthcare Policy^[3.1-3.9, 3a-3d, 5.6] and economic and fiscal policy<sup>[1b, 8.1, 8.2,
227 9.2, 10.1-10.4]</sup>. A formal PPP policy assessment should be completed at the PPP programme’s outset to
228 identify potential conflicts between PPP policy and legislation and any established policies,
229 regulations and legal frameworks including legislation and common law. An action plan should be
230 developed identifying any enabling legislation (such as a PPP-specific law allowing governments to
231 grant the appropriate concessions and assume debt in the event of termination)^[16.3].

232 As part of this policy assessment, the tax and accounting treatment of healthcare PPP projects should
233 be determined, because healthcare policy often requires availability-based payments unlike other
234 sectors, where demand-based payment regimes are common. The government’s taxation policy and
235 guidance should be aligned with its PPP policy, but tax and accounting treatment should not drive the
236 decision to implement a PPP programme.

237 A key consideration of the policy assessment should be the extent to which the PPP programme
238 should include clinical services. If it will, the assessment should identify the specific objectives in
239 doing so, the evidence that the PPP programme will achieve them and the most appropriate public
240 counterparty to ensure the programme’s viability. If the risk of clinical service activity volumes is
241 expected to transfer to the private sector, the government should identify how payment (by public or
242 private health insurers, or the service users) will be guaranteed.

243 The government should enact any legislation necessary to enable the PPP programme, which often
244 includes PPP-specific laws and specific alignment with legislation covering the delivery of clinical
245 services. Legislation should comply with the UNCITRAL Legislative Guide on Privately Financed
246 Infrastructure Projects, and Model Legislative Provisions on Privately Financed Infrastructure Projects
247 and should be permissive rather than restrictive^[17.3, 17.5].

248 While the PPP policy assessment should provide a clear framework for the development of the policy
249 it should not impose too much legislative rigidity early in the programme’s life, in order that lessons
250 from early projects can be adopted.

251 B The Delivery Plan – Project Selection and Prioritisation

252 Prepare an evidence-based delivery plan [A2]

253 In preparing for the healthcare PPP programme, governments should draw upon experience from
254 other jurisdictions and the UNDP's Public-Private Partnerships for Service Delivery programme to
255 develop a robust and evidence-based Healthcare PPP Delivery Plan. This is because healthcare
256 PPP projects include a high degree of technical complexity and stakeholder engagement that is
257 unusual for other sectors. The plan should set out the process to be followed in subsequent stages of
258 the programme's life:

- 259 • Prior to the procurement of healthcare PPP projects, in developing a policy and legislative
260 framework ^[1b, 12.7]; preparing standard documentation and guidance; carrying out a
261 programme-wide feasibility assessment and value for money analysis; developing an
262 approval process for Project Business Cases; consulting with potential lenders ^[10b] and other
263 stakeholders; assessing market demand; and ensuring the right resources and training are
264 available ^[4.3].
- 265 • During procurement, to ensure projects remain affordable, value for money, and consistent
266 with the overall programme, policy and development strategy ^[1b, 17.4], and to ensure the
267 procurement process is fair and transparent ^[1.4, 12.7, 16.5-16.8].
- 268 • During construction, to ensure projects are delivered on time, to the specified standards and
269 within budget and continue to meet their brief.
- 270 • Before and during commissioning of healthcare infrastructure, services and equipment to
271 ensure that the staffing plan for the new healthcare facilities is achieved, and that healthcare
272 and operational staff understand how to work efficiently in the new buildings to realise the
273 project's objectives ^[5.4]; that the transition to the operational phase runs efficiently; that any
274 cultural changes that are necessary are implemented; and that changes elsewhere within the
275 same health economy are delivered in line with the Project Business Case.
- 276 • During the operational phase, to ensure that governance controls are in place, and that
277 projects are managed transparently and efficiently, and continue to deliver optimal value for
278 money; and that major maintenance work and any changes are managed efficiently and
279 represent the best value for money.

280 The Healthcare PPP Delivery Plan should be considered a 'live' document, and be subject to strategic
281 review at routine intervals aligned with the periodic review of Healthcare Strategy.

282 B1 Project Prioritisation

283 Carry out transparent business case assessments for each project ^[16.5-16.8] [B1]

284 Within the Healthcare PPP Delivery Plan, the government should develop an overall financial and
285 economic model for the PPP programme that clearly sets out what it will cost and the objective criteria
286 for the financial, social, environmental and economic benefits it will yield ^[8.1, 8.2, 9.2, 10.1-10.4]. Each
287 project should be costed in outline terms prior to its commencement, and should only proceed to
288 procurement if it is viable and affordable within the context of the Healthcare Infrastructure
289 Development Programme and represents the best value for money of the realistically deliverable
290 options ^[12.7, 17.4].

291 Project Business Cases should take a standard form and be subject to approval at key stages in their
292 procurement and delivery against objective criteria as described under C2.

293 Develop a clear planning context for the PPP programme ^[11.3, 11a-11c] [C1]

294 Before starting a PPP programme, governments should develop a Healthcare Strategy and
295 Healthcare Infrastructure Development Programme as described in A1. As a minimum these should
296 include a health needs assessment to fully assess current and future supply and demand for
297 healthcare services in the project or programme demographic area. They should assess and consider
298 national and local health trends and demands, population risk factors, disease prevalence and
299 demography-related medical care as well as the size and condition of the existing healthcare
300 infrastructure.

301 The role of PPP within the Healthcare Infrastructure Development Programme should be defined in
302 the Healthcare PPP Delivery Plan as described in A2, with a clear timescale for implementation.
303 Having done so, the Healthcare Infrastructure Development Programme should be published
304 alongside those aspects of the programme to be delivered using PPP or the process by which the
305 suitability of PPP as a delivery vehicle will be assessed, including specified approval points for Project
306 Business Cases at a strategic/initial, interim and final stage before construction begins ^[16.10].

307 Establish clear and objective approval processes [C2]

308 The Healthcare PPP Delivery Plan should include a process for stakeholder engagement and formal
309 government approval of each PPP project at key stages in its development, to ensure that it:

- 310 • Is consistent with the Healthcare Infrastructure Development Programme and Healthcare
311 PPP Delivery Plan;
- 312 • Is consistent with economic and fiscal policy ^[8.1, 8.2, 9.2, 10.1-10.4],
- 313 • Is affordable within budget ^[17.4];
- 314 • Has the support of stakeholders including patients and healthcare professionals;
- 315 • Represents the best value for money of the realistic options available; and
- 316 • Has a coherent and realistic delivery plan, built on market evidence.

317 These approvals should be granted as a minimum at the following stages:

- 318 • Following the identification of a proposed strategic solution, but before the development of a
319 Project Business Case;
- 320 • Before procurement begins; and
- 321 • Before signing contracts with the preferred partner.

322 Establish a robust format for business cases [C3]

323 Projects within the PPP programme should each have a robust Project Business Case setting out the
324 project's description, rationale, objectives and measures of success. Project Business Cases should
325 follow a standard format, which is updated at each approval stage described above.

326 The format of Project Business Cases should consider of the economic, social, environmental,
327 commercial and legal context and acceptability of the projects and compare the relative benefits and
328 value for money represented by delivering them under the PPP programme against alternative
329 options on a like-for-like basis.

330 In developing the format for Project Business Cases to be adopted, governments should draw on
331 experience from other jurisdictions as described under A2. Project Business Cases should clearly set
332 out the objectives, measurable benefits or outcomes and key success factors for each project, the
333 role of each of the institutions that will participate, and the allocation of risks between them.

334 Project Business Cases should be subject to independent audit or review of the assumptions
335 underlying them at key points in their development. Upon completion and commissioning of the
336 projects, the actual benefits or outcomes and key success factors should be assessed against those
337 in the Project Business Case approved prior to Financial Close, and this information should published
338 to provide lessons for future projects and improve market confidence in the PPP programme ^[16.10].

339 Each Project Business Case should include a detailed transition plan setting out arrangements for the
340 transfer of services to the new facilities and/or service arrangements.

341 Project Business Cases themselves should be published except where information they contain would
342 be prejudicial to the competitiveness of tenders ^[16.10].

343 Use clear and objective output-based specifications [C4]

344 By the time projects are approved to begin procurement, each Project Business Case should feature
345 output-based specifications (identifying what the government actually wants from delivery of the
346 project services, rather than how they are to be performed) that set the performance standards for the
347 project. These should be directly related to the government's Healthcare Infrastructure Development
348 Programme and Healthcare Strategy, and any national standards for healthcare facilities. They

349 should be capable of objective measurement, with clear and realistic contractual sanctions on the
350 private sector partner if they are not achieved.

351 Standard output specifications should be developed, initially based on lessons from other jurisdictions
352 as described under A2 but then developed based on experience from pilot projects. Output
353 specifications should be clearly defined and measurable, and only relate to issues that genuinely
354 affect the ability of the authority to deliver public services in accordance with the Healthcare Strategy.

355 B2 Project Feasibility and Viability

356 Ensure the programme will enable competitive project financing [B2]

357 In planning the PPP programme and as part of the consultation described under A3, governments
358 should carry out a formal assessment of potential sources of finance including local and international
359 commercial debt, international financial institutions (including Development Finance Institutions and
360 Export Credit Agencies), government debt and the local and international capital markets ^[17.3, 17.5].
361 Due diligence should be carried out to assess what obstacles exist to the use of multiple potential
362 sources of funding for each project, and how they will be overcome. Specific issues to be considered
363 include the capacity and sophistication of local contractors, the capacity and quality of the insurance
364 market, and the robustness of the contract structure and legal framework underpinning it. Where
365 fiscal, economic, taxation and other policies could constrain the availability of competitive finance,
366 consideration should be given to aligning them with PPP policy or procuring the programme in a
367 different way ^[8.1, 8.2, 9.2, 10.1-10.4, 17.13].

368 Each PPP project should be fiscally independent, and other than the arrangements agreed when
369 contracts are signed they should only be subsidised where there is demonstrable value for money in
370 doing so.

371 Develop a standardised 'shadow' cost model against which to compare value [B3]

372 Government should develop a robust and locally relevant system of capital and operating cost
373 benchmarks. This system should be used to establish transparent evidence that each PPP project
374 represents the best possible value for money as compared to alternative ways of achieving its
375 objectives – particularly the direct delivery of the same projects by the public sector ^[16.5-16.8]. If
376 insufficient information is available, a system for making that comparison should be agreed as part of
377 the Healthcare PPP Delivery Plan described in A2. The system should allow direct, like-for-like
378 comparison of all whole project life costs including insurance, maintenance regimes, and historic
379 evidence of public sector management of the delivery and maintenance of capital projects of a similar
380 size. Where there is insufficient evidence to make a direct comparison, data should be gathered from
381 equivalent economies or sectors and transparent allowances made to ensure the system is
382 appropriate to the size and scope of the healthcare PPP programme.

383 The system should be developed in consultation with local and international contractors and service
384 providers, supported by suitably qualified advisors, as part of engagement with potential tenderers
385 described more fully in Section E. Where tenderers depart significantly from benchmarked pricing,
386 project teams should ensure they understand whether any project-specific reasons have driven
387 pricing to ensure the project scope is likely to deliver the best value for money.

388 The cost system should reflect the requirements of national standards and policies for government
389 and private healthcare facilities and any regulations, legislation or guidance on their use. It should be
390 regularly indexed against published indices and to reflect pricing on similar recent projects.

391 Offer robust payment security that guarantees debt repayment [B4]

392 PPP projects represent a long term public sector commitment. The government should maximise
393 value for money by offering bidders and investors formal instruments that provide long term
394 guarantees that payments will be made, and that a consistent approach will be taken to concession
395 management – while still transferring the risk of delivery and operation of projects to specified
396 outcome standards to the private sector.

397 The PPP programme should be structured in such a way as to allow senior debt and other long term
398 commitments such as interest rate swaps to be assumed by government in the event of a project
399 failure leading to termination (less any costs that can be recovered from other parties), and to
400 compensate the private sector investors and service providers if projects are terminated through no
401 fault of their own. The terms under which senior debt is assumed should be a matter of policy
402 following a risk assessment once the consultation described in A3 is completed, but should incentivise
403 senior lenders to step in if junior (subordinated debt and equity) investors default.

404 Payments may achieve this through sovereign guarantees, insurance, reserves, co-payment
405 commitments or other means but governments should obtain formal feedback on the proposed
406 payment security arrangements from a range of potential lenders as described under A3 ^[10b, 17.3, 17.5].

407 Establish robust long term governance structures and processes [B5]

408 As part of the development of the Healthcare PPP Delivery Plan, government should ensure that long
409 term budget provision is made for the governance and management of the programme throughout its
410 term, as part of its long term financial planning for the national and local healthcare economy ^[16.8].
411 Payments under PPP project agreements should be clearly hypothecated and independent of political
412 influence and the agreements themselves should feature mechanisms for dispute resolution which
413 are politically independent.

414 Develop an economic framework for fiscal commitments [B6]

415 A framework should be established to manage government commitments arising from the PPP
416 programme, including fiscal commitments such as ongoing subsidies or payments, and contingent
417 liabilities such as guarantees ^[8.1, 8.2, 9.2, 10.1-10.4, 17.4]. The framework should be dynamic and include
418 review mechanisms which allow the government to evaluate government support agreements and
419 exposure to liabilities under the PPP programme in the context of the rest of their economy.

420 B3 Project Reference Solution(s)

421 Consider the use of a 'Reference Solution' [C5]

422 The Healthcare PPP Delivery Plan and process for the development of Project Business Cases
423 should include consideration of the advantages and disadvantages of developing a Reference
424 Solution as part of the development of the Project Business Case. Reference Solutions are design
425 and implementation solutions developed by the public sector before procurement begins, and can be
426 helpful in articulating the scope and specification of projects, and better understanding likely costs and
427 risks. Any Reference Solution should clearly identify how it meets the PPP programme's objectives,
428 particularly service quality and performance improvements if clinical services are included in the
429 programme. They should be shared with tenderers, except where information they contain is likely to
430 compromise the competitiveness of tenders or restrict their ability to present alternative solutions that
431 achieve the specified outcomes.

432 Reference Solutions should include a protocol to determine the point to which work on a Reference
433 Solution is completed ahead of procurement, which offers the best balance between the need to
434 clarify the project's needs and expectations, and the ability of tenderers to offer alternative solutions
435 which meet the project's requirements. If project teams elect to develop a Reference Solution, they
436 should appoint suitably qualified specialists, designers and advisors to develop a Reference Solution
437 before the procurement phase commences.

438 Incorporate robust business case risk allocation and value for money assessment [C6]

439 Project Business Cases should include a value for money analysis that compares the PPP model
440 against the cost of delivering and operating the facility using alternative means. These should include
441 an objective comparison with the likely cost and risk (including costs) of delivery using public sector
442 resources, which is externally audited or reviewed. The process for doing so should draw on
443 experience from other jurisdictions as described under A2 and should be supported by suitably
444 experienced advisors under the oversight of the PPP Unit.

445 PPP contracts should specifically feature a simple and efficient process for making changes during
446 the life of the concession. Standardised documents should include a change process which makes

447 the adaptation of PPP hospitals no more expensive in whole-life terms than equivalent traditionally
448 procured infrastructure which is managed to the same standards. Project Business Cases should
449 specifically consider the cost and operational implications of adapting services and facilities to
450 changing healthcare needs.

451 B4 Market Consultation, Assessment and Engagement

452 Obtain formal support for the structure and policy from potential lenders [A3]

453 Having developed the Healthcare PPP Delivery Plan but before the proposed policy, legislation and
454 governance is implemented, governments should seek formal feedback on their proposals from a
455 representative range of potential funders with experience in the successful project financing of
456 completed projects with similar characteristics to the proposed programme ^[10b, 17.3, 17.5]. Where
457 investment is likely to be needed from international financial institutions, commercial lenders and
458 institutional debt from other jurisdictions, they should be consulted on the proposed policy, legislation,
459 standard documentation and guidance, structure and counterparties, governance and risk transfer
460 ^[17.9].

461 The programme should be tailored in response to feedback from those potential funders, and actions
462 taken in response should be published to provide potential bidders with reassurance that there is
463 institutional support for the programme before the procurement of pilot projects begins ^[16.10]. Market
464 engagement with the broader private sector should continue throughout the programme as described
465 in section E, but specific engagement with potential lenders as PPP policy is formulated will ensure
466 the programme can be funded ^[10b, 17.3, 17.5].

467 Realistically match capacity [E1]

468 In developing the PPP programme, the PPP Unit should formally consult with private sector
469 contractors, service providers, investors and advisors, to:

- 470 • Assess market capacity to deliver the programme, and develop a programme of capacity
471 building if necessary; and
- 472 • Ensure that there is capacity and capability to accurately assess and accept the risks it is
473 proposed will transfer to the private sector ^[12a, 17.1].

474 This engagement should take place during the development of the Healthcare PPP Delivery Plan in
475 relation to its content; and in relation to specific projects, private sector feedback should be obtained
476 before procurement begins; once a preferred tenderer has been selected; and after contracts have
477 been signed.

478 The scope of the programme and each project should only be finalised once a formal consultation has
479 taken place, and the government should publish clear advice on the measures that have been taken
480 to change the content, structure and risk allocation of the PPP programme in response to the
481 consultation ^[16.10].

482 Consultees should include the following:

- 483 • Contractors;
- 484 • Facilities Management, clinical and equipment service providers;
- 485 • Designers;
- 486 • Sponsors / equity investors;
- 487 • Legal, financial, technical and insurance advisors;
- 488 • Senior lenders and, where appropriate, international financial institutions ^[10b, 17.9];
- 489 • Insurance and reinsurance companies;
- 490 • Stakeholders as described under D3; and
- 491 • Civil Society Organisations and patient/community groups ^[17.17].

492 Where gaps in capacity are identified, a formal capacity building programme should be established
493 with clear aims and specific objectives in relation to the scale and/or scope of improvements needed
494 to deliver the necessary capacity to implement the programme successfully. The PPP programme

495 should not be implemented until there is objective evidence that the capacity is available to deliver it
496 [12a, 17.1, 17.19].

497 Draw on proven experience [E2]

498 In developing the Healthcare PPP Delivery Plan, governments should carry out a systematic analysis
499 of best practice as it applies to their own needs, and ensure that the scope of the programme and the
500 transfer of risks is consistent with realistic market capacity and the affordability of the programme to
501 government [17.4]. The advisors they use in doing so should draw on demonstrable experience of
502 successful delivery in proven markets.

503 Develop a predictable pipeline of projects [E3]

504 There should be a transparent process by which the scope of the PPP programme and specific
505 projects are developed [16.5-16.8]. To allow both the public and private sector to establish competent
506 and experienced teams, governments should publish realistic 5-year 'look-ahead' schedules
507 identifying the projects they anticipate procuring over that term [16.10].

508 Implement pilot projects and apply learning from them [E4]

509 Before full-scale implementation of the PPP programme, a representative sample of pilot projects
510 should be procured to test the proposed approach, structure and risk allocation. Before and after the
511 procurement phase, feedback should be sought from the range of consultees set out in
512 recommendation 1 who participate in the pilot programme and used to modify the approach, structure
513 and risk allocation for the remainder of the programme [17.16].

514 Clearly set out risk transfer proposals [E5]

515 A formal schedule of risks and their allocation should be produced for the whole programme and for
516 each PPP project as part of the Healthcare PPP Delivery Plan. The schedule should clearly set out
517 how risks will be allocated between parties, and should be developed in consultation with the private
518 sector consultees listed in E1. Where risks are to be insured, the schedule should clearly allocate
519 responsibility for arranging insurances, processing claims and paying deductibles to help potential
520 investors understand what costs and variables they should include in their assessment from the
521 outset.

522 The schedule should be developed and managed by the PPP unit with a remit to ensure that it
523 reflects market-wide commercial drivers, and agreement to depart from that risk allocation for project-
524 specific or bidder-specific reasons should only be agreed with the authorisation of the PPP unit. It
525 should be published each time it is updated and the key inputs included in the lifecycle management
526 replacement funds [16.10].

527 The PPP Unit should understand what risks can be transferred to insurers, as parties will be more
528 willing to accept a risk allocated to them if they know it can be insured, and it will help to more
529 accurately price that risk.

530 C Legal Requirements (for the healthcare sector)

531 Establish a suite of standard procurement protocols and documentation [A6]

532 A process framework, built on proven precedent, should be established within the Healthcare PPP
533 Delivery Plan for the sustainable scoping, approval, procurement [12.7], delivery and management of
534 the PPP programme. This framework should include:

- 535 • Clear terms of reference for the governance and approval of the programme itself and
536 individual projects at each stage, including clear criteria against which approval will be
537 granted;
- 538 • Standard forms of Project Business Case for each project, objectively setting out their scope,
539 objectives, timescales, measures of success and compliance with predetermined approval
540 criteria;
- 541 • Standard processes for the management of procurement including standard forms of
542 procurement documentation, procurement timescales and evaluation criteria and the scope
543 for negotiation following selection of a preferred private partner [12.7].

- 544
- Standard processes for contract management and monitoring throughout the delivery and operational phase; and
 - Standard contract documentation including clear guidelines for its use and the extent to which it can be varied to suit project-specific issues.
- 545
- 546
- 547

548 **Implement robust and transparent programme governance** ^[16.5-16.8] [F1]

549 The Healthcare PPP Delivery Plan should feature an institutional and regulatory framework which
550 details the roles of various stakeholders in the procurement process. The PPP Unit responsible for
551 implementation of the PPP programme should represent the government counterparty which is the
552 contracting authority under the PPP contracts, with clear governance set out in the Healthcare PPP
553 Delivery Plan as to accountability between the two. The Healthcare Strategy, Healthcare
554 Infrastructure Development Programme and Healthcare PPP Delivery Plan should clearly set out
555 which documents are to be available to the public, which should be the default for all but commercially
556 sensitive information. The PPP Unit should ensure that the programme meets best practice in
557 relation to the transparent procurement and management of projects, using independent specialists to
558 review and audit the programme's compliance with national and international transparency and anti-
559 corruption guidance ^[16.5, 16.8, 16a, 16b]. Governance processes should ensure that any conflicts of
560 interest amongst public officials and organisations are openly declared and addressed.

561 The review of Project Business Cases should be carried out by a committee established by the PPP
562 Unit with representation from government departments including those responsible for finance,
563 planning and healthcare ^[11.3, 11a-11c]. The committee should also include representation from neutral
564 agencies such as transparency specialists and academia where necessary to verify the transparency
565 of the procurement and management of the projects, and should feature technical, financial, legal and
566 commercial specialists as well as members with experience of the successful implementation of PPP
567 transactions. The committee should review Project Business Cases by reference to the standardised
568 procurement documentation, contract documentation and risk allocation schedules developed by the
569 PPP Unit and described under A6.

570 **Standardise the procurement process and procedures** [F2]

571 The procurement process for PPP projects should be clearly set out in the Healthcare PPP Delivery
572 Plan, and its governance should guarantee a high degree of objectivity and transparency in the
573 invitation, receipt and evaluation of tenders. Qualitative and quantitative evaluation criteria, and their
574 relative weighting, should be established with stakeholders prior to tenders being issued and should
575 be made transparent to bidders when they are invited to tender. The Project team should employ
576 competent and experienced technical, financial and legal advisors to assist in the tender evaluation.
577 The protocols used for evaluating tenders should include a transparent process for assessing the
578 relative cost of tenders with different risk allocation, and any selection criteria that would favour
579 particular technology providers or other proprietary products or services that could restrict open
580 competition should be avoided ^[17.10].

581 The procurement process should allow for interaction between the project team and tenderers, and if
582 appropriate with the PPP Unit and stakeholders, to allow tenderers to tailor their solution to offer the
583 best possible value for money to the public sector. Any such interaction must be managed in a way
584 that gives all tenderers access to any potential change in specifications, scope or requirements of the
585 project while maintaining the confidentiality of each tenderer's solutions. All tenderers should be
586 offered fair and equal access to meetings with the procuring authority and other stakeholders, and
587 after the tender any losing bidders should be given comprehensive feedback as to why their tender
588 did not win ^[1.4].

589 The extent of dialogue during the procurement process and subsequent re-submission of refined
590 proposals should be appropriate to the scope, type and complexity of the technical and commercial
591 solutions and service delivery requirements. Sufficient time should be provided in the procurement
592 process to allow detailed solutions to be submitted by tenderers, which keeps to a minimum any
593 changes in scope or specification between the acceptance of a tender and the signature of contracts.

594 Evaluate tenders transparently and publish formal evidence of value for money [F3]

595 As part of its review and approval of the Project Business Case prior to signature of contracts for a
596 project as described in C2, the government should conduct a value for money assessment. This
597 assessment should be published to give the public evidence that delivering the project as a public-
598 private partnership represents the best possible value for money^[16.10].

599 Innovation and alternative solutions should be encouraged^[9.5, 9b] during the tender stage but their
600 scope and any consequential reallocation of risk against the preferred strategic solution or Reference
601 Solution should be clearly defined before a preferred partner is appointed. Any constraints that could
602 be placed on the competitiveness of funding should be identified before any alternative solution is
603 accepted, and any relaxation of specifications or scope should be made clear during the procurement
604 phase to all tenderers.

605 Certain objective criteria should be established before procurement begins which represent a pass/fail
606 test in the suitability of a potential partner to deliver projects. The published evaluation criteria should
607 make clear which aspects of tenders are pass/fail and which will be judged against weighted
608 qualitative and quantitative criteria.

609 An evaluation report should be produced for each tender, objectively scoring tenders against the
610 objective published criteria. The tender evaluation committee should have proven experience and
611 expertise in evaluate similarly complex tenders and feature technical, commercial, financial and legal
612 skills. Their conclusions should be subject to independent review by a specialist audit office or
613 independent agency.

614 Promote Zero Tolerance to Corruption [F4]

615 The government should develop standard definitions of corrupt practices in public procurement and
616 management, and ensure they are applied to the PPP programme. They should be published as a
617 matter of policy^[16.10], and the Healthcare PPP Delivery Plan should set out how they will be
618 incorporated in the PPP programme. Tenderers for each project should be required to confirm their
619 willingness to comply with anti-corruption policies and should be eliminated from a tender if they are
620 unable to do so, or if there is evidence that they have exhibited corrupt practice. Acceptance of this
621 principle should be a pass/fail tender requirement. Compliance with this policy for each Project
622 Business Case should be the subject of an independent review and audit on behalf of the PPP Unit.

623 The following measures should be considered to minimise the risk of corruption:

- 624 • A requirement for tenderers to comply with a general policy on conflicts of interests including
625 obligations to disclose and report potential corrupt practices, as well as remedies applicable
626 to all participants and for dispute settlement;
- 627 • A mandatory code of conduct for any potential preferred provider;
- 628 • A set list of duties required of the preferred provider to be delivered as evidence of
629 compliance with a code of conduct, aligned with public sector best interest standards and
630 fiduciary duties;
- 631 • The use of statements of compliance and integrity to be signed by the bidders,
632 subcontractors, consultants and any third party involved in the bidding process;
- 633 • Ongoing compliance guarantees by the successful tenderer, and their main contractors and
634 sub-contractor;
- 635 • Disbarment from future PPP tenders by tenderers where evidence of corrupt practices is
636 evident;
- 637 • Sanctions in the event of attempts to influence public officials or collude with other tenderers
638 (either in relation to an individual tender, or multiple tenders);
- 639 • Preventative measures to hold public officials accountable and sanctions should preventive
640 measures fail;
- 641 • Minimum and maximum preparation time for tenders at each stage;
- 642 • Internal control and audit systems; and
- 643 • Immunity for whistleblowers.

644 [Record and publish procurement and management information \[F5\]](#)

645 Project Business Cases should have clear and objective measures of value for money, and outputs
646 compared to the base case before award of a contract. The Healthcare PPP Delivery Plan should
647 include measures to encourage the recording and publication of procurement and management
648 information for each project, in the interest of demonstrating long term value for money. The following
649 measures should be considered:

- 650 • Publication of the Project Business Case, and specifically the Value for Money assessment,
651 prior to signature of contracts;
- 652 • The publication of procurement evaluation reports (redacting commercial information with the
653 consent of tenderers being sought prior to shortlisting);
- 654 • Publication of a procurement audit report following appointment of a preferred provider;
- 655 • Publication of feasibility studies and details of the proposed strategic solution or Reference
656 Solution;
- 657 • Publication of details of any government financial support to projects and the PPP
658 programme;
- 659 • Routine public engagement sessions during the operational phase by the PPP Unit, the
660 project team and the private provider;
- 661 • Whenever major changes are made to a project or significant maintenance work is carried
662 out, a review to confirm that this investment is consistent with the Healthcare Strategy and
663 represents the best possible value for money for the public sector; and
- 664 • The publication of routine project management reports demonstrating that projects continue to
665 represent value for money, including headline details of risk allocation and private sector
666 returns.

667 [D Institutional Requirements \(for the healthcare sector\)](#)

668 [Develop a focussed specialist office to manage the programme \[A5\]](#)

669 A specialist unit, team or department (“the PPP Unit”) should be established to manage the
670 development and implementation of the programme, with support from the finance and healthcare
671 ministries, and central and local government. The size of the unit should be appropriate to the
672 anticipated volume of projects, but may also be accountable for PPP programmes in other sectors.

673 The PPP Unit should have clear terms of reference and act objectively in managing the programme to
674 maximise value for money for the public. It should be funded by a long term budget that will sustain it
675 through the delivery phase of the PPP programme and at least ten years into its operational phase.

676 Initially focussed on ensuring that the necessary policies, capacity, guidelines, regulations and
677 legislation are in place to enable the programme, the PPP Unit should also:

- 678 • Act as the government or local authority’s expert resource on the implementation of the
679 programme;
- 680 • Provide programme leadership and manage the development and implementation of the
681 programme, and promote the programme in a way that ensures it has widespread public
682 understanding and support using professional communications expertise;
- 683 • Identify any obligations that will remain with the public sector (such as the recruitment,
684 training ^[4.3, 4.4] and management of clinical staff to coincide with delivery of new facilities);
- 685 • Approve business cases and ensure they are consistent with the guidance in Section C;
- 686 • Ensure that arrangements are in place for administration of the contracts and management
687 of any risks that remain with the public sector through the development, implementation and
688 operational phases;
- 689 • Develop and implement a communication plan providing publicity around the programme and
690 projects, and evidence of a clear and well managed pipeline of projects as described in E3
691 that is easily accessible and kept up to date.
- 692 • Ensure that sufficient resources and training ^[4.3] are in place to manage the programme as
693 described in Section D;

- 694 • Manage any programme of capacity building as described in Section E, including the training
695 of indigenous private sector delivery, funding, technical and risk management expertise ^{[4.3,}
696 ^{12a, 17.1, 17.19]},
- 697 • Production and maintenance of the risk allocation schedule described in E5; and
- 698 • Act as custodian of lessons learned from projects, and ensure that they are implemented in
699 new projects ^[17.16].

700 The PPP Unit should contain the resources necessary to develop and implement the structure,
701 processes, policies and legislation that will facilitate the programme and act as a regulator in ensuring
702 that projects comply with PPP policy and the Healthcare Infrastructure Development Programme.
703 The PPP Unit should be staffed by appropriately experienced and trained staff, supported by external
704 professional advisors with proven evidence of success in delivering PPP projects in the healthcare
705 sector into their operational phase. It should comprise members drawn from the healthcare and
706 finance civil service, and include members with relevant, representative private sector expertise. It
707 should include skills in the fields of law, finance, project management, healthcare and social and
708 environmental policy, and technical specialists in the design, procurement, construction,
709 commissioning and operation of healthcare facilities. It should specifically include professional
710 healthcare staff ^[5.4] with experience of managing facilities similar to those to be delivered under the
711 PPP programme. The government should assess the skills mix needed for the programme as
712 described in E2, and recruit or engage appropriate professionals to fill any gaps.

713 E Knowledge Support and Advisor Requirements (for the healthcare sector)

714 Plan programme management resources and training [D2]

715 Prior to the implementation of a PPP programme, governments should develop a resource plan
716 setting out the people and costs that will be needed to implement it successfully on behalf of the
717 public sector. The timing and key skills needed for each role should be clearly identified, and suitable
718 funding made available for the recruitment and continuing professional development of those staff ^{[4.3,}
719 ^{4.4]}. The resource plan should cover the development of PPP legislation and policy ^[1b], the scoping of
720 the programme and production of Project Business Cases, the procurement of projects, their delivery
721 and commissioning, and their operation in the steady state.

722 Teams need support in advance of a PPP programme to gain understanding and experience and to
723 develop a clear vision of what they wish to achieve. Whilst consultants will support this, the culture
724 and drive will come from leadership within the health and finance Ministries, the PPP Unit and project
725 teams, who must be trained accordingly – particularly if they have not previously worked on PPP
726 programmes or similarly complex projects. The Healthcare PPP Delivery Plan should feature clear
727 plans for training staff, including the use of external courses, mentoring and practical learning from
728 other jurisdictions in the application of lessons learned ^[17.16]. “Refresher” training should be mandated
729 for all programme and project staff throughout the programme, to ensure that they keep abreast of
730 PPP market developments and ensure that sustainable standard contract, risk, management and
731 procurement methodologies are applied consistently ^[12.7].

732 A critical success factor in the delivery of PPP programmes is strong leadership. The government
733 should identify and empower leaders within the PPP Unit and elsewhere within government to support
734 strong partnerships with government departments, particularly those with responsibility for healthcare
735 and finance. There should be a sustainable succession plan for the programme and project
736 leadership, under which a training programme develops the leaders needed to deliver the programme
737 successfully throughout its term ^[4.3, 4.4].

738 Each project team should have a designated leader, the Project Director. The Project Director is a
739 critical role, whose experience and understanding of the PPP programme and processes and how
740 they align with the Healthcare Strategy and Healthcare Infrastructure Development Programme are
741 vital. Project Directors should have experience of a least one health PPP or major complex project
742 previously and have received formal training in the objectives of the Healthcare Strategy.

743 The planning of resources and training for the transition of services into the new facilities and/or
744 arrangements for healthcare service delivery is particularly important ^[4.3, 4.4]. The Project Business

745 Case should include detailed arrangements for the transition phase, and appropriate resources and
746 training should be provided for its implementation.

747 Build strong, objective commercial understanding into project teams [D4]

748 Project teams should develop a clear understanding of the field of potential private sector firms that
749 will potentially tender for the projects, and the commercial drivers of those firms. This should include
750 their potential interaction (for example, the respective surety bonding expectations of contractors and
751 lenders) to ensure that projects will be realistically deliverable. To do this they should draw on
752 experience from other jurisdictions as described under A2 and make use of suitably experienced
753 independent advisors who have participated in successful healthcare PPP projects previously and
754 have an objective, demonstrable understanding of the way locally relevant commercial organisations
755 operate; their appetite for risk and speculative costs; their commercial maturity; and their contractual
756 expectations. To support this, project team members should actively engage in the market
757 engagement programme described in E1.

758 F Consultation with Stakeholder Requirements (for the healthcare sector)

759 Ensure that there is political and civil service support [A4]

760 Before implementing the PPP programme the government should conduct a formal assessment of
761 political and public sector / civil service support for the programme ^[17.17]. Any constraints, conditions
762 and objections raised within each relevant government department and major political party should be
763 addressed, resulting in formal support for the policy ^[1b] and legislation necessary to enable the
764 programme to be delivered, emphasising the need for sustainable long term investment in healthcare
765 facilities ^[9.1, 12.1-12.6, 17.14] through PPP.

766 The PPP programme should be sponsored at a senior level within the government and civil service,
767 with key individuals identified to act as promoters of the programme across the public and private
768 sectors ^[17.17]. The government should establish a legal system under which the programme will
769 operate that is impartial and independent of political influence.

770 Ensure that the model and process is clearly understood by stakeholders [D3]

771 Clear understanding of the Healthcare Strategy and Healthcare Infrastructure Development
772 Programme are essential in the early planning stages of a PPP programme ^[11.3, 11a-11c]. These should
773 be linked to an understanding of the key risks inherent within a healthcare PPP project, especially if it
774 includes clinical services. Where governments have a limited PPP track record, they should draw on
775 experience from other jurisdictions as described under A2 and make use of suitably experienced
776 advisors and multilateral agencies.

777 Before the PPP programme is implemented, a formal advocacy plan setting out how politicians,
778 public/civil servants, patients, clinicians, other healthcare staff and any other stakeholders will be
779 consulted in the development of the programme should be developed and discussed with those
780 stakeholders ^[5.5, 5c, 17.17]. Where there are potential gaps or overlapping responsibilities in
781 accountability among stakeholder groups, a plan should be developed to overcome them.

782 It is particularly important to communicate clearly with healthcare professional groups about the
783 Healthcare Strategy and how it will improve population health, and the role of the PPP programme in
784 delivering it.

785 With their knowledge of local conditions and traditions, local stakeholders are particularly important
786 ^[17.15]. Their advice should be sought on how to adapt best practice to suit local needs, expectations
787 and constraints.

788 Develop a robust induction and support programme for stakeholders [D5]

789 A stakeholder engagement plan should be developed for each project, incorporating plans for
790 engagement with key clinical, management and public/civil service stakeholders (and any other
791 stakeholders needing to participate in the development of the project and the preparation of the
792 Project Business Case) ^[17.17]. Those stakeholders should be inducted, with training ^[4.3, 4.4] to clearly
793 explain what their involvement will be and how it will influence the project's outcome, as well as

794 clearly defining the critical parameters that the project must operate within in terms of timescales, risk
795 and affordability. The terms of reference and scope of their involvement should be clearly explained
796 and formally agreed with them. As part of the development programme described under D2, each
797 project team should receive training in the management of stakeholders, and specifically healthcare
798 professionals, in order that project teams clearly understand their challenges and priorities.

799 G Special issues related to the healthcare sector

800 Develop a coherent staffing & training policy ^[4.3, 4.4] [D1]

801 Prior to commencing procurement, the government should carry out a formal assessment of current
802 and future staffing needs for any new services and facilities to be included in the programme, to meet
803 the aims of the Healthcare Strategy ^[5.4, 12.7]. This should include the staff to be provided by the public
804 sector to projects delivered under the PPP programme. In parallel with the development of the PPP
805 projects, a programme of recruitment and training should be implemented to ensure that suitable staff
806 are available when the facilities are completed. This should include an assessment of currently
807 available staff and the likely pipeline of new staff recognising the importance of equal opportunities ^{[5.4,}
808 ^{5.5]}. Where there is a short term need for a substantial increase in skilled staff, government should
809 comply with ILO guidance on the national and international movement of personnel and ensure that
810 these plans are consistent with immigration regulations, and plans should be made to train sufficient
811 staff to provide healthcare services sustainably in the long term ^[4.3, 4.4].

812 If the PPP programme includes clinical services, the risk of providing suitably trained staff would
813 normally transfer to the private sector operator upon their appointment. There should be very clear
814 protocols setting out the respective roles of government and the private sector in providing and
815 subsidising training for staff, particularly clinical and operational staff ^[5.4, 5.5].

816 Where there is a requirement for staff to transfer from the public to the private sector under the PPP
817 programme, it should include measures to protect their statutory rights and employment terms and
818 conditions where appropriate under law ^[16.3].

819 Where the public sector intends to retain the provision of clinical (or other) services, they should
820 ensure that the design of the PPP projects will not compromise the terms, conditions and statutory
821 rights of the staff who deliver them ^[5.4, 5.5].

822 Carefully plan projects requiring staff transfer [D6]

823 An appropriate HR strategy should be developed for any projects requiring the transfer of clinical,
824 management or Facilities Management staff from the public sector to the private sector or between
825 private sector providers under the PPP programme, because its success can be affected by
826 employees' statutory rights and by legal, cultural and political considerations. Specialist advisory
827 support in developing the strategy may be required where transferring staff to private sector
828 organizations is complex and there is a risk of an adverse impact on long term service delivery if the
829 staff transfer is not managed effectively. This should include the development of specific support
830 arrangements for staff whose role will change or relocate, and a communications strategy that
831 enables staff engagement and explains clearly the programme's objectives, and how it will improve
832 population healthcare.

833 Any transfer of clinical services requires a clear understanding of how the private sector partner will
834 maintain quality of service delivery - including training ^[4.3, 4.4] - alongside the development of long term,
835 sustainable staffing plans ^[9.1, 12.1-12.6, 17.14]. This must have support from the clinical and management
836 teams who will work within the new facilities, and governments should ensure that project teams are
837 supported by specialists with experience in this field who have successfully delivered staff transfers
838 under PPP arrangements and understand the commercial objectives of potential service providers.

839 IV Indicators of Compliance (for the healthcare sector and SDGs)

840 The Indicators of Compliance for a Healthcare PPP programme relate directly to the Sustainable
841 Development Goals. The relevant SDGs are listed in Annex 2, along with references to the specific
842 recommendations to which they relate.

843 V Credits and References

844 The recommendations of the Standard are based on a UNECE project which took place between
845 June 2014 and June 2015, managed by an international, multidisciplinary team of experts with
846 experience of PPP programmes and sustainable development. The project comprised a review of
847 published information, and responses to detailed questionnaires from public and private sector
848 organisations with experience of programmes of this kind, whose contribution is gratefully
849 acknowledged. Recommendations are aimed at national and provincial governments considering the
850 delivery of PPP programmes in the healthcare sector.

851 We are very grateful for the active contribution of agencies in the countries listed in Annex 1 who
852 contributed to the development of the Standard by responding to detailed questions on their own
853 experience.

854 The full list of projects and programmes from which lessons and experience were considered based
855 on published information in the development of the Standard is available on the project team website
856 at <https://www2.unece.org/wiki/display/pppp/Health+Policy> for governments seeking more detailed
857 advice, experience and lessons learned from the delivery of PPP programmes. The Standard will be
858 maintained by UNECE and the Healthcare PPP Centre of Excellence.

859 **Annex 1 – Published healthcare PPP evidence base**

860 Projects and programmes in the following countries were considered by the team developing the
861 Standard as sources of lessons and experience based on published information.

- Australia
- Austria
- Bahrain
- Bangladesh
- Belgium
- Benin
- Brazil
- Canada
- Chile
- China
- Croatia
- Czech Republic
- Denmark
- Egypt
- Finland
- France
- Germany
- Ghana
- Greece
- Grenada
- Hungary
- India
- Ireland
- Italy
- Japan
- Kazakhstan
- Kenya
- Kuwait
- Lesotho
- Malaysia
- Mauritius
- Mexico
- Moldova
- Montenegro
- Netherlands
- Nigeria
- Norway
- Pakistan
- Peru
- Philippines
- Poland
- Portugal
- Puerto Rico
- Republic of Korea
- Romania
- Russian Federation
- Slovakia
- South Africa
- South Korea
- Spain
- Sweden
- Turkey
- Turks and Caicos
- United Arab Emirates
- United Kingdom
- United States of America
- Uzbekistan

862

863 Annex 2 – SDGs relevant to healthcare PPP policy Standard

864 SDGs relevant to healthcare PPP policy are listed below. The relevant Standard recommendation
865 reference is given in square brackets.

866 1.3

867 Implement nationally appropriate social protection systems and measures for all, including floors, and
868 by 2030 achieve substantial coverage of the poor and the vulnerable [A1]

869 1.4

870 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights
871 to economic resources, as well as access to basic services, ownership and control over land and
872 other forms of property, inheritance, natural resources, appropriate new technology and financial
873 services, including microfinance [F2, A2]

874 1.b

875 Create sound policy frameworks at the national, regional and international levels, based on pro-poor
876 and gender-sensitive development strategies, to support accelerated investment in poverty
877 eradication actions [Intro, A1, A2, D2]

878 3.1

879 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births [Intro, A1]

880 3.2

881 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries
882 aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality
883 to at least as low as 25 per 1,000 live births [Intro, A1]

884 3.3

885 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and
886 combat hepatitis, water-borne diseases and other communicable diseases [Intro, A1]

887 3.4

888 By 2030, reduce by one third premature mortality from non-communicable diseases through
889 prevention and treatment and promote mental health and well-being [Intro, A1]

890 3.5

891 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and
892 harmful use of alcohol [Intro, A1]

893 3.6

894 By 2020, halve the number of global deaths and injuries from road traffic accidents [Intro, A1]

895 3.7

896 By 2030, ensure universal access to sexual and reproductive health-care services, including for family
897 planning, information and education, and the integration of reproductive health into national strategies
898 and programmes [Intro, A1]

899 3.8

900 Achieve universal health coverage, including financial risk protection, access to quality essential
901 health-care services and access to safe, effective, quality and affordable essential medicines and
902 vaccines for all [Intro, A1]

903 3.9

904 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air,
905 water and soil pollution and contamination [Intro, A1]

906 3.b

907 Support the research and development of vaccines and medicines for the communicable and non-
908 communicable diseases that primarily affect developing countries, provide access to affordable
909 essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement
910 and Public Health, which affirms the right of developing countries to use to the full the provisions in
911 the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to
912 protect public health, and, in particular, provide access to medicines for all [Intro, A1]

913 **3.c**
914 Substantially increase health financing and the recruitment, development, training and retention of the
915 health workforce in developing countries, especially in least developed countries and small island
916 developing States [Intro, A1]

917 **3.d**
918 Strengthen the capacity of all countries, in particular developing countries, for early warning, risk
919 reduction and management of national and global health risks [Intro, A1]

920 **4.3**
921 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational
922 and tertiary education, including university [Intro, A5, D1, D2]

923 **4.4**
924 By 2030, substantially increase the number of youth and adults who have relevant skills, including
925 technical and vocational skills, for employment, decent jobs and entrepreneurship [Intro, A5, D1, D2]

926 **5.4**
927 Recognize and value unpaid care and domestic work through the provision of public services,
928 infrastructure and social protection policies and the promotion of shared responsibility within the
929 household and the family as nationally appropriate [A2, A5, D1]

930 **5.5**
931 Ensure women's full and effective participation and equal opportunities for leadership at all levels of
932 decision-making in political, economic and public life [D1, D3]

933 **5.6**
934 Ensure universal access to sexual and reproductive health and reproductive rights as agreed in
935 accordance with the Programme of Action of the International Conference on Population and
936 Development and the Beijing Platform for Action and the outcome documents of their review
937 conferences [Intro, A1]

938 **5.c**
939 Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality
940 and the empowerment of all women and girls at all levels [D3]

941 **8.1**
942 Sustain per capita economic growth in accordance with national circumstances and, in particular, at
943 least 7 per cent gross domestic product growth per annum in the least developed countries [A1, B1,
944 B6, C2]

945 **8.2**
946 Achieve higher levels of economic productivity through diversification, technological upgrading and
947 innovation, including through a focus on high-value added and labour-intensive sectors [A1, B1, B6,
948 C2]

949 **9.1**
950 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder
951 infrastructure, to support economic development and human well-being, with a focus on affordable
952 and equitable access for all [Intro, A1, A4, D6]

953 **9.2**
954 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of
955 employment and gross domestic product, in line with national circumstances, and double its share in
956 least developed countries [A1, B1, B6, C2, D6]

957 **9.5**
958 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all
959 countries, in particular developing countries, including, by 2030, encouraging innovation and
960 substantially increasing the number of research and development workers per 1 million people and
961 public and private research and development spending [F3]

962 **9.b**

963 Support domestic technology development, research and innovation in developing countries,
964 including by ensuring a conducive policy environment for, inter alia, industrial diversification and value
965 addition to commodities [F3]

966 **10.1**
967 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population
968 at a rate higher than the national average [A1, B1, B6, C2, D6]

969 **10.2**
970 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age,
971 sex, disability, race, ethnicity, origin, religion or economic or other status [A1, B1, B6, C2, D6]

972 **10.3**
973 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory
974 laws, policies and practices and promoting appropriate legislation, policies and action in this regard
975 [A1, B1, B6, C2, D6]

976 **10.4**
977 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve
978 greater equality [A1, B1, B6, C2, D6]

979 **10.b**
980 Encourage official development assistance and financial flows, including foreign direct investment, to
981 States where the need is greatest, in particular least developed countries, African countries, small
982 island developing States and landlocked developing countries, in accordance with their national plans
983 and programmes [A2, A3, B4, E1]

984 **11.1**
985 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and
986 upgrade slums [Intro, A1]

987 **11.3**
988 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated
989 and sustainable human settlement planning and management in all countries [C1, D3, F1]

990 **11.a**
991 Support positive economic, social and environmental links between urban, peri-urban and rural areas
992 by strengthening national and regional development planning [C1, D3, F1]

993 **11.b**
994 By 2020, substantially increase the number of cities and human settlements adopting and
995 implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and
996 adaptation to climate change, resilience to disasters, and develop and implement, in line with the
997 Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all
998 levels planning [C1, D3, F1]

999 **11.c**
1000 Support least developed countries, including through financial and technical assistance, in building
1001 sustainable and resilient buildings utilizing local materials planning [C1, D3, F1]

1002 **12.1**
1003 Implement the 10-year framework of programmes on sustainable consumption and production, all
1004 countries taking action, with developed countries taking the lead, taking into account the development
1005 and capabilities of developing countries [Intro, A1, A4, A6]

1006 **12.2**
1007 By 2030, achieve the sustainable management and efficient use of natural resources [Intro, A1, A4,
1008 A6]

1009 **12.5**
1010 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
1011 [Intro, A1, A4, A6]

1012 **12.6**

- 1013 Encourage companies, especially large and transnational companies, to adopt sustainable practices
1014 and to integrate sustainability information into their reporting cycle [Intro, A1, A4, A6]
- 1015 **12.7**
1016 Promote public procurement practices that are sustainable, in accordance with national policies and
1017 priorities [A2, A6, B1, D1, D2]
- 1018 **12.a**
1019 Support developing countries to strengthen their scientific and technological capacity to move towards
1020 more sustainable patterns of consumption and production [Intro, A5, E1]
- 1021 **16.3**
1022 Promote the rule of law at the national and international levels and ensure equal access to justice for
1023 all [A1, D1]
- 1024 **16.5**
1025 Substantially reduce corruption and bribery in all their forms [A2, B1, B3, E1, F1-F5]
- 1026 **16.6**
1027 Develop effective, accountable and transparent institutions at all levels [A2, B1, B3, E1, F1-F5]
- 1028 **16.7**
1029 Ensure responsive, inclusive, participatory and representative decision-making at all levels [A2, B1,
1030 B3, E1, F1-F5]
- 1031 **16.8**
1032 Broaden and strengthen the participation of developing countries in the institutions of global
1033 governance [A2, B1, B3, B5, E1, F1-F5]
- 1034 **16.10**
1035 Ensure public access to information and protect fundamental freedoms, in accordance with national
1036 legislation and international agreements [A3, C1, C3, E1, E3, E5, F3, F4]
- 1037 **16.a**
1038 Strengthen relevant national institutions, including through international cooperation, for building
1039 capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism
1040 and crime [F1]
- 1041 **16.b**
1042 Promote and enforce non-discriminatory laws and policies for sustainable development [F1]
- 1043 **17.1**
1044 Strengthen domestic resource mobilization, including through international support to developing
1045 countries, to improve domestic capacity for tax and other revenue collection [Intro, A5, E1]
- 1046 **17.3**
1047 Mobilize additional financial resources for developing countries from multiple sources [A1, B2, A3, B4]
- 1048 **17.4**
1049 Assist developing countries in attaining long-term debt sustainability through coordinated policies
1050 aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the
1051 external debt of highly indebted poor countries to reduce debt distress [A2, E2, B1, C2, B6]
- 1052 **17.5**
1053 Adopt and implement investment promotion regimes for least developed countries [A1, B2, A3, B4]
- 1054 **17.9**
1055 Enhance international support for implementing effective and targeted capacity-building in developing
1056 countries to support national plans to implement all the sustainable development goals, including
1057 through North-South, South-South and triangular cooperation [A3, E1]
- 1058 **17.10**
1059 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system
1060 under the World Trade Organization, including through the conclusion of negotiations under its Doha
1061 Development Agenda [F2]

- 1062 **17.13**
1063 Enhance global macroeconomic stability, including through policy coordination and policy coherence
1064 [B2]
- 1065 **17.14**
1066 Enhance policy coherence for sustainable development [Intro, A1, A4, A6]
- 1067 **17.15**
1068 Respect each country's policy space and leadership to establish and implement policies for poverty
1069 eradication and sustainable development [Intro, A1, D3]
- 1070 **17.16**
1071 Enhance the global partnership for sustainable development, complemented by multi-stakeholder
1072 partnerships that mobilize and share knowledge, expertise, technology and financial resources, to
1073 support the achievement of the sustainable development goals in all countries, in particular
1074 developing countries [A5, D2, E4]
- 1075 **17.17**
1076 Encourage and promote effective public, public-private and civil society partnerships, building on the
1077 experience and resourcing strategies of partnerships [Intro, A4, D3, D5, E1]
- 1078 **17.19**
1079 By 2030, build on existing initiatives to develop measurements of progress on sustainable
1080 development that complement gross domestic product, and support statistical capacity-building in
1081 developing countries [Intro, A5, E1]
- 1082
- 1083