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## Economic Commission for Europe

Committee on Innovation, Competitiveness and Public-Private Partnerships

Working Party on Public-Private Partnerships

First session

Geneva, 21-22 November 2017

### Report of the Working Party on Public-Private Partnerships on its first session

#### I. Attendance

1. The Working Party on Public-Private Partnerships held its first session on 21-22 November 2017. Over 200 delegates participated in the meeting. The session was attended by representatives from the following Member States: Armenia, Australia, Bahrain, Bangladesh, Belarus, Belgium, Botswana, Brazil, Burkina Faso, Burundi, Canada, Chile, China, Congo, Croatia, Cyprus, Czech Republic, Denmark, Djibouti, Finland, France, Gambia, Georgia, Germany, Ghana, Greece, Haiti, India, Iran (Islamic Republic of), Iraq, Israel, Italy, Japan, Jordan, Kuwait, Kyrgyzstan, Lebanon, Mali, Malta, Mauritius, Mongolia, Montenegro, Morocco, Netherlands, Nigeria, Oman, Pakistan, Paraguay, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Saudi Arabia, Senegal, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Swaziland, Switzerland, Tajikistan, Thailand, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States of America, Uzbekistan and Zambia.

2. The European Union was also represented.

3. The following specialized agencies and intergovernmental organizations participated in the session: the Black Sea Trade and Development Bank, the Eurasian Economic Commission, the European Bank for Reconstruction and Development (EBRD), the office of the United Nations High Commissioner for Refugees (UNHCR), the World Bank, the World Economic Forum and the World Intellectual Property Organization.

4. Representatives from non-governmental organizations, private sector entities, academic institutions and independent experts participated in the session.

## **II. Adoption of the agenda (Agenda item 1)**

Documentation:

Annotated provisional agenda for the first session (ECE/CECI/WP/PPP/2017/1)

### **Conclusion 2017 – 1**

The Working Party adopted the provisional agenda as proposed by the secretariat.

## **III. Election of officers (Agenda item 2)**

### **Conclusion 2017 – 2.1**

The Working Party affirmed its terms of reference (ECE/CECI/2016/6, Annex).

### **Conclusion 2017 – 2.2**

The Working Party decided that the Rules of Procedure of the Economic Commission for Europe (ECE/778/Rev.5) should govern its proceedings.

### **Conclusion 2017 – 2.3**

The Working Party elected Mr. Arthur Smith (United States of America) as the Chairperson, and Mr. Steven Van Garsse (Belgium), Mr. Mark Romoff (Canada), Mr. Kaimeng Li (China), Mr. Alecos Michaelides (Cyprus), Mr. Frederic Bobay (France), Mr. Sam Tabuchi (Japan), Mr. Ziad Hayek (Lebanon), Ms. Sonia Mezzour (Morocco), Mr. Hafiz Salikhov (Russian Federation), Mr. Ibrohim Usmonzoda (Tajikistan) and Ms. Sedef Yavuz Noyan (Turkey) as Vice Chairpersons. The Working Party thanked Mr. Bernhard Mueller (Germany) for his contribution to the UNECE PPP work as co-Chairperson of the Team of Specialists on PPPs (TOS PPP).

## **IV. Contribution of the UNECE's People-first PPP work to the UN Sustainable Development Goals (SDGs) (Agenda item 3)**

Documentation:

Standard on a Zero Tolerance approach to Corruption in PPP Procurement (ECE/CECI/WP/PPP/2017/4);

Draft declaration on a Zero Tolerance approach to corruption on People-first PPPs (ECE/CECI/WP/PPP/2017/CRP.3);

Draft revised Guiding Principles on People-first PPPs for the SDGs (ECE/CECI/WP/PPP/2017/CRP.1);

Draft guidelines for aid agencies in support to people-first PPPs (ECE/CECI/WP/PPP/2017/CRP.13).

### **A. Mobilising the Member States' PPP Units behind the UN SDGs**

5. The participants appreciated the quality of the interventions made by the panellists from PPP units and infrastructure agencies from twenty countries across all regions, which considered the following questions:

(a) How can we improve PPP to make it a more “fit for purpose” vehicle for the UN development agenda?

(b) Where and how do you see changes in the way PPP is done in your country that gives ground for optimism?

(c) Do the UN SDGs need the PPP units to give their collective voice in support? How can practically this support be expressed?

(d) What do countries need from national aid agencies to make people first projects a reality?

(e) Can you give examples of projects – either at the planning state or operational – which can demonstrate people first PPPs? and

(f) How can countries cooperate better in “regional masterplans” programmes? What is the role for organisations such as the UNECE to harmonise practices, institutions etc. that can facilitate these regional masterplans?

6. Participants agreed that an expert network composed of representatives from PPP units and infrastructure agencies might be created in support of the UN SDGs.

## **B. How can the national aid agencies contribute to transformational, people-first PPP projects and the UN SDGs**

7. The participants listened with appreciation to the experiences shared by the panellists on the role of national aid agencies in promoting people-first PPP projects and the UN SDGs, more specifically on:

(a) How can international aid agencies contribute to supporting people-first PPPs in low and middle-income countries?

(b) What are the best practice models for cooperation between the aid agencies, the private sector and host governments and entities? and

(c) What are the main risks involved in aid agencies in support of PPPs and how can they be overcome?

8. Delegates recognised the important role played by national aid agencies in supporting low and middle income countries with their infrastructure needs, and appreciated the draft guidelines being prepared by the UNECE for aid agencies in their support of people-first PPPs.

## **C. Making PPPs “fit for purpose” for the UN SDGs and putting people first: the role of the ZTC and the guiding principles**

9. Delegates welcomed the concept of “people-first”, and its emphasis on sustainability, community development and bottom-up as well as top down approaches. Participants agreed that the guiding principles provide a useful roadmap for governments, especially in low and middle income countries, where the PPP challenges are greater, to guide their policies on infrastructure and they supported a focus on increased access to essential services, equity, enhanced efficiency, improved project economic effectiveness, and replicability and scalability of projects.

10. Participants acknowledged that PPPs are sometimes rightly criticised for not having sufficient accountability to citizens and for not providing them with enough information on the financial aspects of the agreement. Guiding principles are very important tools that allow a PPP contract to be used for a considerable set of objectives, including poverty eradication and sustainable development. At the same time, delegates invited the secretariat to incorporate comments made on the draft and to consult with individual governments and their PPP units to provide reviews of individual chapters and principles contained in the

document. They further asked the secretariat to send the document to the other Regional Commissions for review.

11. The second panel discussed the UNECE standard on a Zero Tolerance Approach to Corruption in PPP Procurement (ZTC) and the accompanying draft declaration designed to facilitate implementation.

12. Participants agreed that the subject matter of this standard was highly topical and the recommendations contained in the standard needed to be implemented. They also recognised the importance of effective implementation in countries and considered that the declaration was a very effective tool to achieve this.

13. The secretariat thanked the panellists who participated in the discussion and informed the Working Party that the conclusions and recommendations on the revised guiding principles on good governance in people-first PPPs for the SDGs, the ZTC standard and declaration would be discussed under agenda item 5.

## **V. Working with China on the Belt and Road initiative in PPPs to create a “win-win” (Agenda item 4)**

Documentation:

Promoting People-first PPPs for the Belt and Road initiative and the UN SDGs (ECE/CECI/WP/PPP/2017/CRP.2)

14. The chairperson introduced the agenda item by referring to a conference room paper prepared by the secretariat (ECE/CECI/WP/PPP/2017/CRP.2), which outlines the proposed capacity building initiative for countries along the Belt and Road initiative following the signing of a Memorandum of Understanding between the UNECE and China on 14 May 2017.

15. Participants listened with appreciation to the presentations by the panellists on this initiative, and heard expressions for support from prospecting participating countries, including Belarus, Kyrgyzstan, Morocco, the Russian Federation, Tajikistan, Ukraine and Uzbekistan.

## **VI. Review of the PPP work since the eighth and final session of the Team of Specialists on PPPs on 20-21 October 2016 (Agenda item 5)**

### **A. UNECE International PPP Centre of Excellence (ICoE)**

16. The secretariat informed the Working Party that the emphasis of the UNECE’s PPP work continued to be on adopting a new approach to PPPs to make them fit for purpose for the UN SDGs. “People-first PPPs” is the phrase used in remodelling the PPP concept from a purely “value for money” tool to a tool, based upon effective and replicable projects, that also support social and environmental benefits such as increased access to essential services, equity, resilience, a green sustainable economy, and poverty alleviation.

17. Reporting on the International Specialist Centres, the secretariat reiterated the crucial role that they play in backstopping the work on PPP standards by providing the empirical evidence by collecting international PPP best practices and case studies, and to act as transmission belts of standards and other outputs. The following Specialist Centres were established since the eighth and final session of the TOS PPP:

(a) Portugal: International Specialist Centre of Excellence in PPPs in water and sanitation in Lisbon with the support of the Ministry of Environment of Portugal; and

(b) Lebanon: International Specialist Centre of Excellence on PPPs in ports hosted by the Higher Council for Privatization and PPP in Beirut under the auspices of the Office of the Prime Minister of Lebanon.

#### **Conclusion 2017 – 5.1**

The Working Party commended the progress as reported by the secretariat on the work of the UNECE International PPP Centre of Excellence and agreed to continue its work on the development of international PPP standards and recommendations that support the UN Sustainable Development Goals.

#### **Conclusion 2017 – 5.2**

The Working Party congratulated the country-hosted Specialist Centres for their work in the development of the best practice guides and case studies that provide the basis for the development of international PPP standards, as well as the supporting role that the Centres in China, France, Japan, Lebanon, Portugal and Spain play in the standard-development process by working closely with the international Project Teams. The Working Party encouraged the Specialist Centres to give priority to the areas identified by the member States in support of the Sustainable Development Goals. The Working Party also took note with appreciation of the information documents prepared by the Centre in France, and requested the Bureau to make a recommendation on their use. It also invited the Centres to improve the coordination with other Centres and requested the secretariat to facilitate this by organising regular meetings and exchanges between the Centres.

#### **Conclusion 2017 – 5.3**

The Working Party took note, with appreciation, of the establishment of the International Specialist Centre of Excellence on PPPs in Water and Sanitation in Lisbon, Portugal, and the International Specialist Centre of Excellence on PPPs in Ports in Beirut, Lebanon.

### **B. International PPP standards for the Sustainable Development Goals**

Documentation:

Standard on a Zero Tolerance approach to Corruption in PPP Procurement (ECE/CECI/WP/PPP/2017/4);

Draft Declaration on a Zero Tolerance approach to corruption on People-first PPPs (ECE/CECI/WP/PPP/2017/CRP.3);

Draft revised Guiding Principles on People-first PPPs for the SDGs (ECE/CECI/WP/PPP/2017/CRP.1);

Draft standard on PPPs in water and sanitation (ECE/CECI/WP/PPP/2017/CRP.4);

Draft standard on PPPs in renewable energy (ECE/CECI/WP/PPP/2017/CRP.5);

Draft standard on PPPs in roads (ECE/CECI/WP/PPP/2017/CRP.6);

Draft standard on PPPs in rail (ECE/CECI/WP/PPP/2017/CRP.7);

Report of the Second UNECE International PPP Forum on people-first PPPs for the SDGs (ECE/CECI/WP/PPP/2017/CPR.9); and

Draft guidelines on implementation of transformative PPPs in support of the SDGs (ECE/CECI/WP/PPP/2017/CRP.14).

18. The Chairperson referred to the discussion under agenda item 3 and to the session dedicated to the ZTC standard (ECE/CECI/WP/PPP/2017/4). He reminded the Working

Party of the various steps in the PPP standard development process, and informed the Working Party that the Bureau has recently approved the ZTC standard and recommended that the Working Party endorses it. He thanked the Project Team leader, Mr. Marc Frilet, under whose leadership the ZTC standard was prepared.

19. The Chairperson also emphasised the need for effective dissemination and promotion of the ZTC standard, and stressed the importance for the Bureau, the PPP Business Advisory Board, the International Specialist Centre of Excellence on PPP policy, laws and institutions in France, and the secretariat to work together to assist member States with its implementation. He added that the ZTC declaration (ECE/CECI/WP/PPP/2017/CRP.3) provided an excellent basis for implementation of the ZTC standard and requested the secretariat to organise a session dedicated to the implementation of the standard at the UNECE International PPP Forum in May 2018 to finalise the declaration in consultation with the Bureau.

#### **Conclusion 2017 – 5.4**

The Working Party endorsed the standard on a Zero Tolerance approach to corruption in people-first PPP Procurement (ECE/CECI/WP/PPP/2017/4), and thanked the Project Team led by Mr. Marc Frilet for its contribution. It requested the secretariat to submit the document for approval to the Committee on Innovation, Competitiveness and Public-Private Partnerships at its next session in March 2018.

#### **Conclusion 2017 – 5.5**

The Working Party emphasised the importance of dissemination and promotion of the standard on a Zero Tolerance approach to corruption in PPP Procurement and encouraged member States, the Bureau, the Business Advisory Board, the International Specialist Centre of Excellence on PPP policy, laws and institutions in France, and the secretariat to work together to ensure effective implementation.

#### **Conclusion 2017 – 5.6**

The Working Party welcomed the draft declaration on a zero tolerance approach to corruption in people-first PPPs (ECE/CECI/WP/PPP/2017/CRP.3), and requested the secretariat to organise a session at the next International PPP Forum in May 2018 to finalise the declaration for adoption.

20. The Chairperson referred to documents ECE/CECI/WP/PPP/2017/CRP.4, ECE/CECI/WP/PPP/2017/CRP.5, ECE/CECI/WP/PPP/2017/CRP.6 and ECE/CECI/WP/PPP/2017/CRP.7 containing advanced drafts on the standards on water and sanitation, renewable energy, roads and rail, which are subject to change and are submitted for information only. He also referred to document ECE/CECI/WP/PPP/2017/CRP.14 containing draft guidelines on the implementation of transformative PPPs in support of the SDGs. At the request of the Chairperson, the secretariat provided a brief status report to the Working Party on the PPP standards under preparation and assured the delegates that the comments made at the session will be reflected in the revised drafts.

#### **Conclusion 2017 – 5.7**

The Working Party commended the progress of existing Project Teams in developing international PPP standards, in particular the advanced draft standards on Rail (ECE/CECI/WP/PPP/2017/CRP.7), Renewable Energy (ECE/CECI/WP/PPP/2017/CRP.5), Roads (ECE/CECI/WP/PPP/2017/CRP.6), and Water supply and sanitation (ECE/CECI/WP/PPP/2017/CRP.4). The Working Party noted that work on these four standards were at a very advanced stage. It called on the Team Leaders and the secretariat

to work closely with the Bureau in order to finalise these documents by March 2018 and to submit them as official documents at its next session.

#### **Conclusion 2017 – 5.8**

The Working Party also took note of the status of the standards at various stages of development in the following areas:

- (a) Airports;
- (b) Healthcare policy;
- (c) Urban Rail Transit; and
- (d) Model law for PPP/Concessions.

It also took note of the draft guidelines on the implementation of transformative PPPs in support of the SDGs (ECE/CECI/WP/PPP/2017/CRP.14), and recommended to set up a project team to develop it into a list of recommendations for implementation in countries.

21. The Chairperson referred to the discussion under agenda item 3 on the draft guiding principles on good governance in people-first PPPs for the Sustainable Development Goals (ECE/CECI/WP/PPP/2017/CRP.1) and requested the secretariat to continue leading the work on this important document under the guidance of the Bureau and to finalise it in the coming months. He also reminded the Working Party that, on its part, no action was needed at this juncture, other than taking note of the progress made so far. The secretariat will in the coming weeks work with governments who will volunteer to take over the responsibility to review a chapter or a principle.

22. The Chairperson informed the Working Party that the secretariat continued to be actively engaged with international partners – UN DESA, the Regional Commissions and the World Bank - in the work of the Inter-agency Task Force on Financing for Development under the framework of the Addis Ababa Action Agenda. He added that at a meeting on 16 December 2016, the Task Force agreed that a revised version of the guiding principles be presented to its members as the UNECE's contribution to paragraph 48 of the Addis Ababa Action Agenda, for adoption as “one UN”.

#### **Conclusion 2017 – 5.9**

The Working Party welcomed the revised draft guiding principles on people-first PPPs for the Sustainable Development Goals (ECE/CECI/WP/PPP/2017/CRP.1). It commended in particular the focus on the people-first criteria capturing the essence of the Sustainable Development Goals, which identify people as the main beneficiaries of PPP projects, and requested the Bureau and the secretariat to finalise the document in consultation with member States, and submit it to the Committee on Innovation, Competitiveness and PPPs at its next session. It also called on member States wishing to volunteer to take on the responsibility of reviewing a chapter or a principle to contact the secretariat.

#### **Conclusion 2017 – 5.10**

The Working Party requested the secretariat share the guiding principles with the other Regional Commissions and explore the possibility to produce this work together. It also requested the secretariat to continue working with its international partners, including UN DESA and the World Bank, to make the guiding principles a joint contribution to the Inter-agency Task Force on Financing for Development in response to paragraph 48 of the Addis Ababa Action Agenda for adoption as “one UN”.

23. The Chairperson also introduced the draft guidelines for new approaches for successful PPP capacity building (ECE/CECI/WP/PPP/2017/CRP.8) and explained that this

work was launched at the UNECE International PPP Forum in Hong Kong in May 2017 and was inspired by the evaluation of the PPP capacity building project in Belarus.

#### **Conclusion 2017 – 5.11**

The Working Party expressed its appreciation to Mr. Art Smith's leadership in the preparation of draft guidelines for new approaches for successful PPP capacity building. The Working Party urged the Bureau and the secretariat to finalise this work in the coming months.

#### **C. Issues related to the PPP Business Advisory Board (BAB)**

24. The Chairperson recalled that the TOS PPP at its eighth and final session in October 2016 recommended the extension of the mandate of the BAB by a further 3 years until 31 December 2020. The Chairperson informed the Working Party that both the Committee on Innovation, Competitiveness and PPPs and the ECE Executive Committee endorsed this recommendation and the mandate was extended accordingly. He then referred to document ECE/CECI/WP/PPP/2017/3 containing the revised terms of reference of the BAB, and explained that the slight revisions reflect the renewal of the mandate, a specific reference to the 2030 Agenda for Sustainable Development, and the changes in the names of the reporting bodies.

25. The secretariat provided detailed information on the BAB consultative meetings in:

(a) Belarus: meeting of the PPP Business Advisory Board with the Interministerial Infrastructure Board of Belarus to discuss PPP pilot projects and issues pertaining to the legal and regulatory framework, Minsk (28 October 2016);

(b) Kazakhstan: meeting of the PPP Business Advisory Board to discuss PPP projects in the health sector and issues pertaining to the legal and regulatory framework, Astana (27-28 October 2016); and

(c) China: dialogue between the PPP Business Advisory Board and government officials in China to learn from the Chinese PPP experience to be shared with CIS countries along the Belt and Road initiative, Beijing (12-13 December 2016).

#### **Conclusion 2017 – 5.12**

The Working Party took note of the consultative meetings of the UNECE PPP Business Advisory Board with the Governments of Belarus, Kazakhstan and China carried out since the eighth and final session of TOS PPP in October 2016. The Working Party expressed its appreciation to all the members of the Business Advisory Board who took part in these activities for their pro-bono contributions to the success of the UNECE PPP policy advisory missions and capacity building activities.

#### **Conclusion 2017 – 5.13**

The Working Party also took note with appreciation of the ECE Executive Committee's decision to extend the mandate of the Business Advisory Board by a further three years until 31 December 2020. The Working Party approved the revised terms of reference of the Business Advisory Board (ECE/CECI/WP/PPP/2017/3), to reflect the renewed mandate, the adoption of the 2030 Agenda for Sustainable Development, and changes in the name of the reporting bodies.

#### D. Other capacity building activities and initiatives

26. The Chairperson referred to the report of the second UNECE International PPP Forum (ECE/CECI/WP/PPP/2017/CRP.9), and requested the secretariat to report on the main outcomes of the Forum.

27. The secretariat reported that the second edition of the UNECE International PPP Forum “Implementing the UN 2030 Agenda for Sustainable Development through effective, people-first PPPs” was organised in collaboration with the City University of Hong Kong on 9-11 May 2017. The Forum addressed topical issues linked to the implementation of the UN SDGs and was attended by around 250 experts from over 50 countries, which several thousand more participating via live streaming. The purpose of the Forum was to advance work on the:

- (a) Standards, guidelines and best practices; and
- (b) Campaign to attain 500 people-first case studies, and the setting up of an evaluation mechanism and a network to measure the impact of projects against the SDGs.

28. The Chairperson congratulated the secretariat for organising a very successful second edition of the UNECE International PPP Forum from 9 to 11 May 2017. He also expressed his gratitude to City University of Hong Kong for hosting the Forum and for its financial and in-kind contribution.

29. The Chairperson also expressed his gratitude to the PPP experts, including the member of the Business Advisory Board, participating in policy advisory services and the capacity building activities, and especially those who did so on a pro bono basis, and to the secretariat for organizing and servicing these activities.

30. The Chairperson also reminded the Working Party that its policy advisory services and capacity building programme depended on extra budgetary funding. He expressed his appreciation to the donors who had provided in-kind and financial contributions in support of the UNECE’s PPP work, including the development of PPP standards and the organisation of demand-driven policy advisory services and capacity building activities of the UNECE International PPP Centre of Excellence, namely:

- (a) The Government of the Russian Federation;
- (b) Tsinghua University, Beijing, China; and
- (c) City University of Hong Kong.

31. The Chairperson urged member States and other stakeholders to follow in the footsteps of existing donors and support the work of the UNECE International PPP Centre of Excellence with extra-budgetary resources and in-kind contribution.

#### Conclusion 2017 – 5.14

The Working Party expressed its gratitude to the secretariat for organising a very successful second edition of the UNECE International PPP Forum from 9 to 11 May 2017. It also thanked City University of Hong Kong for hosting the Forum and for its financial and in-kind contribution to ensure that the Forum is a success. While taking note of the report of the second PPP Forum (ECE/CECI/WP/PPP/2017/CRP.9) and the progress in the standards and other outputs, the Working Party requested the secretariat to continue expanding the compendium of case studies as part of a campaign to collect 500 case studies that demonstrate the UNECE people-first PPP criteria and how these projects are meeting the Sustainable Development Goals.

**Conclusion 2017 – 5.15**

The Working Party also expressed its gratitude to the donors who have provided in-kind and financial contributions in support of the UNECE PPP work, including the development of PPP standards and the organisation of demand-driven policy advisory services and capacity building activities of the UNECE International PPP Centre of Excellence.

**VII. Implementation plan for 2017-2018 (Agenda item 6)**

Documentation:

Promoting people-first PPPs for the Belt and Road Initiative and the UN SDGs (ECE/CECI/WP/PPP/2017/CRP.2);

Implementation plan for 2017-2018 (ECE/CECI/WP/PPP/2017/CRP.10);

Revised list of topics for PPP standards (ECE/CECI/WP/PPP/2017/CRP.11); and

Women's empowerment through PPPs (ECE/CECI/WP/PPP/2017/CRP.12).

32. The secretariat introduced document ECE/CECI/WP/PPP/2017/CRP.2 and referred to the discussion under agenda item 4 on the capacity building initiative for countries along the Belt and Road initiative. The secretariat remarked that a number of countries - Belarus, Kyrgyzstan, Morocco, the Russian Federation, Tajikistan Ukraine and Uzbekistan - signalled their interest to participate in the initiative resulting from a Memorandum of Understanding signed between the UNECE and China on 14 May 2017. The secretariat informed the Working Party that it will continue working with all parties to raise the necessary funding for this initiative in consultation with the Bureau and the member States.

33. The secretariat also recalled that at its eighth and final session, the TOS PPP agreed to develop an evaluation methodology to score infrastructure projects against the people first PPP criteria and the SDGs. The secretariat informed the Working Party that various funding options have been explored in the past twelve months and that once the resources are raised, it will submit a proposal to the ECE Executive Committee for its consideration.

**Conclusion 2017 – 6.1**

The Working Party took note of the Memorandum of Understanding signed between the UNECE and China on 14 May 2017 to support member States along the Belt and Road initiative with their PPP development. It welcomed the focus of this cooperation on three pillars, namely:

- (a) a policy dialogue to improve cooperation among the participating countries;
- (b) a comprehensive PPP national capacity building programme; and
- (c) the identification of transformative projects that can be scaled up and replicated in other countries.

**Conclusion 2017 – 6.2**

The Working Party noted that several member States – Belarus, Kyrgyzstan, Morocco, the Russian Federation, Tajikistan, Ukraine and Uzbekistan - signalled their interest to join this capacity building initiative, and urged the secretariat and the Bureau to work together to raise extrabudgetary resources in consultation with member States, and submit a project proposal to implement the Memorandum of Understanding with China to the ECE Executive Committee for its consideration in 2018.

**Conclusion 2017 – 6.3**

The Working Party agreed to set up a process to develop an evaluation methodology as an implementation tool to score infrastructure projects against the people first PPP criteria. It also called on the secretariat and the Bureau to raise extrabudgetary resources to develop the evaluation methodology.

34. The secretariat introduced documents ECE/CECI/WP/PPP/2017/CRP.10 and ECE/CECI/WP/PPP/2017/CRP.11 containing a list of activities planned for the rest of 2017 and in 2018, and an updated list with topics for future standards.<sup>1</sup> The secretariat informed the Working Party that the Government of the United States endorsed the setting up of a Specialist Centre of Excellence on PPPs in resilience in New Orleans.

**Conclusion 2017 – 6.4**

The Working Party endorsed the list of activities planned for 2017 and 2018 (ECE/CECI/WP/PPP/2017/CRP.10), and noted in particular those planned for the PPP Business Advisory Board and the third International PPP Forum in Geneva in May 2018.

**Conclusion 2017 – 6.5**

The Working Party agreed with the topics for future standards, as reflected in the table prepared by the secretariat (ECE/CECI/WP/PPP/2017/CRP.11). It also requested that this table be included as an annex to the report of the session.

**Conclusion 2017 – 6.6**

The Working Party took note, with appreciation, of the request by the United States to set up a Specialist Centre on PPPs in Resilience affiliated to the UNECE International PPP Centre of Excellence, and encouraged the secretariat to finalise the formalities in the coming weeks so that the proposed Centre in New Orleans could become operational in early 2018. It also thanked the Centre in New Orleans for organising a special session on 22 November 2017 on PPPs in Resilience with the involvement of other Specialist Centres and representatives from countries recently effected by natural disasters.

35. The Chairperson referred to the discussion under agenda item 3, and recalled that Mr. Ziad Hayek, vice-Chairperson of the Working Party and the Head of the PPP Unit in Lebanon, introduced a declaration by the PPP units and infrastructure agencies in support of the UN SDGs, which also recommended the creation of a validation experts' network. The Chairperson requested the Working Party to take note of the declaration and to explore the creation of a validation expert network composed of representatives from PPP units and national infrastructure entities.

**Conclusion 2017 – 6.7**

The Working Party took note of the declaration by the PPP units present at the session in support of the UN SDGs, and explored the creation of a validation expert network, composed of representatives from PPP units and infrastructure agencies, on the people-first PPP criteria to be used in the evaluation methodology to score infrastructure projects. It requested the Bureau and the secretariat to conduct further consultations with member

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<sup>1</sup> The list of topics for standards and the list of planned activities are included in Annex I and Annex II respectively.

States on this matter. It also requested the secretariat to include the declaration as an annex<sup>2</sup> to the report of the session.

36. The Chairperson requested the secretariat to introduce an initiative on women's empowerment in PPPs contained in document ECE/CECI/WP/PPP/2017/CRP.12. The secretariat informed the Working Party that this initiative centred on the need to involve more women entrepreneur in the supply of goods and services to the construction and service delivery industry involved in infrastructure and PPP projects, while encouraging the industry to employ more women in sectors which have been hitherto male dominated.

#### **Conclusion 2017 – 6.8**

The Working Party welcomed the initiative to empower women in PPPs (ECE/CECI/WP/PPP/2017/CRP.12). It commended action to mobilize the private sector, notably the construction and service delivery industries, in ensuring women's involvement as entrepreneurs and employees in the supply of goods and services to the PPP industry. The Working Party also encouraged the secretariat and the Bureau to pursue this initiative through extrabudgetary funding.

37. A number of delegations informed the Working Party of their recent and ongoing PPP initiatives, and expressed their desire to receive support in their PPP development going forward.

### **VIII. Cross-sector cooperation with other UNECE bodies and international organisations (Agenda item 7)**

38. The secretariat informed the Working Party on cross-sector cooperation with other UNECE bodies and referred to the cooperation with international organisations, including the Regional Commissions, UN DESA, UNCITRAL, the UN Global Compact, the World Bank, the European Bank for Reconstruction and Development, the Global Infrastructure Hub of the G20 and the World Economic Forum.

#### **Conclusion 2017 – 7**

The Working Party took note of the cross-sector cooperation with other UNECE bodies and international organisations, and encouraged the secretariat and the Bureau to continue working with partners within UNECE, the United Nations and with other international organisations, most notably the Multilateral Development Banks.

### **IX. Other business (Agenda item 8)**

#### **Dates of the next session**

#### **Conclusion 2017 – 8**

The Working Party agreed that its next meeting be held in the second half of 2018. The secretariat will fix the dates in consultation with the Bureau and the conference room services at the *Palais des Nations* in Geneva.

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<sup>2</sup> The declaration is included in Annex III.

**X. Adoption of the report (Agenda item 9)**

**Conclusion 2017 – 9**

The Working Party adopted the report of its first session and requested that it be published in English, French and Russian.

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## Annex I

### List of topics for PPP standards

<i>Overall Guidelines</i>	<i>No.</i>	<i>Guidelines</i>	<i>Status</i>
Governance	1	Guiding Principles on People-first Public-Private Partnerships for the United Nations Sustainable Development Goals	√
<i>Sector</i>	<i>No.</i>	<i>Standards/Recommendations</i>	<i>Status<sup>3</sup></i>
Policy, Legislation, and Institutions	2	Evolving the PPP model to People first	
Governance and compliance	3	Zero Tolerance Approach to Corruption in “People-first” PPP Procurement	√
	4	Model Law and Policy for PPP Concessions	√
	5	Model Concession Contract Provisions	
	6	Arbitration	
	7	Self-assessment for public agencies to ensure conformity with the recommendations in the standard on a Zero Tolerance approach to corruption in People-first PPP procurement	√
	8	Sustainable PPP Procurement	
Health	9	PPP in Health Policy	√
Health	10	Telemedicine and Digital Health	
	11	Organizational Strengthening of Public Hospitals	
	12	Primary Care/Polyclinics	
Renewable energy and energy efficiency	13	On-grid renewable energy (Solar, Wind, Hydroelectricity, and Biomass)	√
Renewable Energy and Energy Efficiency	14	Energy Efficiency in Public Buildings	
	15	Off-grid rural electrification	
Resilient Infrastructure	16	PPPs in Resilience	
Empowering women	17	Empowering women through PPPs	

<sup>3</sup> Project Teams have already been established and draft standards are in development

<i>Overall Guidelines</i>	<i>No.</i>	<i>Guidelines</i>	<i>Status</i>
Smart and Sustainable Cities	18	Models for developing smart and sustainable cities	
	19	Social housing/urban regeneration	
Transport	20	Airports	√
Transport Infrastructure	21	Ports	
	22	Railways	√
	23	Roads	√
	24	Urban Rail Transit	
Water and sanitation	25	Water Supply and Sanitation	√
Water	26	Rural Water	
	27	Water Management	
Waste Management	28	Waste management (Waste to energy)	√
Others	29	Education	
Others	30	ICT and broadband	
	31	Increasing food security through PPPs involving the water, energy and agriculture nexus	
	32	Innovative finance/impact investing	

## Annex II

### List of planned activities in 2017 and 2018

#### I. Public-Private Partnerships

1. The focus of the work on Public-Private Partnerships (PPPs) is on developing international PPP standards and best practices in support of the Sustainable Development Goals (SDGs) and implementing them in countries through demand-driven national, regional, and international capacity-building activities as well as through policy advisory services carried out by the UNECE PPP Business Advisory Board.

#### II. International PPP Centre of Excellence

2. The third edition of the UNECE International PPP Forum will be organized in Geneva on 7-9 May 2018.

3. The following meetings of the Business Advisory Board (BAB) with senior policy makers in member States are planned in the coming months. Additional BAB meetings will be organized subject to demand from member States and the availability of extra-budgetary resources:

- (i) Tbilisi, Georgia, June 2018
- (ii) Brasilia, Brazil, September 2018

4. A regional PPP capacity-building workshop will be organized in Moscow, Russian Federation, in March 2018.

5. A PPP conference will be organised in Kiev, Ukraine in the second quarter of 2018.

6. A regional capacity-building activity will be organized in Central Asia in the first half of 2018 in collaboration with UNESCAP.

7. A number of policy advisory and capacity building activities to enhance capacities of CIS countries in formulating and implementing national PPP policy frameworks to promote PPPs as tools to achieve the SDGs will be held in 2018.<sup>4</sup>

8. Work on a major capacity building initiative for countries along the Belt and Road initiative, based on three pillars of cooperation (policy dialogue, national capacity building and transformational projects), will be further advanced in 2018. Its implementation depends on the availability of extrabudgetary resources.

9. The International PPP Centre of Excellence on PPPs in Resilience in New Orleans, United States, will be set up and is expected to become operational in the first half of 2018.

#### III. Standards, guiding principles, best practices and recommendations

10. International standards on PPPs in health policy, water and sanitation, renewable energy, and transport (roads, rail, urban rail transit and airports) are expected to be finalized during 2018.

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<sup>4</sup> As part of the extrabudgetary project “Strengthening the capacity of CIS countries to advance their use of PPPs to achieve the SDGs” financed by the Russian Federation

11. The revised final version of the guiding principles on people-first PPPs for the UN Sustainable Development Goals (SDGs) will be ready in the first semester of 2018, and will be presented to other UN agencies, including the Regional Commissions, and the World Bank as part of the Addis Ababa Action Agenda framework.
12. The campaign to reach 500 People-first PPP case studies will continue to be promoted, and additional case studies will be collected and presented at the third edition of the International PPP Forum in May 2018.
13. An evaluation methodology as an implementation tool to score infrastructure projects against the people first PPP criteria will be set up during 2018 subject to extrabudgetary funding.
14. A network of PPP units and national infrastructure agencies in support of people-first PPPs and the UN SDGs will be set up 2018 subject to extrabudgetary funding.
15. An initiative to empower women through PPPs with the engagement of the private sector will be launched in 2018 subject to extrabudgetary funding.

## Annex III

### Declaration by national PPP Units and infrastructure agencies in support of the UN SDGs

We, the representatives of PPP Units and national infrastructure agencies participating in the first session of the UNECE Working Party on PPPs, fully recognise our commitments to the UN SDGs to build better conditions for our peoples, our planet and our collective prosperity, while leaving no one behind. In this regard,

1. We understand the important role given to Public-Private Partnerships (PPPs) to achieve the SDGs as elaborated in SDG No. 17: PPP can contribute to economic growth, environmental sustainability by cutting CO2 emissions, increase efficiency, and a more socially just society by improving access of essential services especially to the socially and economically disadvantaged.
2. We also recognize that, not all PPP models are in tune with the SDGs. Many of our countries are fragile, lacking financial resources and an institutional framework and policy for PPPs, a track record of effective PPP projects, with some indeed having been affected by conflict. Our local communities struggle to afford the fees required by PPPs for services and we have to adjust and adapt PPP models to these challenging circumstances.
3. Our response – based on the solidarity that exists by our common values, appreciation of the work of PPP units, infrastructure agencies and similar public bodies, it is our collaborative wish to support each other in reaching the highest standards of excellence, to give far greater participation to women within our profession and achieving gender equality.
4. Are mindful on the following course of action in support of PPPs for the SDGs: ensuring transparency, inclusiveness, access, equity and a people-first approach:
  - (a) To work together to develop people first PPPs that contribute directly to the SDGs;
  - (b) To share information, expertise and perspectives;
  - (c) To contribute to a common pool of people first PPPs that can inspire others, supporting in this process other PPP units and embrace these new models that take PPP onto a higher plane and into a new generation;
  - (d) To support the achievement of 500 people first PPPs showcased for a common platform with private sector partners, the multilateral development banks and civil society organisations;
  - (e) To help each other to build the required capabilities to deliver such projects, by developing common professional standards, rules and procedures, aware too of the risks that can arise from PPPs, especially when they are poorly prepared and delivered;
  - (f) To fully support a zero tolerance approach to corruption in PPP procurement as enshrined in the UNECE standard on the same;
  - (g) To cooperate in an international network of public sector PPP units and infrastructure agencies that will seek to mobilise and create “one voice” behind projects that both do “good” and do well and help achieve the goals stated above; and
  - (h) To work with other partners, Regional Commissions, the multilateral development banks, and other supporting bodies from public and private sectors as well as civil society.