



Economic and Social Council

Distr.: General
11 September 2019

Original: English

Economic Commission for Europe

Committee on Innovation, Competitiveness and Public-Private Partnerships

Working Party on Public-Private Partnerships

Third session

Geneva, 3-4 December 2019

Item 4 of the provisional agenda

Review of the work since the second session of the Working Party on Public-Private Partnerships on 20-21 November 2018

Measuring and scaling up the Implementation¹ and Impact of the United Nations Economic Commission for Europe Public-Private Partnerships standards, guiding principles, best practices, declarations and recommendations

Note by the Bureau

Background

This document contains a number of priority recommendations aimed at member States to scale up the implementation and impact of the UNECE PPP standards, guiding principles, best practices, declarations and recommendations.

The Bureau of the Working Party on Public-Private Partnerships is concerned that the PPP normative documents prepared by UNECE are not being sufficiently used by member States, and it is suggested that the Working Party takes a more active role in implementing these documents and redouble its effort to mobilize resources. The latter is because successful implementation requires more resources to be assigned to this task.

An earlier version of this document was submitted to the Committee on Innovation, Competitiveness and Public-Private Partnerships at its thirteenth session in March 2019 for information. At that session, the Committee requested:

¹ The UNECE PPP standards, guiding principles, best practices, declarations and recommendations do not impose any obligations on member States as their implementation is entirely voluntary.

(a) The Bureau of the Working Party on Public-Private Partnerships to submit a proposal with recommendations to the Working Party for its consideration at its next session in December 2019.

(b) The Working Party on Public-Private Partnerships to make recommendations to the Committee at its next session on implementation and impact of UNECE PPP standards, guiding principles, best practices, declarations and recommendations; and

(c) The secretariat to hold a dedicated session with multi-stakeholder participation on the voluntary implementation and impact of UNECE PPP standards, guiding principles, best practices, declarations and recommendations at the International PPP Forum in May 2019.

At the 4th UNECE International PPP Forum (Geneva, 7-9 May 2019), a dedicated session was held on this topic, which generated additional comments and recommendations that are included in this document. Some of these recommendations would require additional extrabudgetary resources in order to be implemented and these are marked with an (*) in this document.

The Bureau recommends to the Working Party to endorse the document and its three recommendations namely, to:

1. Develop implementation strategies of the UNECE PPP standards, guiding principles, best practices, declarations and recommendations;
2. Build new partnerships to scale up the implementation and impact of UNECE PPP standards, guiding principles, best practices, declarations and recommendations; and
3. Develop indicators to measure the implementation and impact of UNECE PPP standards, guiding principles, best practices, declarations and recommendations.

The Bureau also recommends that if the recommendations are endorsed, it will assume responsibly of ensuring their implementation working together with the Working Party members and the secretariat. For each recommendation, the Bureau proposes that two of its members would coordinate the work of a small group of Working Party experts to ensure and monitor their implementation (the secretariat would also issue a call for volunteers to participate in these small groups from the Working Party members).

I. Introduction

1. Governments from the United Nations Economic Commission for Europe (UNECE) member States and other United Nations Member States have regularly met for the past twenty years to improve and promote Public-Private Partnerships (PPPs) as ways to finance infrastructure development.

2. Under the auspices of the UNECE Committee on Innovation, Competitiveness and Public-Private Partnerships (previously the Committee on Economic Cooperation and Integration), the Team of Specialists on Public-Private Partnerships held eight sessions from 2008 to 2016 and the Working Party on Public-Private Partnerships held two sessions in 2017 and 2018.

3. Since 2015 and the approval of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), the UNECE has been realigning and advocating a new approach to traditional PPPs to put people as the main beneficiaries of public services provisioned under the PPP model. It realigns PPPs to be “People-first” with a “Value for

People” objective, delivering outcomes that drive the implementation of the 2030 Agenda for Sustainable Development.

4. During this period, different PPP standards, guiding principles, best practices, declarations and recommendations were endorsed and adopted by the UNECE intergovernmental bodies on PPPs, that is, the Working Party on Public-Private Partnerships and the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP).

5. These normative products on PPPs (see Table 1) are diverse in nature and therefore they differ in the ways they can be implemented and the impacts they can have. They can be classified in the following five categories:

(a) **Standards:** international standards containing policy recommendations targeting governments which are considering the development and implementation of PPPs in a specific sector;

(b) **Guiding principles:** principles of a new model or approach to PPPs with actions to implement them;

(c) **Best practices:** these include examples of People-first PPP projects, best practices for the development of pipelines of PPP projects or for a specific PPP phase etc.;

(d) **Declarations:** aimed at facilitating the voluntary implementation and dissemination of standards, guiding principles etc.; and

(e) **Recommendations:** specific and general recommendations aimed at governments implementing PPPs.

Table 1. List of UNECE PPP standards, guiding principles, best practices, declarations and recommendations

<i>Type of agreement</i>	<i>Name</i>	<i>Status</i>
Standard	Standard on a Zero Tolerance Approach to Corruption in Public-Private Partnerships Procurement	Adopted (2018, CICPPP)
Standard	Standard on PPPs in Railways	Adopted (2019, CICPPP)
Standard	Standard on PPPs in Renewable Energy	Adopted (2019, CICPPP)
Standard	Standard on PPPs in Roads	Adopted (2019 CICPPP)
Standard	Water and Sanitation	In development (Public Review)
Standard	Urban Rail Transit	In development (advanced draft)
Standard	Health policy	In development (Public Review)
Standard	Airports	In development (first draft)
Standard	Model PPP law	In development
Guiding Principles	Guiding Principles on People-first PPPs for the Sustainable Development Goals	Adopted (2019, CICPPP)

<i>Type of agreement</i>	<i>Name</i>	<i>Status</i>
Guiding Principles	Introduction to People-first Public-Private Partnerships in Support of the United Nations Sustainable Development Goals	Adopted (2019, CICPPP)
Best practices	Compendium of People-first PPP projects	In development
Best practices	Waste to Energy	In development
Declaration	Declaration on a Zero Tolerance Approach to Corruption in PPP Procurement	Adopted (2019, CICPPP)
Recommendations	Putting the Guiding Principles on People-first Public-Private Partnerships into practice	Endorsed (2018, Working Party on PPPs)
Recommendations	Recommendations on the use of reliable and independent experts to advise on people-first PPPs projects in low and middle-income countries	Endorsed (2018, Working Party on PPPs)
Recommendations	List of recommended clauses in concession contracts in people-first PPPs in support of the SDGs	Endorsed (2018, Working Party on PPPs)

6. Before their endorsement and adoption by member States, the standards, guiding principles, best practices, declarations and recommendations are developed through a transparent and extensive multi-stakeholder process which involve international experts and representatives from member States, civil society organizations, academia, the private sector and international organizations.

7. For example, the UNECE PPP Standards are created through the Open and Transparent Standard Development Process which include different phases: Project initiation, Stakeholder mobilization, Developing initial draft, Public review, Endorsement, Approval and Maintenance.

8. Although these normative products do not impose any obligations on member States as their implementation is entirely voluntary, it is time to think about how to implement the accumulation of standards, guiding principles, best practices, declarations and recommendations on People-first PPPs. There are three reasons for this:

(a) The 2030 Agenda for Sustainable Development and its Sustainable Development Goals is not an academic exercise but a plan for actions to transform the world for the better and shift it onto a sustainable path by 2030². Only transformative actions driving sustainable development and resulting from UNECE normative products on PPPs will have the impact needed to close the infrastructure gap and implement the 2030 Agenda for Sustainable Development;

(b) More than a year after the endorsement of the Standard on a Zero Tolerance Approach to Corruption in PPP Procurement, the UNECE secretariat has no evidence it was

² Transforming our world: the 2030 Agenda for Sustainable Development, A/RES/70/1, United Nations, see http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

used by any Government. This is also the case for other UNECE PPP Standards. Further mobilization and resources are therefore needed to promote the People-first approach to PPPs and have more People-first PPP projects implemented; and

(c) Although there is a specific SDG indicator for PPPs within the global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development³, SDG Indicator 17.17.1 – *Amount of United States dollars committed to (a) public-private partnerships and (b) civil society partnerships* - it only captures one specific input and does not measure the implementation and impacts of PPP projects and whether they are contributing to sustainable development. Further strategies and instruments are necessary to ensure that PPP projects deliver People-first outcomes and implement the 2030 Agenda for Sustainable Development.

9. This will require the development of different implementation strategies and monitoring mechanisms. Furthermore, this will also respond to the desire and political commitment of member States to implement UNECE normative products on PPPs and develop People-first PPP projects that contribute to the implementation of the 2030 Agenda for Sustainable Development.

II. Implementation and impact: definition and importance for the 2030 Agenda for Sustainable Development

10. Implementation is the process of turning strategies, plans or principles into actions. Within the framework of the 2030 Agenda for Sustainable Development, actions resulting from the implementation of UNECE PPP standards, guiding principles, best practices, declarations and recommendations, must have positive social, economic and environmental impacts and drive sustainable development.

11. But their implementation is not an easy task. For example, the implementation of policy recommendations on PPPs must deal with specific political context, level of political commitment, financial and technical capacities, level of economic development or private sector interest, to only name a few.

12. More generally, different challenges must be addressed to foster the full implementation of UNECE normative products on PPPs, such as:

(a) Poor knowledge of the UNECE standards, guiding principles, best practices, declarations and recommendations on PPPs;

(b) No ownership of agreements from national authorities, especially from senior government officials;

(c) Normative documents being developed outside the Open and Transparent Standard Development Process without properly taking into account their application, use and implementation;

(d) No monitoring mechanism established;

(e) Weak technical and institutional capacities to undertake PPPs from governments;

(f) Lack of resources; and

³ Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development, United Nations, A/RES/71/313 E/CN.3/2018/2, see https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%20refinement_Eng.pdf

- (g) Non-binding agreements with voluntary implementation.

13. It is essential to define what implementation and impact mean, as their spectrum can be relatively broad. A PPP Standard can be considered implemented when it is taken into consideration for the drafting of a new law or regulation on PPPs, but it could also be measured as implemented when it is applied to a project. The same question exists for evaluating the impact and whether it should be restricted to the application of a PPP Standard to a project or to its broader outcomes on sustainable development.

14. Impact can also be assessed from the extent to which they contribute to the five People-first outcomes⁴:

- (a) Access and equality,
- (b) Environmental sustainability,
- (c) Economic effectiveness including fiscal sustainability,
- (d) Replicability, and
- (e) Stakeholder engagement.

15. Such questions are not easy to answer but the main objective is to have more People-first projects implemented to close the infrastructure gap while driving sustainable development. For that, any actions and impact resulting from the implementation of UNECE PPP standards, guiding principles, best practices, declarations and recommendations, should be monitored.

16. As we enter the last decade of the 2030 Agenda for Sustainable Development, time is counted to implement People-first PPP projects and achieve the SDGs by 2030. Cooperation with key partners with a bigger or different scope of action than the UNECE would scale up the impact of the UNECE normative products on PPPs, whether it is to promote and maintain them or finance and develop People-first PPP projects.

III. Recommendations

Recommendation 1

Develop implementation strategies of the UNECE PPP standards, guiding principles, best practices, declarations and recommendations.

17. The development of implementation strategies is needed to:

- (a) Foster the use of UNECE PPP standards, guiding principles, best practices, declarations and recommendations;
- (b) Promote the development of an enabling PPP environment;
- (c) Assist countries in the application of UNECE PPP standards, guiding principles, best practices, declarations and recommendations;
- (d) Strengthen political commitment and support towards UNECE standards, guiding principles, best practices, declarations and recommendations, especially from senior government officials; and

⁴ Guiding Principles on People-first PPPs for the Sustainable Development Goals, ECE/CECI/2019/56, see http://www.unece.org/fileadmin/DAM/ceci/documents/2019/CICPPP/ECE_CECI_2019_05.pdf

18. The following could be considered for the development of implementation strategies:

(a) Develop an **implementation guide** to assist countries in the application of the UNECE PPP standards, guiding principles, best practices, declarations and recommendations. This guide could eventually take the form of an online tool (*)⁵, such as the United Nations Trade Facilitation Implementation Guide⁶. This guide could use and scale up the recommendations for implementation developed in the UNECE Declaration on a Zero Tolerance Approach to Corruption in PPP Procurement;

(b) Develop **communication strategies** for the dissemination of the People-first concept and UNECE PPP normative documents. One effective way is to have political champions advocating for the People-first concept at the country level, especially to the top government officials who do not always know about UNECE work on PPPs; and

(c) Encourage the use of **official requests** from benefiting authorities of technical assistance, such as statements of intent.

Recommendation 2

Build new partnerships to scale up the implementation and impact of UNECE PPP standards, guiding principles, best practices, declarations and recommendations.

19. New partnerships are needed to scale up the implementation and impacts of the UNECE normative products on PPPs:

(a) The UNECE PPP standards, guiding principles, best practices, declarations and recommendations will only be recognized globally if they are developed, maintained, promoted and used by a broad network of stakeholders, including within the United Nations system;

(b) They are not restricted to the UNECE region and can be applied in other countries;

(c) Even though UNECE maintains standards that are recognized globally, it has a limited scope of action, by its size and mandate; joining forces with other partners would allow for a better promotion of UNECE normative work on PPPs and the People-first PPP model;

(d) To ensure that the work realized is disseminated and understood so that it has a greater and global impact; and

(e) Partners could help update and maintain the different UNECE PPP standards, guiding principles, best practices, declarations and recommendations.

20. The following could be considered to build partnerships:

(a) Strengthen the cooperation with the other **United Nations Regional Commissions** and organize joint activities, such as the 2020 International PPP Forum that could take place in Addis Ababa in cooperation with the Economic Commission for Africa (ECA);⁷

⁵ The implementation of this recommendation would require additional extrabudgetary resources.

⁶ See <http://tfig.unece.org/index.html>

⁷ See press release of 15 May 2019 on the 4th UNECE International PPP Forum: *The five United Nations Regional Commissions to work together to make PPP 'fit for purpose' for the 2030 Agenda for Sustainable Development*: <http://www.unece.org/info/media/presscurrent-press-h/ecid/2019/the-five-united-nations-regional-commissions-to-work-together-to-make-ppp-fit-for-purpose-for-the-2030-agenda-for-sustainable-development/doc.html>

(b) Identify synergies with the **United Nations Global Compact**, especially in the context of the repositioning of the UN development system;⁸

(c) Redouble efforts to promote the People-first PPP model in the work of the Inter-agency Task Force on Financing for Development under the auspices of the **United Nations Department of Economic and Social Affairs** (UN DESA). More specifically, the annual report of the Inter-agency Task Force on Financing for Development which monitors the implementation of the Addis Ababa Action Agenda, could mention the work of UNECE on PPPs in the form of a policy note;

(d) Establish a cooperation agreement with the **Sustainable Infrastructure Foundation (SIF)** to integrate UNECE PPP normative documents into the SOURCE platform, such as the scoring mechanism of the People-first PPP Impact Assessment Tool and the Standard on a Zero Tolerance Approach to Corruption in Public-Private Partnerships Procurement; and

(a) **Translate to other languages** (Spanish, Chinese,⁹ Arabic) the different UNECE PPP standards, guiding principles, best practices, declarations and recommendations, to increase the impact and develop partnerships around the world (*)¹⁰.

Recommendation 3

Develop indicators to measure the implementation and impact of UNECE PPP standards, guiding principles, best practices, declarations and recommendations.

21. Indicators are needed to:

- (a) Measure progress of the implementation of UNECE PPP normative products;
- (b) Build some evidence of their use and impact;
- (c) Measure the whole spectrum of implementation with different category of indicators to measure implementation activities, their outputs, outcomes and impacts; and
- (d) Measure the implementation and impacts of PPP projects and whether they are contributing to achieving the SDGs, to go beyond SDG Indicator 17.17.1 – *Amount of United States dollars committed to (a) public-private partnerships and (b) civil society partnerships*.

22. The following could be considered for the development of the indicators:

- (a) **A Project Team could be set up to identify and build indicators** (*)¹¹. There could be indicators for measuring the implementation and impact for the different type of UNECE PPP normative products (Standards, Declarations etc.). For example:
 - (i). Number of national policies resulting from UNECE normative products on People-first PPPs;
 - (ii). Number of PPP projects applying UNECE PPP Standards; or
 - (iii). Press and media coverage of UNECE PPP normative products. For example, number of times a UNECE PPP Standards are cited in the media.

⁸ See the report of the Secretary-General on the repositioning of the UN development system (A/74/73–E/2019/14), United Nations, 2019: <https://undocs.org/A/74/73>

⁹ The UNECE-affiliated Specialist Centre at Tsinghua University in Beijing – TUPPP – is currently translating the UNECE PPP standards, guiding principles, best practices, declarations and recommendations into Chinese.

¹⁰ The implementation of this recommendation would require additional extrabudgetary resources.

¹¹ Idem.

(b) **Explore how the UNECE could develop SDG complementary indicators,** to help measuring the implementation of PPP projects at the regional level, to go beyond SDG Indicator 17.17.1.
