

Information Notice

UNECE PPP Forum



**‘Implementing the United Nations 2030 Agenda through effective,
people-first Public-Private Partnerships’**

March 30, 31 – April 1 2016

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1. Background and Introduction

Public Private Partnerships (PPPs) have been widely identified as a key mechanism for achieving the UN Sustainable Development Goals (SDGs). This is primarily because of the huge price tag associated with achieving many of the targets, such as universal health care, access to clean, safe water, and energy for all, etc., that cannot be financed exclusively by the public purse.¹ However, despite their critical role, there is neither a clear definition of the term ‘PPP’, nor models of PPPs that exemplify what is required if the SDGs are to be achieved.²

It also needs to be borne in mind that, for the most part, PPPs have been elaborated by developed countries, in order to increase ‘value for money’ and improve efficiency - not specifically as a tool for poverty alleviation or social development. Moreover, many people still regard PPPs with

¹ Accordingly, SDGs 17 calls for the Revitalisation of “Partnerships for Sustainable development” and refers specifically to PPPs as one of the targets.

² Indeed, it is not certain what “being aligned” or “compliant” with the SDGs actually means. True a case could be made for arguing that PPPs which are ‘people centred’, that improve access to vulnerable groups, that contribute to poverty alleviation and have social transformational impact can be viewed as ‘SDG aligned’ or compliant.

considerable scepticism, arguing that PPPs suffer from a 'trust deficit' because of their alleged lack of transparency and accountability and this has led to the call for PPPs that are 'people first'.

Accordingly, while there is a quite a lot of information on national best practices for PPP models in developed countries such as the UK, France, Australia, Canada etc. that have given value for money, there is much less information on PPP models that can be the vehicle for achieving the United Nations' very ambitious and transformational agenda for eliminating extreme poverty by 2030.

To fill this gap, and to identify the requirements and the models needed, the UNECE, working with international partners, is elaborating international standards and recommendations for policy makers especially in developing countries and transition economies, on how to use PPPs to achieve the SDGs. This task will contribute to the entire spectrum of sectors mentioned in the SDGs, namely: water and sanitation, renewable energy, smart and sustainable cities, health and so on. In addition, UNECE is developing standards and recommendations in the area of law, policy and institutions that are at the core and underpin all types of PPPs. This standards-making work is carried out by Specialist Centres focusing on specific thematic areas who identify best practices and by international project teams that meet virtually and using these best practices, elaborate these materials into standards or recommendations under the UNECE's established [procedures](#).

Box 1

What are the best PPP models for achieving the SDGs? The experiences of developed countries are important, yet rather different PPP models and procedures for delivering them may nevertheless be required for the achievement of the SDGs³.

Box 2

International PPP Specialist Centres

Some of the following established centres⁴ in alphabetical order will be responsible for specific Forum work streams.

- China : Public transport logistics
- France : Law , policy and institutions
- Japan : Local government
- Philippines : Health care
- Russian Federation : Training for the CIS
- Spain : Smart and sustainable cities

Box 3

Proposed international PPP Specialist Centres in the following countries

- | | |
|----------|-----------|
| - Aruba | - Morocco |
| - Brazil | - Lebanon |
| - India | |

At a recent meeting of the Specialist Centres and Project Teams held in Barcelona, Spain⁵, it was agreed that the PPP Specialist Centres (See Boxes 2 and 3) would have a strong supporting role in the development of standards in their respective thematic area. It was also agreed to **hold a PPP Forum** where all the participants from the public and private sectors who are active in the standards and recommendation process for the SDGs might gather to advance the work on the standards. It was further agreed to invite also those who tend to be outside this process but who still have extremely important experiences and views to relate, namely NGOs and other agencies. The proposal to hold a PPP Forum was also endorsed by the Bureau of the Team of Specialists on PPPs.

³ What is clear is that it will be an extremely challenging endeavour, as the countries where PPPs are most needed - developing countries and transition economies - are typically the ones where the enabling environments for PPPs are often inadequate and the resulting risks of doing business are that much higher.

⁴ Defined as having a MOU with UNECE

⁵ Hosted by IESE, Barcelona, Spain, on 17 November 2015

2. Objectives of the Forum

Bearing this in mind, as well as taking into account the need to prepare the standards as expeditiously as possible, the Forum has the following objectives:

- (a) To finalise the first standards and recommendations **for submission to the UNECE intergovernmental process**;
- (b) To make progress with other standards and recommendations started, thereby improving the **efficiency** of the process;
- (c) To identify and **showcase concrete cases of PPPs** which support the SDGs in order to inspire others; and
- (d) To involve NGOs, with sometimes different perspectives on PPPs, so that **their ‘voice’ in the recommendations and standards can be heard**.

3. Taking the objectives forward

(a) Finalise the first standards

- (i) Charter/ recommendations on Zero tolerance to Corruption in PPP procurement
- (ii) Checklist of the actions governments can take in compliance with the Charter/ recommendations

The work is supported by the International Specialist Centre of Excellence on PPP Law, Policy and Institutions (France) led by **Marc Frilet**.

The above two documents deal with the challenge of corruption in PPP procurement and are now ready to be launched. The Forum will finalise both these documents. To this end, the following issues will be considered:

- Does document 1 cover the main risks of corruption and propose appropriate measures consistent with the concept of ‘zero tolerance’?
- Does it cover the full spectrum of corruption issues that can be detected in projects?
- Should the document be issued as a ‘charter’ or as a series of recommendations?
- How should the checklist of issues – document 2 - on securing compliance with the charter /recommendations be implemented? Should it be only a self-assessment tool? Or are there arrangements that could be reached whereby PPP units and other agencies could receive a certificate for compliance with the Standard on zero tolerance to corruption in PPP procurement? ⁶

- (iii) PPP healthcare policy recommendation

The work is led by **Peter Ward** and is supported by the International Specialist Centre of Excellence on PPP Healthcare (Philippines) led by **James Donovan**.

The recommendation will provide health Ministries and Departments and health care professionals with help in using new financial tools such as PPP. It will, *inter alia*, set out the frameworks for using PPPs to improve access to health services, achieve greater equity and efficiency and provide models that can be readily scaled up etc.

⁶ The certification process will be undertaken by a reputable entity selected by UNECE.

To this and, the following issues will be discussed:

- To what extent does such a recommendation meet with the needs of health ministries seeking to implement Sustainable Development Goal number three?

(b) Develop new standards / recommendations

The following new standards /recommendations have been begun by Project Teams under the following thematic areas and are supported by their respective thematic Centres where such Centres exist.

(i) Legal and Regulatory Framework

Work under this sector is supported by the International Specialist Centre of Excellence on PPPs in Law, Policy and Institutions (France) led by **Marc Frilet**.

This work stream will include the following items:

- (a) Recommendation / Standard on Sustainable PPP Procurement
This work is led by **Alexander Bazhenov** and will be presented by **Roman Churakov**. One of the issues to be discussed will be:
 - How, in low-middle income countries, can efficient procurement rules be implemented that will attract interest from investors?
- (b) Recommendation / Standard on Strengthening dispute resolution in PPP
Many countries lack recourse to internationally recognised dispute resolution facilities. This work will look at possible options for such countries. This work is led by **Wim Timmermans** and **Assaf Behr**.

(ii) Sustainable Transport

Work under this sector is supported by the International Specialist Centre of Excellence on PPPs in Public Transport logistics (China).⁷⁷

This work stream will include the following items:

- (a) Recommendation / Standard on PPP in Roads
This work is led by **Alfredo Lucente**.
- (b) Recommendation / Standard on PPP in Rails
This work is led by **Jonathan Beckitt**.
- (c) Recommendation / Standard on PPP in Airports
This work is led by **Rosário Macário**.
- (d) Recommendation / Standard on PPP in Ports
This team is led by **Richard Ornitz**.

The SDGs have highlighted the importance of sustainable transport systems. How can **accessibility** and **interconnectivity** be achieved in integrated transport systems through PPPs? How can greater **energy efficiency** in the transport systems developed using PPPs contribute to achieving the SDGs?

⁷ The Centre is jointly hosted by City University in Hong Kong and Tsinghua University in Beijing.

(iii) Healthcare

Work under this sector is supported by the International Specialist Centre of Excellence on PPP Healthcare (Philippines) led by **James Donovan**.

This work stream will include the following items:

- (a) Recommendation / Standard on PPP in Healthcare and Natural Disasters
How a PPP financed building facility could provide urgent medical relief and relief coordination in the immediate aftermath of a natural disaster?
This work is led by **David Dodd**.
- (b) Recommendation / Standard on PPP in Healthcare
How could PPP arrangements in telemedicine both extend access to remote rural areas and generate funds for overall health care provision?
This work is led by **Ted Herbosa**.

(iv) Smart and Sustainable Cities

Work under this sector is supported by the International Specialist Centre of Excellence on PPPs in Smart and Sustainable Cities (Spain) led by **Eva Bufí**.

This work stream will include the following item:

- (a) Recommendation / Standard on PPPs as Financial instruments in Smart Sustainable Cities
How can cities raise financing and what are the financial instruments available for financing smart and sustainable urban infrastructure?
- (b) Recommendation / Standard on PPP in the technological transformation of
How is technology transforming public services in cities and how can these transformations be supported by PPPs?

(v) Renewable Energy

To date, there is no Centre supporting this thematic area. *Pro tem*, **Ana-Katarina Hajduka** is leading this process.

This work stream will include the following items:

- (a) Recommendation / Standard on PPPs in On-grid Renewable Energy (wind, solar, biomass and hydropower)
This work is led by **Ana-Katarina Hajduka** and **Rene Meyer**.
- (b) Recommendation / Standard on PPPs in Off-grid Rural Electrification
This work is led by **Hugo Virag-Lappas**.

(vi) Water and Sanitation

To date, there is no Centre supporting this thematic area.

This work stream will include the following items:

- (a) Recommendation / Standard on PPPs in Water Distribution and Sanitation
This work is led by **Dominique Gatel** and **Maya Chamli**.
- (b) Recommendation / Standard on PPP in Water Management and Flood Control
This work is led by **Diogo Oliveira**.

Follow up actions:

1. The Centres should contact the Project Teams to discuss the organisation of the Forum session they are responsible for and how to advance the development of the respective standards. The Centres are also responsible for ensuring the active participation of their members and networks at the Forum
2. The Centres should also organize the **follow-up** to each Project Team meeting and implement the agreed timelines for the deliverables.
3. A meeting of all the Centres by WebEx will be held in early February 2016 to discuss preparations for the sessions at the Forum
4. Other standards that may be launched at this Forum include the following:
 - Sustainable Financing in PPPs (e.g. managing debt in a manner which does not build up too much debt for future governments / generations to repay) with the Inter-American Development Bank (IADB)
 - Waste management
 - Women's empowerment

Persons interested in participating in any of these teams are invited to contact the UNECE Secretariat.

(c) Institutionalise the role of the Forum in the standards-making process

A **Technical Steering Committee** consisting of Project Team Leaders, the heads of Specialist Centres, and NGOs as well as representatives from international partner organisations will be established to supervise the management of the Forum working in tandem with the Bureau of the UNECE Team of Specialists on PPPs (TOS PPP). The Terms of Reference (TOR) for the Technical Steering Committee (TSC) are found in Annex II.

The TSC will consist of members who will be responsible for organizing their respective sessions and work streams and those, especially drawn from the IFIs and other UN bodies, who will be responsible for quality control and will follow the progress in the development of the standards.

(d) Showcase PPP case studies that exemplify the SDGs

As noted above, a critical gap remains in knowledge on PPPs that support the SDGs and have been initiated by both the public and private sectors.

The Forum will thus include continuous session displaying best practice examples that address the SDGs, which can inspire and be used by governments. To this end, the UNECE secretariat working with the PPP Business Advisory Board (BAB), the TSC, and under the guidance of the TOS PPP Bureau, will undertake the following tasks:

- **Prepare** guiding principles for evaluating PPP projects as a means to address the SDGs;
- **Circulate** the guiding principles and invite governments, the private sector and NGOs to present evidence for their projects that might meet these guiding principles;

- Governments and the private sector are **invited** to submit project success stories and the impact these have had on improving the quality of life of local communities;
- In their **presentations**, the above persons will also show how, in practice, they are committed to a people, planet, peace and prosperity agenda; and
- Those who meet the guiding principles will be **invited** to present at the Forum and will be showcased on the International PPP Centre of Excellence (ICoE) website.

Follow up action:

The Forum encourages and welcomes contributions of actual case studies from public and private agencies of PPP case studies that support the SDGs. If they meet the guiding principles, these cases will be placed on the ICoE website.

(e) Involve NGOs in the discussion and elaboration of international PPP standards

A special high-level debate will be held on the proposed topic of:

“How can we close the ‘trust deficit’ related to PPP as a tool for the SDGs?”⁸

Format: The moderator will give each speaker a five-minute introduction and will then open up the debate from the floor to allow comments and questions.

Follow up action:

A top-level, international and geographically balanced list of discussants will be invited to participate.

⁸ The topic mentioned here is provisional and will be finalised by 31 January after consultations with the TOS PPP and the TSC.

4. Provisional agenda of the Forum⁹

Day 1	Plenary		Lunch Break	Parallel Work Streams	
	Initial report by the Technical Steering Committee (TSC)	Legal and Regulatory Work	Joint meeting of the Bureau and the TSC		

Day 2	Plenary		Lunch Break	Parallel Work Streams	
	High Level debate “How can we close the ‘trust deficit’ related to PPP as a tool for the SDGs?”		Joint meeting of the Bureau and the TSC		

Day 3	Parallel Work Streams		Lunch Break	Parallel Work Streams	Plenary
			Joint meeting of the Bureau and the TSC		Final report by the TSC / Q and A with Project Team Leaders and the Heads of Centre

⁹ There will be parallel work stream sessions organized on the following topics: Legal and Regulatory Framework, Sustainable Transport, Healthcare, Smart and Sustainable Cities, Renewable Energy, Water and Sanitation, and PPPs in China

Annex I – The United Nations Sustainable Development Goals (SDGs)



Annex II – Terms of reference (TOR) of the Technical Steering Committee

Experience to date with the development of the standards demonstrate the need for the following:

- More speed in the development of the standards;
 - More involvement of key stakeholders, especially the Bureau of the Team of Specialists on PPPs (TOS PPP), the Specialist Centres and the Project Team Leaders; and
 - A more inclusive process under which the standards are developed
1. To address these challenges, a Technical Steering Committee (TSC) will be created in order to oversee the process of creating international PPP standards. The TSC will consist of Project Team Leaders, Heads of International PPP Specialist Centres, the Chairman of the UNECE Business Advisory Board, senior representatives from International Partners (UN and IFIs) and NGOs. The TSC will meet jointly with the Bureau prior to the Forum “virtually” and will also meet daily during the Forum. Its main tasks are the following:
 - **Report** to the Plenary of the Forum on the progress of standards/recommendations in the thematic areas identified;
 - **Make comments** on the standards and the achievement of excellence , consistency and quality;
 - **Be responsible** for the efficient operations of the progress delivered at the Forums and in between Forums;
 - **Promote full cooperation** with international partners from the UN and the IFIs in the standard-development process;
 - **Provide guidance** to Project Teams on their work if and when required;
 - **Act as an informal arbitrator** in situations where individuals, groups, organizations or countries feel that they are being excluded from participation in the process, or there is undesirable duplication with or between the various bodies working on standards; and
 - **Will decide** together with the Bureau, on its future work in the development of the standards, based on the experience of the first Forum.
 2. The Bureau’s functions in the standard-development process is clearly spelled out in the [procedures](#): it approves project proposals; and it endorses the draft standards at the final stage in the process.
 3. The TSC always holds its meetings jointly with the Bureau. Its key contribution to the PPP work will be to cover the technical work process as underlying the development of the standards which follow the approval of project proposals and precede the endorsement of the standards.