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**Economic Commission for Europe****Committee on Innovation, Competitiveness and Public-Private Partnerships****Working Party on Public-Private Partnerships****Seventh session**

Geneva, 30 November-1 December 2023

Item 4 of the provisional agenda

**Review of the work since the sixth session of the Working Party on Public-Private Partnerships  
on 1-2 December 2022****Guidelines on delivering Public-Private Partnerships projects  
for sustainable economic recovery and reconstruction in  
support of the Sustainable Development Goals****Note by the Bureau<sup>1\*</sup>***Background*

This document contains guidelines with policy options and recommendations for governments on the pros and cons of simplifying and accelerating the delivery of Public-Private Partnerships (PPPs) projects in support of the Sustainable Development Goals (SDGs) for sustainable economic recovery and reconstruction.

The document was prepared by an international drafting team led by Syed M. Ali Zaidi (Canada) and has been endorsed by the Bureau of the Working Party on Public-Private Partnerships with a recommendation for the Working Party to endorse it. The drafting team leader was supported by core contributor, Doris Chevalier (Bureau observer) and KPMG (in alphabetical order): Fjolle Bunjaku, Jennifer Collier, Kevin Masters, Christobal Pollman, Richard Threlfall and Tom Williams.

The document is submitted to the Working Party for decision.

The Bureau is grateful to the drafting team experts (listed in Annex II) for their contribution.

**I. Introduction**

**An innovative approach to delivering Public-Private Partnerships (PPPs) is required to deliver benefits at pace in challenging environments.**

There is an understandable push in post-conflict and post-disaster contexts to bring communities back together by rebuilding damaged physical infrastructure at a considerable pace. This guide aims to ensure that policy makers are equipped with the right insights to

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\* This document was scheduled for publication after the standard publication date due to consultations with interested parties and stakeholders.



make better decisions that streamline PPP projects without compromising the broader goal of rebuilding economies and societies in alignment with the SDGs.<sup>1</sup>

This guide provides an overview of the strategies, tools, and nuances (including referencing existing guidance and best practice) to support the acceleration of the delivery of PPP projects in the aftermath of conflicts and disasters.

There are many different approaches to PPPs. This guide will focus on key intervention points that have the greatest relevance to the contexts of post-conflict and post-disaster. This includes defining the scope of the project by coordinating the needs of the population with the availability of technical actors (utilising, where possible, existing frameworks), financing mechanisms for the reconstruction, and delivery (with appropriate project monitoring) of the project(s).

These include:

1. **Key success factors for project delivery:** The underpinning elements, or factors, that should be present and implemented at all stages of the PPP lifecycle, including the need to develop and repair capacity, digital tool selection, policy and regulation, and project reporting, in support of the SDGs.
2. **Project planning and identification:** Project identification and viability evaluation, from concept to pre-feasibility, accelerating PPPs by ensuring strategic alignment and feasibility during redevelopment.
3. **Project procurement and financing:** Strategic and standardised approaches to delivering multiple projects under single programmes, including programme-level procurement and financing to maximise depleted resources and capability.
4. **Project implementation:** Project execution, expediting PPPs by turning plans into tangible outcomes that stimulate recovery, adopting appropriate acceleration tools, and managing collaborations effectively.

This guide is structured into five sections and a short introduction to provide a holistic and strategic approach to delivering PPPs for recovery and reconstruction in support of the SDGs. Beginning with the critical success factors applicable to all stages of project delivery, the guide will then look at the pros and cons in accelerating the delivery of PPPs at different stages of a project lifecycle, from planning and assessment, to procurement and financing, and finally to its implementation. The guide concludes with ten key policy options and recommendations to enhance the effectiveness of PPPs in achieving sustainable economic recovery and SDG alignment. Each section is designed to provide insights, best practices with examples, and actionable guidance for a successful PPP journey, focusing on the advantages of accelerating the delivery of PPPs with very specific and concrete recommendations to mitigate some of the challenges in each stage of a PPP lifecycle.

## II. Key success factors for project delivery

### Introduction

This section highlights the key PPP success factors that support the simplification and acceleration of projects throughout their lifecycle whilst supporting the SDGs.

These factors have been selected as they are critical to the delivery of reconstruction PPPs throughout each project phase. The key success factors need to be addressed with a lens to accelerate the delivery of projects. Otherwise, it is likely that these critical factors could delay the delivery of PPPs.

### Context and challenge

In case of reconstruction after a conflict or natural disaster, it is very likely that substantial social, political, and economic changes occurred or are still occurring. The challenge for the governments, once having identified the status of what is available to them and what is

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<sup>1</sup> A full list of ECE PPP policy documents on the “PPPs for the SDGs” approach, is available at: <https://unece.org/ppp/products>.

missing, is to coordinate all the elements of the reconstruction value chain, define a plan, detail the actions, allocate human resources, and secure the financial means.

Developing trust inside and outside the country in the short term and delivering long-term benefits during reconstruction is challenging without consistent strategic delivery. Therefore, governments would have to set up an organisation capable of providing fair and transparent information to all stakeholders: a decision-making and monitoring chain to develop and manage PPPs (legal, technical, and financial) in the short and medium term, a communication taskforce to record, monitor and share decisions and information with populations as well as with leaders.

## 1. A PPP designed to embed the Sustainable Development Goals

PPPs for sustainable economic recovery and reconstruction must fulfil the ECE five desirable outcomes as “PPP for the SDGs” to achieve public infrastructure and service needs that prioritise “people” and “planet”, namely:

- (i). Access and Equity;
- (ii). Economic Effectiveness and Fiscal Sustainability;
- (iii). Environmental Sustainability and Resilience;
- (iv). Replicability; and
- (v). Stakeholder Engagement

Selecting and prioritising key SDG outcomes in a standardised assessment increases the attractiveness of PPPs to international organisations and lenders and allows for swift assessment of PPPs based on their ability to deliver on stakeholder needs.<sup>2</sup>

The “UNECE PPP and Infrastructure Evaluation and Rating System (PIERS): An evaluation methodology to score projects against the SDGs” supports swift and consistent assessment, including both qualitative and quantitative methods for measuring the PPPs for the SDGs outcomes.<sup>3</sup>

For a reconstruction project, the PIERS methodology will support with equal strength:

- (i). **Resilience:** Providing economic, social, and environmental resilience.
- (ii). **Recovery:** Finding efficient solutions for the fast recovery of the crucial economic and social processes and natural ecosystems.
- (iii). **Modernisation and growth:** Developing a modernisation plan to ensure expedited sustainable economic growth and wellbeing of the people.
- (iv). **Transparency:** Providing transparent, timely, understandable, accessible, and quality information about the PPP throughout the project’s lifecycle. In a way that can be viewed, scrutinised, and support the development of trust.

### *Advantages in using the PPPs for the SDGs approach to accelerate the delivery of PPPs*

With indicators for access and equity, economic effectiveness and fiscal sustainability, environmental sustainability and resilience, replicability, and stakeholder engagement, PIERS can be easily tailored to prioritise needs and address specific challenges quickly and transparently to inform decision making.

Incorporating sustainable strategy into reconstruction PPPs can create climate resilient, circular, green, inclusive, and fiscally sustainable infrastructure that not only address immediate reconstruction needs but also supports long-term development. PPPs for the SDGs

<sup>2</sup> The ECE Guiding Principles have defined “PPP for the SDGs” as: “... a type of Public-Private Partnerships (PPPs) designed to implement the Sustainable Development Goals and thereby to be “fit for purpose”. It is defined as an enhanced approach for PPPs that overcomes some of the weaknesses in the way the traditional PPP model has been implemented. PPPs are contract delivery tools for public infrastructure provision involving initial private financing. They include two types: “government-pay PPPs” which are primarily funded by taxpayers and “concessions” which are primarily funded by the users of the infrastructure.”

<sup>3</sup> The PIERS methodology is available at: <https://unece.org/ppp/em>. PIERS complements and puts in practice the ECE PPP Guiding Principles on PPPs in support of the SDGs.

can promote a swifter assessment of future developments when planning and assessing projects or proposals.

In prioritising SDGs in the delivery of reconstruction PPPs, cross-cutting benefits that may be otherwise missed or overlooked by stakeholders can be identified. For example, nature-based and climate-resilient solutions can be easily integrated with little extra cost and provide longer term extra-project benefits such as flood control, clean air, and water for health, attracting and retaining residents.

## 2. Needs assessment and stakeholder engagement

Using digital tools and creating a data strategy to enable shared data environments will be key to accelerating and delivering a comprehensive needs assessment for planning and implementing PPPs during reconstruction. Using local and international networks in a range of forms will be critical due to the variety of stakeholders involved, i.e. government agencies, local communities, civil society organisations, private sector representatives, and international partners. This assessment will help to identify the specific infrastructure, services, and development priorities that require attention.

To accelerate the PPP delivery, it is important to engage innovative tools to capture the needs of a wide range of stakeholders quickly and concurrently.

Previous examples of reconstruction PPPs have provided key lessons learned on the importance of needs assessment and stakeholder engagement. One specific example is following the tsunami in 2004 in Indonesia. The opposition by the residents to the housing design could have been avoided if a thorough needs assessment and stakeholder engagement had been implemented into the project lifecycle.

### Example 1<sup>4</sup>

Following the Indonesia tsunami of 2004, initial housing designs were opposed by residents comprising of the Acehnese ethnic group, who felt that the designs did not factor in their cultural norms. This resistance led to significant design delays.

### *Advantages in performing a needs assessment and stakeholder engagement to accelerate the delivery of PPPs*

Mapping of “relevant” stakeholders using advanced technologies and approaches should be undertaken to gather input on the most pressing needs and priorities from various perspectives. PPP contracts usually have a duration that is much longer than the “post-conflict” or “natural disaster” period. This should not only address the project investors but include all people who could be affected by the project. These approaches are advantageous in securing private businesses’ interest in the PPP as they support the development of “sizeable, impactful and bankable projects.”<sup>5 6</sup>

Data collection is vital and should be analysed at speed early in the process to identify infrastructure damage, service gaps, demographic changes, and economic indicators. This data can also allow for the assessment of the scope of reconstruction required for each type of infrastructure, ensuring the solution for reconstruction is appropriately sized to accelerate its delivery.

To achieve the above, smarter, more varied digitalised tools may be required, for example, the use of social media and local community channels. Understanding the expectations and

<sup>4</sup> For further details, see case study 1 in Annex I

<sup>5</sup> “Putting the Guiding Principles on PPPs in support of the SDGs into practice” (ECE/CECI/WP/PPP/2023/5).

<sup>6</sup> Securing private businesses interest: implementation of selected priority projects and revising the initial list based on the identified financial constraints will support acceleration of projects individually or to be delivered as part of a wider programme. It will create stakeholder buy in and consideration of the conditions in which it will be implemented. This can cover existing human potential (availability and institutional capacity) and the ability to combine projects into pools, replicate individual projects, create a pool of available consultants “on demand”.

priorities of each stakeholder early in the process can ensure early and efficient action to balance and distribute risks, provide government support, and identify other preferences. Convening multiple groups and stakeholder sessions at the same time, such as public authorities, NGOs, investors, and private businesses, can deliver stakeholder engagement in an accelerated manner.

### 3. Data, reporting and communication

Streamlining the collation of data will increase transparency and accountability whilst reducing errors, reformatting, and duplication of analysis for multiple reporting needs and platforms, which can result in inaccurate data, excess resources, and delays to the programme of the PPP. To accelerate the delivery of PPPs whilst meeting both the needs of the population and satisfying the conditions of the financiers (including satisfying sustainability targets in countries), it is critical that reporting measures are proportionate to potential insights gained and the risks and opportunities identified.

Having an overarching data strategy is imperative, alongside the selection of consistent metrics and measures. Increasing transparency and accountability and creating open-source platforms can ensure high data quality delivered at a reduced cost. This, in turn, reduces error, ensures that responsibility and accountability for collection is assigned and reduces the risk of inaccurate data, excess resources, and time.

#### *Advantages in using data to accelerate the delivery of PPPs*

Data can act as an evidence base for multiple stakeholder requirements from individual PPPs to the master plan level. If accurate and transparent, it supports the development of trust, supports anti-corruption, and encourages further investment and future development. Embedding a consistent data and reporting approach throughout the delivery of the PPP will support acceleration as it will prevent duplication of effort, reduce capacity needs and ensure that the data collated has a strategic purpose. Using data and generating high-quality reports that demonstrate the acceleration of PPPs will be essential to apply to larger aspects of the reconstruction efforts.

The example below depicts how data can be leveraged for several purposes, such as for impact analysis which can be used for improved planning.

#### **Example 2<sup>7</sup>**

Following the 2011 tsunami in Japan, field measurements and satellite data were used alongside hydrodynamic analysis to assess the impact of the tsunami. The work informed future land use as well as contributed to immediate reconstruction planning.

### 4. Capacity development, knowledge transfer, and a dedicated PPP unit

A dedicated PPP unit with a specific team can accelerate post-disaster reconstruction by prioritising activities, increasing capacity, and communicating with financiers, authorities, politicians, and communities. It enhances collaboration, knowledge sharing, and trust-building among stakeholders, ensuring quick infrastructure redevelopment after disasters or conflicts. The PPP team can ensure that independent sectoral experts identify strengths and weaknesses for effective capacity building, benefiting both the public and private sectors.<sup>8</sup>

In case of reconstruction PPPs, these contexts demand a focused effort to develop the expertise necessary to navigate the complexities of PPP project development and management and understand the urgency to recover.

<sup>7</sup> For further details, see case study 2 in Annex I.

<sup>8</sup> For more detailed recommendations on the role of PPP units, please see Principles 2 and 3 in the ECE [Guiding Principles](#) in PPPs in support of the SDGs (ECE/CECI/WP/PPP/2022/7).

- **Risk management:** Optimising the allocation of risks between public and private sectors can be complex, especially in a fragile post-conflict/post-disaster context. Strengthening risk management capacity involves providing comprehensive training to government officials, fostering collaboration (and building networks) with experienced practitioners, and integrating lessons from similar contexts.
- **Financial and funding capacity:** Navigating the financial landscape in reconstruction scenarios is a pivotal aspect of delivering effective PPPs.
- **Identification of technical capacities:** The specific skills needed in a reconstruction scenario should be evaluated, assessing how the workforce demographic has changed as well as the risks post-conflict and natural disasters, such as dealing with contaminated construction sites (oil, asbestos, chemicals, unexploded explosives, etc.)

### *Advantages in developing capacity to accelerate the delivery of PPPs*

Creating a PPP team of experts for effective and fast preparation of PPP projects during redevelopment by identifying who can be quickly called upon "at request" can support the capacity of the public authorities, especially at the municipal level. Such experts can be selected and funded by international donors under the umbrella of an international organisation. The group should include experts in technical, legal, and financial aspects of the project. They must have a solid PPP background expertise.<sup>9</sup>

Strengthening the specific powers of relevant administrative bodies (e.g., PPP Units) will help to identify bottlenecks and take prompt corrective actions. Facilitating robust decision-making allows for more permits and consents to be issued by a single administrative body. This could be achieved by regularly monitoring the project by revisiting the project pipeline to find scope for acceleration and re-prioritisation.

Strengthening and developing the capability of public authorities to implement a series of projects convened under a single programme (programmatic approach) will support efficient procurement of PPP to speed up delivery and to get economies of scale. Capacity development should be considered at the masterplan level to ensure skills are flexible to meet the needs of not just one PPP but can be appropriately adapted within the wider interdependent reconstructed economy.

A lack of expertise and technical capabilities as a result of high numbers of internally displaced people and population decrease can be a significant barrier to achieving accelerated outcomes for PPPs in post-conflict and post-disaster environments. A dedicated PPP team can support delivery in the short term whilst delivering long-term capacity building and knowledge exchange to ensure that PPPs can be delivered at pace. A PPP team can support continuous learning, incorporating lessons learned, and adaptive management for navigating the challenges and complexities of delivering PPPs in post-conflict and natural disaster situations and supporting the long-term acceleration of future PPPs.

Secondments of international experts into the PPP unit could help build capacity and deliver efficient procedures and processes. Key institutions and predeveloped capacity platforms (used both globally and locally) need to be mobilised and prepared to support such that the countries in question can discuss and register their needs quickly to ensure accelerated delivery. Advisory services are available from many institutions (some free of charge, some in exchange of business activities for their home companies, and some at cost) to assist in capacity building of public institutions. In a post-conflict scenario, good public sector employees are usually recruited to the re-emerging private sector, so flexibility in the remuneration of critical staff is key to staff retention.

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<sup>9</sup> Involving reliable and independent experts to develop PPPs in support of the SDGs is crucial. For more information, please see document ECE/CECI/WP/PPP/2023/9.

## 5. Digital tools

Digital tools can play a transformative role in facilitating PPPs in post-conflict environments, namely, to set the balance between the needs of reconstruction, the capacity of delivery/implementation and the affordability by users/taxpayers. The tools help to define the optimum scope of construction works in relation to the expected operation performance/service. Putting clear emphasis on a digital strategy and the procurement of tools is critical to accelerating PPPs.

Rather than preferring any specific digital solution, the following features should be present to support the acceleration of PPPs in a digital strategy:

- (i). Data linked to masterplan;
- (ii). Digital capacity building and training unconstrained by time of day;
- (iii). Digital tools for data aggregation for multiple programme indicators such as cost, programme, safety, social and environmental key performance indicators (KPIs) to be viewed holistically; and
- (iv). Digital tools to enhance transparency and build greater confidence (reporting) via verifiable data chains.

Linking masterplans, programmatic PPPs and individual projects to digital tools can be used to identify where potential delays or acceleration might be possible. Monitoring of progress and recovery challenges is essential to ensure that key targets and ambitions are being met, and a data strategy can ensure that tools are supported by accurate, accessible data, which is key for sufficient transparency and automation of labour-intensive reporting.

### *Advantages in using digital tools to accelerate the delivery of PPPs*

There are four major advantages, namely:

- (i). **To develop masterplans and recovery programmes** that will accelerate the delivery of PPPs, it will be necessary to understand the local condition of infrastructure. Digital tools can be used to enable stakeholders to understand what was destroyed and to what extent, what the future demands of infrastructure are in different communities as they can collect important on the ground information (condition reports) and centralise the information.
- (ii). **Digital educational platforms** can increase the capacity of public authorities in planning and implementing recovery programmes to support acceleration. It is difficult and unsafe to organise training activities in offline mode during war. To reach more people, the educational process should be flexible, be provided in online mode with 24/7 access, and via multiple channels, formats and languages, providing an easy-to-use interface.
- (iii). **Digital tools can support simplified filing** and navigation of systems to deliver practical user benefits. Data aggregation for multiple programme indicators such as cost, programme, safety, social and environmental KPIs can be viewed and assessed holistically, creating an easy-to-use interface for accelerated analysis and increased transparency.
- (iv). **Digital tools are critical as they can serve as a long-term platform for building legacy.** A system for feedback of experiences can be useful to continuously improve the content, for example, in terms of contract designs, procurement, or interfacing with different government agencies.

### *Recommendations to mitigate some of the challenges in accelerating the delivery of PPPs projects throughout their lifecycle*

<i>Section</i>	<i>Challenge</i>	<i>Recommendations</i>
<b>Needs assessment</b>	1. Accelerated needs assessment could potentially exclude vulnerable groups and therefore not meet the “PPPs for the SDGs” approach. Accurate assessments could be	1. Where possible, existing data from international databases should be utilised to establish baseline requirements for projects. These databases should be supplemented with other tools and resources such

<i>Section</i>	<i>Challenge</i>	<i>Recommendations</i>
	a challenge as communities would have fled the area and communication infrastructure within the country may not yet be re-established.	as satellite or aerial imagery as part of initial surveys, remote sensing, and geospatial analysis, a comparison can be achieved to increase the validity of collated data and reduce risk of unintended bias.
<b>Capacity development</b>	2. In accelerating the PPP process capacity development may not align to the PPP lifecycle resulting in a solution that is not accepted by the local community and stakeholders may not support future operational maintenance and local ownership resulting in the asset falling into disrepair.	2. It is necessary to involve and embed the voice of the local communities in deployment of the PPP. Any short-term decision to supplement due to a lack of local capacity, must be transitioned to a longer-term approach to building local capacity (see also recommendation 5 in Section VI below).
<b>Data, reporting and communication</b>	3. Data collection is time intensive and prone to error, post conflict and natural disaster it is likely that there are substantial gaps in data.	3. It is imperative that the correct metrics are chosen; the sources and methods of collation are evidenced; and assumptions are clear to reduce the risk of delaying the PPP.
<b>Digital tool assistance<sup>10</sup></b>	4. An unintegrated approach to implementation of digital tools can make delivery of the PPP cumbersome and slow.	4. Use of prioritization methods when selecting tools to adapt functionality to reconstruction constrains/circumstances.
	5. Insufficient data quality and the reliability of digitally sourced data approaches such as crowdsourcing can be undermined by bias in reporting of information in favour of majority groups.	5. One mitigation method is the adoption of simple data confidence metrics (high, medium, and low). This method allows the ingestion of low confidence data points with the appropriate caveats.

### III. Project planning and identification<sup>11</sup>

#### Introduction

This section looks at the organisational, procedural and governance foundations that will support swift, effective, and transparent decision-making, prioritisation of programmes and projects, and effective control through project planning and identification.

#### Context and challenge

In the reconstruction context, critical infrastructure is likely to have been destroyed. This, combined with a lack of capability, a lack of skilled resources and increased security risks, makes reconstruction challenging. Rebuilding efforts often involve various stakeholders, including government agencies, NGOs, international organisations, and local communities. Coordinating diverse groups and aligning their efforts can be complex and time-consuming. Beyond the emergency projects required to enable a country to function after a conflict, well

<sup>10</sup> See also recommendation 10 in Section VI below.

<sup>11</sup> The concept stage of a project when pre-feasibility studies are conducted.



designed and considered project planning and assessment can coordinate the different stakeholders under common objectives to deliver wider benefits and value at pace.

To deliver accelerated reconstruction PPPs that are bankable and are not fully dependable on grants and guarantees, a combined systematic and strategic approach should be undertaken to ensure activities, projects, or initiatives are coordinated and organised in a manner to achieve acceleration whilst delivering the SDGs in a post-conflict or natural disaster scenario. To accelerate the reconstruction PPPs, there is a need to put in place a programmatic approach together with a transparent and efficient governance approach.

## 1. A programmatic approach

A programmatic approach to the PPP lifecycle aims to streamline processes by optimising resources, information, and data, using a coordinated and common approach to facilitate better outcomes and benefits sooner rather than later. For each reconstruction PPP, defining common objectives, milestones, and outcomes and performance expectations is an important step that enables more effective needs assessments, enhanced integrated planning, sequencing and prioritisation. Also, bundling projects in similar sectors can be an effective strategy in the right circumstances, particularly where there might be a need for rapid and efficient reconstruction efforts. Launching one project as a pilot can reduce risks and create a template for others to follow.

### *Advantages in using a programmatic to accelerate the delivery of PPPs*

A programmatic approach for delivering reconstruction PPPs can contribute to rebuilding, promoting stability, and fostering sustainable development quickly. This can be achieved by:

- (i). **Needs assessment and project identification:** Conducting a comprehensive needs assessment to identify critical infrastructure, social services, and economic sectors that require reconstruction enables the prioritisation of projects based on their potential impact on recovery and development, considering the immediate and long-term needs of the affected population.
- (ii). **Long-term planning:** Providing an opportunity to integrate PPP projects into broader long-term development goals that support sustainable recovery and reconstruction efforts. Evaluate the degree of homogeneity among the bundled projects (creating a programme). For example, projects with similar characteristics, asset class, proximity, region, etc., might be more suitable for bundling. Also, reconstruction projects can be grouped by trades rather than by sectors to optimise resources, expenses and deadlines.
- (iii). **Financial viability and sustainability:** Developing a financial deal structuring approach supports the consideration of the post-conflict economic environment and addresses the need for long-term sustainability. It is also important at this stage to explore innovative financing mechanisms and funding sources that align with the country's financial capabilities. An example could be the clustering of tenders and proposals to support swift regeneration.
- (iv). **Legal and regulatory framework:** Tailoring and updating the legal and regulatory framework for PPPs to address post-conflict challenges allows for a special focus on fair procurement processes, contract development, risk allocation structuring and dispute resolutions.
- (v). **Community engagement and social inclusion:** Involving local communities and marginalised groups in project planning, decision-making, and implementation by incorporating their needs and preferences will ensure project relevance and ownership.
- (vi). **International collaboration:** Establishing collaboration with multilateral development agencies, donor countries and other international public and private agencies to leverage resources and expertise.
- (vii). **Security risk planning:** Consideration of the impact that any ongoing security risks pose to project plans and working with stakeholders to address risks appropriately in the short, medium and long term.

Another crucial aspect in reconstruction PPPs is effective collaboration between the public and the private sectors. In times of crisis or post-disaster recovery, such partnerships hold the key to expeditious and efficient reconstruction efforts. By working together seamlessly, public and private sectors can drive successful reconstruction PPPs that rebuild communities stronger and more resilient than before. Lack of collaboration can be detrimental, as the example below shows.

### **Example 3**

Poor collaboration between private sector partners and the Afghan government following the war in the country led to significant increases in construction costs and timeline delays. The Kabul-Logar Ring Road PPP project, which aimed at improving the connections between Kabul and Logar province, faced multiple challenges. Delays, cost overruns, and disputes were attributed in part to security-related expenses.

## **2. Governance approach**

Good governance is at the heart of effective policy, programme, and PPP delivery. A well-designed, flexible, and transparent governance structure can support the acceleration of PPPs. If the approach is flexible and transparent, it can support robust monitoring of performance and deliver risk management via control and alignment to strategic objectives by clearly defining accountabilities and roles and responsibilities that will facilitate effective decision-making.

### ***Advantages in applying good governance structures to accelerate the delivery of PPPs***

Sharing the governance structure with relevant stakeholders for comment will demonstrate transparency and ensure that the process is streamlined, integrated, and accepted. To ensure the swift establishment of the appropriate governance structure, governance, and accountability draft principles could be delivered to set out the proposed structure, governance boards, accountabilities, high-level terms of reference (ToRs) and escalation processes as well as the regularity of meetings and reports that are critical to effective decision-making.

Designing a governance structure that has the appropriate flexibility is important to adapt to the changing requirements of a dynamic policy environment. At initiation, the governance should focus on the broader policy environment, uncertainties, and the desired end-state goal. As the programme of work matures, the focus needs to shift to oversight of PPP delivery and project implementation. Adaptive management should be used to implement feedback and evaluations, lessons learnt, and to continuously improve project planning and development.

## **3. Transparency**

Providing appropriate legislative regulations and oversight is important for reconstruction, assuring PPPs will create greater engagement from potential investors and support the business case for longer-term funding and larger projects to be funded and accelerated. In a post-conflict situation, disclosure by the Special Purpose Vehicle (SPV) in PPPs becomes even more important to ensure transparency and accountability and to promote confidence in the reconstruction efforts.

### ***Advantages in ensuring transparency to accelerate the delivery of PPPs***

Discharging accountabilities both by the private and the public parties will support the development and implementation of appropriate checks into a formalised procedure, attracting private sector and development finance more effectively by increasing transparency.

Governments can also incorporate such requirements as part of PPP contractual requirements, embedding some key disclosures as procurement requirements and then incorporating these into PPP contracts. These include the disclosure of:

- (i). The SPV's operational and management plans, maintenance schedules, and performance indicators for the project.
- (ii). Comprehensive financial breakdown of the project, including funding sources, investment commitments, and revenue projections
- (iii). Key contract and commercial terms, including risk allocation, performance metrics, payment mechanisms, and dispute resolution procedures.
- (iv). Any potential conflicts of interest among project stakeholders, including SPV members and relationships with government officials and politicians (if any).
- (v). Project monitoring and reporting mechanisms established to track project progress and outcomes.
- (vi). How data privacy and security measures are being implemented, especially when sensitive data related to individuals or communities is at stake according to privacy regulations.

#### 4. Prioritised project selection

It is important that the reconstruction PPPs identified and sequenced based on urgency and needs also align with broader development goals and contribute to the recovering country's long-term development vision. The prioritisation of reconstruction PPPs must be aligned with wider reconstruction goals, development impact, feasibility, and potential for private sector engagement. The PPPs selected should have a catalytic impact on consequential projects. This includes an assessment of the scope of reconstruction required for each type of infrastructure; the needs of vulnerable populations, including internally displaced populations and marginalised communities, will support PPP acceleration as if the initial projects are chosen correctly, they can catalyse future PPP delivery. Selecting the correct PPPs will manage the urgency and the volumes of work necessary in a reconstruction environment.

##### *Advantages in prioritising projects to accelerate the delivery of PPPs*

Primary prioritisation and acceleration of projects should be based on infrastructure that will restore and rehabilitate communities considering the changed demographic post-conflict or natural disaster. This prioritisation of projects should also consider which projects will support further catalytic action, are quick to implement, future development, and investment opportunities, thus accelerating the overall PPP masterplan.

The PPP unit, with convening power in central government, may be better placed to manage trade-offs between project needs and to find the best place for investment and acceleration.

By simplifying and expediting administrative procedures, approvals, and permits, bureaucratic hurdles can be minimised. Strengthening the specific powers of relevant administrative bodies (e.g., PPP Unit) to facilitate rapid, robust decision-making is desirable. This should allow for more permits and consents to be issued by a single administrative body.

There should be a consideration in the needs assessment stage to build replicability and standardisation into small-scale projects. This can be achieved by decision makers giving additional weight to projects that are faster or have an easier path to development that can be replicated by others.

Cost-benefit analysis, along with wider SDG assessment, can be undertaken at pace by standardising the selection/identification processes and criteria to consider the critical themes above. Identifying, agreeing, and disseminating strategic objectives among the stakeholders, considering their views on revisions to the accelerated programme, will be necessary to ensure a holistic approach has been undertaken.

The example below shows how post-disaster reconstruction can prioritise the reconstruction on specific aspects that are particularly relevant to the country, such as the preservation of historic sites and tourist attractions.

**Example 4**

After the devastation of the 2015 Nepal earthquake, historic sites and tourism zones were prioritised during reconstruction due to Nepal's reliance on the tourism sector.

***Recommendations to mitigate the challenges in accelerating the delivery of PPPs during project planning and identification***

<i>Section</i>	<i>Challenges</i>	<i>Recommendations</i>
<b>A programmatic approach<sup>12</sup></b>	<p>1. It may not be possible to strike the perfect balance between immediate needs and alignment of longer term, sustainable strategies.</p> <p>2. This approach may lead to inflexibility of commercial strategy that make contracts unattractive to potential bidders.</p>	<p>1. It may be more appropriate to apply a “comply or explain” rationale whereby deviations (or relaxations), from the long-term objectives are recorded and accepted. In recording such decisions, it is important to outline the potential long-term impact.</p> <p>2. Commercial contracts should provide for flexibility (without incurring high costs), that enables future renegotiation of contractual terms with private partners once the local environment has stabilized.</p>
<b>Governance approach<sup>13</sup></b>	<p>3. There is a risk that the process of standing up the programme (with the necessary governance, decision making, etc.) delays the execution of priority projects.</p>	<p>3. It is essential that the programme remains suitably flexible to adapt and absorb changing needs and priorities as it matures. Pilot projects that meet the immediate needs can be absorbed into the programme at a later stage if necessary.</p>

## **IV. Project procurement and financing<sup>14</sup>**

### **Introduction**

This section addresses an essential point for the acceleration of reconstruction PPPs, which is the simplification of the procurement process whilst ensuring these projects are bankable and financed.

### **Context and challenge**

The difficulty encountered in the context of reconstruction lies in the quantity of projects to be carried out and financed simultaneously. It induces a rapid loss of human, supply chain and financial resources. Taking strategic and standardised approaches to procurement and financing to deliver multiple projects simultaneously under single programmes can act as a mechanism to simplify and accelerate the preparation and award of individual projects without reducing essential standards.

Some of the key critical challenges are:

1. **Higher levels of risk** – requiring the project to find the optimum funding structure combining equity, debt, and grants based on project revenues and country public

<sup>12</sup> See also recommendation 6 in Section VI below.

<sup>13</sup> See also recommendation 9 in Section VI below.

<sup>14</sup> The stage of a project where the detailed shaping of the project occurs through full feasibility, tendering, technical design, legal and financial structuring up until contract signing and financial close.

- capacity ensures that they are affordable for taxpayers/ users. Innovative approaches to financing will support these processes and achieve “bankability” where possible.
2. **Requirement to move quickly** – it is important that public authorities take note of the specific conditions from financiers before drafting contracts to include them to ensure smooth processes that can be delivered at speed.
  3. **Standardisation to support fast processes** – support is given to applicants and financiers to be able to take ownership of the procedure more easily for all projects and accelerate the implementation of the reconstruction programme.
  4. **Proactive risk transfer over the course of the contract** – as time goes by and the country is recovering, the level of risk will decrease, and so should the technical and financial costs. It is then of the essence that the public authority claims a right to get better terms through specific clauses in the contract.
  5. **Blended finance approach to unlock capital**–given the high-risk nature of these projects, it is necessary to create new blended finance mechanisms for providing government support for PPPs using donor funds. In case of reconstruction, the global amount of financing needed is a burden for the country’s balance sheet. It may be interesting to consider accounting off-balance sheet reconstruction PPPs when well-structured in terms of risk sharing.

## 1. Bundling of projects with financing and an approved supply chain

Project “Bundling” and prioritisation can support the identification of critical infrastructure projects that have the potential to kick-start economic development and prioritise them based on urgency and feasibility. Bundling of similar, small projects, where possible, in a single procurement or parallel procurement projects with financing and an approved supply chain will maximise market interest, reduce risk, and achieve efficiencies via contract and procurement standardisation.

### *Advantages of bundling projects to accelerate the delivery of PPPs*

Bundling of projects can support the creation of a pipeline of projects that will be more attractive to private partners and financiers than just one-off projects. The main tasks to be focused on to attract private business is to create mechanisms for governments to support PPPs to ensure insurance compensation for losses of private partners in the case of the recommencement of military actions or environmental disasters. It should not be expected that attracting private businesses to the reconstruction of infrastructure can only be achieved by reducing and simplifying the procedures for initiating and launching PPP projects.

Bundling projects together should not just focus on re-establishing infrastructure but also to establishing better infrastructure that meets future demands and requirements. For example, bundling projects based on their green and/or social aspects will attract commercial lenders by either requiring the financing via green loans, social loans or sustainability-linked loans. Value for money should not “solely” focus on the cost factor but on benefits created and benefits that can be shared during the development and construction of the PPP.<sup>15</sup>

If funding is needed quickly, developing bundled projects with shorter door-to-door tenures, e.g., 7-10 years only (with 2-3 years of construction and 5-8 years of operation) is advisable as many commercial lenders will find such tenure more appealing than a tenure of beyond 20 years.

## 2. Benefits monitoring

Measuring the value of a project in terms of more than just costs could help to choose the right partners and reduces delays during project implementation. To accelerate the procurement and financing of a project in a region under reconstruction, it is necessary to

<sup>15</sup> “Value for people” represents an enhanced “value for money” and ensures the overall, long-term, net value of a PPP project to consumers, governments, the host country and the broader public, taking into account the long-term quantity and quality of services delivered and whole-life costs and benefits to the economy, including fiscal, environmental and social costs and benefits in line with the ECE Guiding Principles on PPPs in support of the SDGs ([ECE/CECI/WP/PPP/2022/5](#)).

consider what will be expected to be evidenced for private and financial partners, including the motivation for them to invest. The creation of a reporting and validation process allowing strategic adaptations is often necessary in reconstruction situations. Ensuring that all these special procedures, such as model clauses for PPP contracts, are appropriately modified, published, and accurately described fosters public understanding of them and encourage speed of response.

***Advantages of monitoring the benefits of projects to accelerating the delivery of PPPs***

One advantage is to make use of pre-selected goods, works, and service providers through framework agreements. An advantage of implementing robust monitoring and evaluation mechanisms throughout the preparation and procurement process will foster competition and build trust with private sector partners supporting the accelerated delivery of future PPPs. Acceleration can come at a price, but selection on a range of metrics and wider benefits can support acceleration in later phases of the PPP, which can lower future costs. This can be achieved and accelerated by publicly disclosing project information, bidding documents, and evaluation criteria as early as possible, which in turn can reduce risks for investors.

### **3. Application of legislation**

In the aftermath of conflicts, addressing legal and regulatory framework issues is paramount to facilitate the delivery of PPPs. Post-conflict environments often grapple with the absence of comprehensive PPP regulations and frameworks tailored to the unique challenges of these contexts, which can deter potential private investors due to uncertainty. PPPs should incorporate regulatory, policy, and incentive perspectives to ensure a conducive environment for accelerated investment and successful implementation.

In the implementation phase of the PPP, temporary relaxation or flexing of specific national standards or requirements may be needed to meet the immediate needs of the country. Where temporary relaxation is necessary, an assessment should be undertaken appropriate to the needs to determine the impact of such relaxation and, where possible, contingent plans put in place to rectify the impact at a later stage.

***Advantages in a flexible application of legislation to accelerate the delivery of PPPs***

PPPs in a post-conflict environment require a nuanced approach due to the unique challenges and uncertainties that arise in such contexts. To encourage private sector participation and ensure project success, certain relaxations and adaptations are often necessary to accelerate delivery.

A government proposal on the reconstruction approach is an important first step to clearly set out the flexible approach to PPPs, to accommodate the unique unknown or legacy risks in post-conflict situations. This includes providing schedule reliefs in unique circumstances and adjusting performance targets. The fundamental principles no doubt will continue to apply, but the usual ways of giving effect to them may need to differ to accelerate investment into the PPP.

The policy should outline the novel responsibilities of each party in managing risks and establish mechanisms for risk-sharing and risk transfer in these exceptional circumstances. This may involve the provision of government guarantees, insurance instruments, or risk-sharing agreements to attract private sector investment and protect against potential disruptions. The policy should make clear its departures (“compare and contrast”) from the norms of the government’s policy for PPPs in situations of normality de-risking private investment.

Post-conflict considerations to reduce the risk profile in a financing strategy are:

- (i) The ability to accept funding of such projects in multi-currency instead of local currency only.
- (ii) Government to take foreign exchange risk (as the main streams of the SPV will be in local currency). This will attract a much broader pool of commercial lenders than the request for funding in a local currency. Therefore, funding proposals should also be more competitive.

- (iii). Limiting ability for dispute process once a preferred bidder has been selected for a specific project to ensure the timeline from Tender to Financial Close is as short as possible.
- (iv). Availability-based PPPs might be more suitable to reconstruction and recovery context than user pays models due to a range of issues with the affected population which forms the user base (e.g., displacement, poverty, low effective demand, etc.), revenue-based PPPs are discouraged. It should include guidelines for conducting financial feasibility studies, assessing project viability, and determining the appropriate level of user fees or tariffs. Where appropriate, it could be possible to produce a project concept note in lieu of feasibility studies for fast-tracked reconstruction projects. The policy should also consider affordability for the local population, particularly in economically disadvantaged areas, while ensuring the financial sustainability of the projects. A value for money approach should not be fundamental to determine PPP viability or approach. Whilst value for money considerations will remain important, recovery and speed of reconstruction should be governing considerations, which implies a re-balancing to emphasise value for people tests and SDG compliance.

Temporary operational permits may be permitted to use the asset for a set period, after which the asset can be reviewed and assessed, thus ensuring property rights, simplifying land acquisition processes, and providing secure land tenure for PPP projects (see example 5 below).

#### **Example 5<sup>16</sup>**

Following the 1994 Rwandan Civil War, part of the reconstruction effort included land reform in relation to land tenure and property rights. The government introduced policies and legal reforms to clarify land ownership and reduce land-related conflicts, facilitating access to credit and encouraging further investment into the country.

## **4. Contract and procurement standardisation**

To accelerate procurement and financing, tender documents must express a clear technical need, the ultimate performance objectives, and the critical phases to be met to achieve the right outcomes. Standardisation enables everyone to know what is required of them and, therefore, should make the procurement process much quicker.

### *Advantages in using standardised contracts in accelerating the delivery of PPPs*

- (i). **Standardised contracts:** Using light forms of contract based on clear and transparent principles is a clear advantage. Contracts should at a minimum, cover the decision process, scope of work, risk sharing, and financing and termination clauses (i.e., indemnity to private party and financiers). They should also include revision clauses in anticipation of a country's return to normal life, including a reallocation of risk and benefit sharing. For instance, the Longstop Date (i.e., the final date by which services must commence) should be longer than the usual six months. Performance guarantees must be lower, such as a global cap of liabilities if one is to have many competitors.
- (ii). **Finance documentation and security package:** adaptation of these to the specific case of the country is an advantage, so that private partners and financiers are assured that payments will be made, and they will be made on time. A compensation and termination mechanism will ensure that under certain conditions (e.g., renewed unrest, political instability or similar), the SPV can terminate the project and the commercial lenders get immediately paid back in full.
- (iii). **Addressing risk and risk protection:** Political risk insurance is an advantage, and this is crucial for commercial lenders to participate in projects. Confidence

<sup>16</sup> For further details, case study 3 in Annex I.

in the region, country, government, and overall stability is achieved through addressing concerns such as bribery, corruption, and money laundering. Confidence will be increased by having clear frameworks, laws, and rules in place, creating transparent processes, and communicating decisions on project selection and preferred bidders.<sup>17</sup>

## 5. Innovative and blended finance

It is important to encourage partner organisations to develop innovative financing mechanisms that increase private sector investments. Strengthening financing and funding capacity necessitates innovative strategies, including partnering with international financial institutions, development banks, and impact investors who understand the nuances of post-conflict and post-disaster settings.

Blended finance combines public and private sector resources to support PPP projects. It involves blending commercial capital from private investors with concessional finance from public sources. Blended finance mechanisms can leverage private sector investments and reduce risks, making projects more financially viable.<sup>18</sup> The below example illustrates how innovative financing can play a role in the recovery process in a post-war context.

### Example 6:

The Iraq Private Sector Development Program (PSDP) was launched to support economic recovery in Iraq following conflict. A key focus of the PSDP is to support small and medium-sized enterprises (SMEs) in Iraq, a group that contributes to job creation and economic activity. Key programme features included financing, technical assistance and capacity building.

### *Advantages in applying innovative and blended finance to accelerate the delivery of PPPs*

Guarantees and lender-of-last-resort mechanisms can help de-risk investments for the private sector to mitigate political, technological, and other project-specific risks. Engaging with multilateral development banks, international financial institutions, and bilateral partners at an early stage before the launch of the tender process can help in mobilising additional funding or implementing blended finance structures. Encouraging development banks to support the project identification and preparation process closely with advice and funding will help build a pipeline of well-defined, bankable projects.

It is important to note that the financing tools employed will depend on the specific circumstances of each reconstruction situation, including the availability of financial resources, the risk profile of projects, and the overall investment climate. Governments and project stakeholders should carefully evaluate and select appropriate financing mechanisms to ensure sustainable and successful PPP implementation in the context.

For hybrid financing and fund blending to work, grant funding for reconstruction and recovery needs to be designed to enable blending. In regular circumstances, this does not always happen, but in reconstruction, it might be done as the funds are designed and provided ad hoc.

The government plays a crucial role in providing financial support for PPPs. This can include providing guarantees or financial incentives to mitigate risks and enhance the attractiveness of investments. This is done by pooling resources from various sources, including public and private investors, institutional investors, and development finance institutions. It can also include a readiness to bear specific risks in ways that might not apply in ordinary circumstances. Governments may also allocate public funds or budgetary resources to co-

<sup>17</sup> See document ECE/CECI/WP/PPP/202023/3, ECE Standard on a Zero Tolerance Approach to Corruption in PPP Procurement.

<sup>18</sup> The [Addis Ababa Action Agenda](#) on Financing for Development (AAAA), adopted in July 2015, provides a global framework for financing sustainable development. Specific examples of climate and blended finance are included and defined.



finance projects in the form of availability-payments or revenue guarantees. Sovereign wealth funds, project bonds, viability gap funding, and development finance institutions all play a vital role in reducing risk and making projects financially viable.

Philanthropic organisations and foundations can play a role in financing post-conflict PPPs, especially in sectors with a strong social impact. At the same time, for countries with a high degree of decentralisation, excessive centralisation of the process of attracting funding from donors for the restoration of cities and communities can significantly slow down the process of preparing and implementing infrastructure projects. In this case, it will be difficult to consider the priorities of the local population, which can become the basis for the return of internally displaced persons to the cities. Direct cooperation of donors, including IFIs, with local authorities can be an important factor in accelerating recovery processes and improving their quality.

Involving reliable and independent experts as international advisers with experience in funding such projects through PPP will be required to give confidence to financiers. By including a dedicated PPP unit during the project, this role can be allocated within the pool of experts to ensure accelerated delivery throughout the PPP.

***Recommendations to mitigate the challenges in accelerating the delivery of PPPs during project procurement and financing***

<i>Section</i>	<i>Challenges</i>	<i>Recommendations</i>
<b>Bundling of projects</b>	<p>1. There is a risk that bundling can result in decreased competition and increased corruption due to limited market capacity.</p> <p>2. There is a risk that bundling can increase procurement timelines and complexity.</p>	<p>1. Subdivision of bundled projects into smaller packages, encourages more diverse competition and reduces risk of corruption.</p> <p>2. Streamline approval processes or the use of expedited procurement methods (e.g., two stage tendering or framework agreements) can accelerate procurement timelines.</p>
<b>Benefits monitoring</b>	<p>3. Prices can increase when delivering complex projects quickly. This is due to additional risks and resources needed to deliver projects at pace, which could outweigh the benefits.</p>	<p>3. Prioritising cost estimating expertise at the start of a project, and the use of comparable data to understand the price increase, is key to establishing a healthy baseline for the monitoring of benefits.</p>
<b>Flexibility in legislation</b>	<p>4. There could be a prolonged period of exceptions, whereby certain rules are suspended or altered for the delivery of PPPs, which could potentially be used to maximize profiteering.</p>	<p>4. Any relaxation must be balanced and evidenced. A simple matrix will help in considering and recording a balanced view.</p>
<b>PPP regulations and policy</b>	<p>5. Powers of the regulators may be overridden by governments, damaging the trust and assurances needed by PPPs to deliver the outcomes. It may also limit private investment by the removal of regulatory rigor that would otherwise be applied.</p>	<p>5. Provide assurance to investors through accountability mechanisms i.e., clear reporting requirements, audits, and regular reviews. Consider building penalties into agreements with private partners for non-compliance.</p>

<i>Section</i>	<i>Challenges</i>	<i>Recommendations</i>
<b>Contract and procurement standardisation</b>	6. This can lead to unstable or evolving legal and regulatory frameworks in reconstruction environments. Furthermore, PPP toolkits may not adequately address the challenges of navigating these uncertain environments, potentially leading to legal and contractual risks.	6. Consider building flexibility into contracts in anticipation that the regulatory landscape will evolve. This will allow for adjustments and renegotiations. Ensure transparency by providing easy access to information regarding changes so that parties are well-prepared for renegotiations, avoiding delays.
<b>Innovative and blended finance<sup>19</sup></b>	7. There could be a reduced demand for infrastructure or services, making it difficult to generate sufficient revenues and release availability payments.	7. Consider implementing financial modelling to forecast cash flows and assess demand and capacity upfront, engaging with industry experts and utilising data from similar contexts.

## V. Project implementation<sup>20</sup>

### Introduction

To support the acceleration of reconstruction PPPs, it is important to consider the array of different delivery approaches and tools that are available to assist the construction and operational activities so that the performance goals of the project are achieved and can continue to be achieved throughout the project lifecycle ensuring a project legacy for other PPPs to follow. Examples include modern methods of construction (MMC)<sup>21</sup> partnering forms of agreements and common data environments where, if applied correctly, can significantly accelerate reconstruction in addition to generating wider benefits, such as new business opportunities, skills and long-term employment, during the operation and maintenance of PPPs.

### Context and challenge

While considering the specific context of a rebuild strategy, it is also important to consider the balance of short- and long-term needs of the country and its people. Deploying offsite homes and infrastructure elements manufactured outside of the country may help to replenish important homes and infrastructure lost during a conflict or disaster but will provide little long-term economic benefit if the country continues to rely upon capabilities provided elsewhere. Flexibility and precise know-how of the short-term and long-term needs of the population are key in developing the implementation strategy.

Implementing reconstruction PPPs demands specialised strategies to address the unique challenges and opportunities that arise in such situations and makes coordination of project stakeholders, suppliers, and users far more difficult. The capacity, capability, and trust of local delivery partners to deliver on the outcomes, given constraints post-reconstruction, can impact the ability to receive vital funding and sponsorship.

<sup>19</sup> See also recommendation 7 in Section VI below.

<sup>20</sup> The construction, operations and contract management stages of the project over the project lifespan.

<sup>21</sup> MMC is a broad term to describe contemporary innovations in construction, including new technologies (such as digital tools and techniques), offsite/onsite manufacture and use of efficient processes to deliver productive, sustainable, and better outcomes.

## 1. Monitoring, transparency, reporting and communication

Transparency and ease of information transfer is important to ensure that relevant stakeholders are informed and assured that the implementation phase is delivering on the strategic objectives of the PPP. More transparency increases confidence and trust in the PPP, which in turn will incentivise greater investment and participation, accelerating the delivery.

### *Advantages in transparent reporting and communication to accelerate the delivery of PPPs*

Accelerating the delivery of reporting and monitoring and limiting it to key factors will support accountability and ensure that short-term and long-term strategic objectives are achieved transparently. Doing this in an accelerated manner will allow necessary reporting to political leaders, communication with populations and information to financiers to be undertaken at pace. This will incentivise greater investment and participation, accelerating the delivery of the PPP.

The advantage of commercial contracts lies in their ability to establish a high standard of transparency and information exchange. A structured approach facilitates swift conflict escalation and resolution, ultimately minimizing disruptions to construction and operations.

The use of partnering forms of agreements, (such as a Framework Alliance Contract), is clearly an advantage, as it provides a mechanism for a core group to convene over key decisions and dispute resolution. These agreements offer a structure by which conflicts can be quickly resolved, thereby reducing the impact on the construction operation.

Simple mediation offers an advantageous and efficient avenue for dispute resolution, particularly in cases where contracts include unsuitable penalty clauses. It enables direct engagement with the involved parties, encourages the sharing of broader insights, and leverages experiences from various PPPs. This approach enhances collective learning and effectively addresses common challenges.

## 2. Data management and legacy

Effective data management is essential for informed decision-making, performance monitoring, resource allocation, accountability, and overall project success. Gathering data throughout the PPP lifecycle will support the delivery of the current PPP and will optimise the structuring of future PPPs.

Post-conflict environments often involve significant uncertainties and rapidly changing conditions. Effective and accelerated data management is crucial to reduce this risk.

The example below shows the importance of data management, which is carefully implemented and executed. PPPs involve collaboration between public and private sectors to deliver essential services and infrastructure, and the significance of data management cannot be overstated. As depicted before, data is not only crucial for the needs assessment, but it is also essential in managing several stages of the PPP lifecycle. In essence, robust data management and legacy preservation not only safeguard the interests of all involved parties but also pave the way for sustainable development and more successful PPPs in the future.

### **Example 7**

Following the global pandemic of COVID-19, the United States of America were faced with the challenge of distributing vaccines to the population. PPP projects focused on vaccine distribution and administration. The legacy of this is well developed data management infrastructure established in part from the vaccine efforts.

### *Advantages of data management to accelerate the delivery of PPPs*

Using a Common Data Environment (CDE) can streamline communication, improve coordination, and enhance data management in reconstruction PPPs.

The adoption of a single common data environment can accelerate the implementation phase by:

- (i). Serving as a single source of the truth for stakeholders to access and review relevant information and data
- (ii). Serving as a real-time data source, especially for construction progress, site issues, and quality control
- (iii). Interfacing with other platforms used by donors
- (iv). Better enabling the execution and management of the procurement of services, products, and materials
- (v). Expediting the commissioning and handover phase by centralising documentation
- (vi). Understanding how the project is used and operated by stakeholders to influence the design of future projects

Accelerating data management and collection means that evidence can be analysed at a swifter pace, and lessons can be learned to inform future decision-making and strategy development. The data obtained should be collected from the entire life cycle of the PPP, from execution to handover. Ideally, it would also include operational data to further enhance insight into decision-making during implementation and the impact on long-term efficiency and effectiveness.

It should be recognised that the speed of execution will result in imperfections and gaps in the data captured. Focus during the deployment of the project should, therefore, be invested in measuring a few key data points well rather than multiple that are executed poorly. Therefore, consideration of a small number of targeted KPIs and data points to measure the progress and performance of the project is advised to reduce delay to the PPP.

### 3. Using modern methods of construction

The use of modern methods of construction (MMC) in the context of rebuilding can help to accelerate the implementation phase through increased standardisation (of process and products) and accessing a broader supply chain to meet the requirements.

#### *Advantages of standardising of processes and products to accelerate the delivery of PPPs*

Economies of scope and scale will be a result of standardising the design requirements. For example, kitchen and toilet blocks across multiple building typologies (hospitals, schools, offices) will allow supply chains to be assembled from multiple jurisdictions, including in-country, if available. Such an approach has been adopted across multiple government capital programmes in a number of countries. Adopting a manufacturing mindset to the implementation phase can also assist in utilising and building a diverse skills base. Offsite construction activities typically deploy a more “generalised” skillset compared to onsite delivery, where “artisan” skills are typically required.

The example below shows how post-conflict regions can be effectively rebuilt, by emphasising monitoring, data management, and modern construction methods. The involvement of various government bodies, international agencies, and specific programs ensured a holistic approach to reconstruction, addressing both immediate and long-term needs.

#### **Example 8<sup>22</sup>**

The Sri Lankan Civil War between 1983 and 2009 resulted in widespread devastation, especially in the Northern and Eastern provinces. The aftermath of the war saw a massive reconstruction and rehabilitation effort to rebuild the affected regions. The Indian Housing Project in Sri Lanka, a commitment by the Indian government, constructed 50,000 homes using modern construction techniques, including prefabricated units.

<sup>22</sup> For further details, see case study 4 in Annex I.

***Recommendations to mitigate the challenges in accelerating the delivery of PPPs during project construction, operations and contract management***

<i>Section</i>	<i>Challenges</i>	<i>Recommendations</i>
<b>Monitoring, transparency and reporting</b>	1. It is important that civil society parties' expectations are managed and must not be confused with formal partners that have contractual obligations.	1. Stakeholder engagement requires time, as well as commitment and capacity on the public side, which should ensure that a defined strategy is in place for each PPP stage (see also recommendation 5 in Section VI below).
	2. Flexibility (penalty clauses) is needed in applying KPIs to the private sector. However, the enforcement of KPIs is likely to be challenging in a post conflict or natural disaster context.	2. Acceleration models such as staggered contracts and concession permits could be considered but they require specific skills in procurement, logistics and project management, as well as in long-term monitoring of the project by the licensor and funding sources.
<b>Data management and legacy</b>	3. Complexity of implementing and then maintaining single CDE is a challenge for project team members and stakeholders.	3. Experts can be employed to increase the capability of local teams to minimize delays caused by long learning curves.
	4. Data challenges in post-conflict scenarios are particularly complex due to the unique circumstances of these environments which may lead to corrupted data collection systems, resulting in a lack of reliable baseline data, inconsistencies, and difficulties in data integration.	4. It is vital to implement comprehensive security strategy and best practices to create a well-protected CDE.
<b>Modern methods of construction</b>	5. With the deployment of MMC, a balance should be reached between addressing immediate needs from suppliers out of country (e.g., parts of buildings delivered in shipping container sized modules) and rebuilding an in-country supply chain and skillset.	5. A transition plan should be considered alongside the assessment of need to ensure development of a more localized supply chain and skills as the country stabilizes.

## **VI. Key policy recommendations**

There are some key policies, tools and intervention points that are imperative to deliver successful PPPs. This section contains ten key policy options and recommendations that can support accelerated and sustainable PPPs in support of the SDGs.

- 1) **Use the UNECE PIERS methodology to evaluate outcomes** to inform policy decisions and resource allocation. Projects that align well with the SDGs and can evidence how it has been evaluated can receive higher priority for international donors' funding and support. This will include criteria that assess

the environmental impact of projects, especially in regions where conflict may have caused ecological damage.

- 2) **Embed circular economy principles**, encourage design of infrastructure for longevity and easy maintenance through collaboration between engineers and facility managers during the design stage, allowing standards to be embedded in line with the 6Rs<sup>23</sup> of sustainability.<sup>24</sup> Incorporating durable and long-lasting materials and construction techniques can extend the lifespan of PPP projects, reducing the need for frequent replacements and project delays.
- 3) **Prioritise projects that address essential services and needs**, focusing on facilities disrupted by the events, such as water supply, healthcare, education, transportation, and communication. These projects directly contribute to the SDGs.
- 4) **Prioritise projects that contribute to economic recovery and job creation**, which are crucial in rebuilding societies and align with SDG 8 (decent work and economic growth)
- 5) **Engage communities and stakeholders in the planning process**, especially those affected, displaced, and marginalised. Ensure that their needs and perspectives are integrated into the criteria, reflecting the principles of SDG 16 (Peace, Justice, and Strong Institutions) following the ECE “PPPs for the SDGs” approach, in order to allow quick decisions supported by popular consent.
- 6) **Take a programmatic approach to the PPP lifecycle**. This supports streamlined processes by optimising resources, information, and data, using a coordinated and common approach to facilitate better outcomes and benefits sooner rather than later.
- 7) **Use innovative methods of funding and financing**. Strengthening financing and funding capacity necessitates innovative strategies, including partnering with international financial institutions, development banks, impact investors and philanthropic organisations. Seek to raise finance on a programmatic basis rather than project by project.
- 8) **Create policies and regulations that support flexibility and address specific risks** in ways that might not apply in ordinary circumstances to support accelerated reconstruction. The government plays a crucial role in providing commercial frameworks and financial support for PPP projects to accommodate the need for rapid rebuilding in post-conflict and post-disaster situations.
- 9) **Put in place appropriate governance for rapid decision-making** in government, including a PPP unit that should be empowered to build up capacity and coordination skills within governmental departments, which will be part of the PPP process. This will allow the mid-long-term development using initial support from multinational institutions and international experts to develop expertise within the government to manage and operate PPPs
- 10) **Use innovative methods of project delivery**. Using modern methods of construction and digital tools for collaboration will support the acceleration, transparency and accountability of the PPP whilst delivering wider sustainability benefits that attract future finance.

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<sup>23</sup> Reduce, Reuse, Repair, Remanufacture, Recycle, and Recover.

<sup>24</sup> See ECE Guidelines on promoting Circular Economy in Public-Private Partnerships for the United Nations Sustainable Development Goals (ECE/CECI/WP/PPP/2022/4.).

## Annex I

[English only]

## List of four detailed reconstruction case studies and their link to the examples in the guide

### Case Study 1: Reconstruction of Aceh Province<sup>1</sup> (summarised in Example 1 above)

**Background:** The 2004 Indian Ocean tsunami was one of the deadliest natural disasters in recorded history, with Indonesia's Aceh Province being the hardest hit. The disaster struck amidst a long-standing conflict between the Free Aceh Movement (GAM) and the Indonesian government. The scale of the disaster catalysed a peace agreement in 2005, leading to a dual challenge of post-conflict and post-disaster reconstruction.

#### Key Points:

1. **PPP for the SDGs approach:** The Multi Donor Fund (MDF) for Aceh and Nias was established, pooling resources from various donors. The reconstruction aimed to "build back better," aligning with several SDGs, especially SDG 11 (Sustainable Cities and Communities).
2. **Needs assessment and stakeholder engagement:** A comprehensive assessment was conducted to understand the extent of damage and the needs of the affected communities. Local communities, NGOs, international partners, and the private sector were actively engaged in the reconstruction process.
3. **Data, reporting, and communication:** The reconstruction efforts were data-driven, with regular monitoring and evaluation. Transparent communication channels were established to keep all stakeholders informed and to ensure accountability.
4. **Capacity development, knowledge transfer, and a dedicated PPP unit:** International partners and NGOs played a crucial role in capacity building, knowledge transfer, and technical assistance. A dedicated unit, the Reconstruction and Rehabilitation Agency (BRR), was established to oversee and coordinate the massive reconstruction efforts.
5. **Digital tools:** While not as advanced as today's standards, the use of digital tools for data collection, monitoring, and communication was evident. GIS (Geographical Information Systems) was used to map and plan reconstruction projects.

**Outcome:** The reconstruction of Aceh is often cited as a success story in post-disaster recovery. By 2012, about 140,000 houses, 3,700 km of roads, 1,900 schools, and 1,150 health facilities were rebuilt. The process also laid the foundation for lasting peace in the region. The success of the Aceh reconstruction can be attributed to a well-coordinated PPP approach that was SDG-aligned, data-driven, and heavily focused on stakeholder engagement. The establishment of dedicated units like the BRR, coupled with international collaboration and capacity building, ensured that the reconstruction was not just about building structures but about building a sustainable future for the Aceh community. The use of digital tools, even in their nascent stage, played a crucial role in ensuring efficient and effective reconstruction.

### Case study 2: Rebuilding Japan post-tsunami<sup>2</sup> (summarised in Example 2 above)

**Background:** On March 11, 2011, a magnitude 9.0 earthquake off the north-eastern coast of Japan triggered a massive tsunami. The subsequent Fukushima Daiichi nuclear disaster compounded the devastation. The combined events resulted in significant loss of life, displacement, and economic damage.

<sup>1</sup> Sources: <https://www.worldbank.org/en/news/feature/2012/12/26/indonesia-reconstruction-chapter-ends-eight-years-after-the-tsunami> and <https://documents1.worldbank.org/curated/en/889201468260137518/pdf/533370WP0MDF0P101PUBLIC1001English1.pdf>

<sup>2</sup> Source: [https://www.reconstruction.go.jp/english/topics/Laws\\_etc/20160527\\_basic-guidelines.pdf](https://www.reconstruction.go.jp/english/topics/Laws_etc/20160527_basic-guidelines.pdf)

**1. Bundling of projects:**

- **Infrastructure:** Roads, bridges, and ports that were destroyed by the tsunami were bundled into large-scale infrastructure projects. This allowed for efficient allocation of resources and expertise, ensuring that transportation networks were restored quickly.
- **Housing:** With hundreds of thousands displaced, housing projects were prioritised. Bundling these projects ensured that construction was streamlined, and residents could return to stable living conditions sooner.
- **Energy:** Given the nuclear disaster at Fukushima, there was an emphasis on diversifying Japan's energy sources. Projects related to renewable energy, especially solar and wind, were bundled to attract investment and expertise.

**2. Benefits monitoring:**

- The Reconstruction Agency, established post-disaster, played a pivotal role in monitoring the progress and benefits of reconstruction projects. They ensured that targets, such as the number of houses rebuilt or roads repaired, were met within stipulated timelines.
- Feedback mechanisms were established to gather input from residents, ensuring that reconstruction efforts met the needs of the affected communities.

**3. Flexibility in legislation:**

- The "Act on Special Measures for the Reconstruction and Revitalization of Fukushima" in 2012 provided a flexible framework for reconstruction. It allowed for changes in land use, ensuring that areas previously designated for certain activities could be repurposed based on post-disaster needs.
- Special economic zones were established, offering incentives such as tax breaks to attract private investment and spur economic recovery.

**4. PPP regulations and policy:**

- Recognising the scale of reconstruction required, the Japanese government actively promoted PPPs. They introduced policies that made it easier for private entities to invest in and manage public assets.
- Special zones were established to attract private investment, offering incentives such as deregulation and tax breaks.

**5. Contract and procurement standardization:**

- To expedite reconstruction, Japan streamlined its procurement processes. Standardised contracts, especially for infrastructure projects, ensured that there was clarity in terms of expectations and deliverables.
- Transparent bidding processes were established, ensuring that contracts were awarded based on merit and capability.

**6. Innovation and blended finance:**

- Japan explored innovative financing mechanisms, leveraging private investments, international aid, and insurance payouts.
- Blended finance models, combining public and private funds, were used to fund large-scale projects, especially in the renewable energy sector.
- International collaborations, such as partnerships with multilateral development banks, provided both financial and technical support for reconstruction efforts.



**Outcome:** Japan's post-disaster reconstruction is a testament to the effectiveness of strategic planning, collaboration, and innovation. Through bundling of projects, flexible legislation, and the promotion of PPPs, Japan not only rebuilt but also revitalised the affected regions, setting a global benchmark for post-disaster recovery.

**Case Study 3: Post-Genocide Reconstruction in Rwanda**<sup>3</sup> (summarised in Example 5 above)

**Background:** After the 1994 genocide, Rwanda faced the colossal task of rebuilding a nation that had lost nearly a million lives, with its infrastructure devastated, and its social fabric torn apart. The government, with the support of international partners, embarked on an ambitious reconstruction and development journey.

**1. Programmatic approach:**

- **Vision 2020:** Launched in 2000, this long-term development program aimed to transform Rwanda into a middle-income country by 2020. It provided a roadmap for reconstruction, focusing on areas like governance, human resource development, infrastructure, and private sector development.
- **Decentralisation:** The government initiated a decentralisation policy to empower local communities, ensuring that reconstruction efforts were tailored to local needs and conditions.

**2. Governance approach:**

- **National Unity and Reconciliation Commission (NURC):** Established in 1999, NURC aimed to foster unity and reconciliation among Rwandans, recognising that sustainable reconstruction required social cohesion.
- **Rwanda Governance Board (RGB):** Established to promote good governance and monitor its practices, ensuring that reconstruction efforts were transparent and effective.

**3. Transparency:**

- **Gacaca Courts:** Traditional community courts, known as Gacaca, were revived to address the overwhelming number of genocide-related cases. These courts emphasised restorative justice and community participation, ensuring transparency and local involvement.
- **Performance contracts (Imihigo):** Introduced in 2006, these are annual performance contracts signed between the President and local leaders, setting clear targets for development and reconstruction projects. They are publicly evaluated, promoting accountability.

**4. Prioritized project selection:**

- **Land reform:** Given the significance of land in Rwanda's agrarian economy and its role in past conflicts, the government prioritised land reform, introducing a land tenure regularisation program.
- **Education and healthcare:** The government launched the Education for All initiative and expanded healthcare services, recognising the importance of human capital in reconstruction.
- **Infrastructure development:** Efforts were made to rebuild and expand roads, energy infrastructure, and ICT, aiming to modernise the country and attract investments.

**Outcome:** Rwanda's reconstruction journey post-1994 is a testament to the power of strategic planning, good governance, and community engagement. The nation not only rebuilt its

<sup>3</sup> Sources: <https://repositories.lib.utexas.edu/bitstream/handle/2152/5071/4164.pdf>  
<https://www.e-ir.info/2014/05/01/rwandas-national-unity-and-reconciliation-program/>  
[https://successfulsocieties.princeton.edu/sites/g/files/toruqf5601/files/Rwanda%20Imihigo%2011\\_28\\_2018.pdf](https://successfulsocieties.princeton.edu/sites/g/files/toruqf5601/files/Rwanda%20Imihigo%2011_28_2018.pdf)

infrastructure but also managed to foster unity and reconciliation among its citizens. By 2020, Rwanda had made significant strides towards achieving its Vision 2020 goals, with marked improvements in health, education, and economic indicators.

**Case study 4: Reconstruction following the Sri Lankan Civil War** (summarised in Example 8 above)<sup>4</sup>

**Background:** The Sri Lankan Civil War, spanning from 1983 to 2009, resulted in widespread devastation, especially in the Northern and Eastern provinces. The aftermath of the war saw a massive reconstruction and rehabilitation effort to rebuild the affected regions.

**Monitoring, transparency and reporting:**

1. Establishment of RRR (Relief, Rehabilitation and Reconciliation):
  - The Sri Lankan government established the Presidential Task Force for Resettlement, Development and Security in the Northern Province to oversee reconstruction and resettlement efforts.
  - The North East Housing Reconstruction Programme (NEHRP) was initiated to rebuild homes with the assistance of the World Bank.
2. Transparency Initiatives: The Transparency International Sri Lanka (TISL) played a pivotal role in ensuring transparency in the allocation and utilisation of funds for reconstruction projects.
3. Collaboration with International Agencies: The United Nations Development Programme (UNDP) and other international agencies were actively involved in the reconstruction process, ensuring a level of transparency and accountability.

**Data management and legacy:**

1. Data Collection Initiatives: The Rebuild Sri Lanka Program, backed by the Asian Development Bank, focused on collecting comprehensive data on war-affected regions to guide reconstruction efforts.
2. Legacy of Data: The data collected has been instrumental in subsequent development initiatives, helping to prioritise projects and allocate resources effectively.
3. Capacity Building: The Capacity Building for Post Conflict Transition (CBPCT), supported by the UNDP, aimed to enhance the skills of local officials in data management and other essential areas.

**Modern methods of construction (MMC):**

1. Rapid Housing Projects: The Indian Housing Project in Sri Lanka, a commitment by the Indian government, constructed 50,000 homes using modern construction techniques, including prefabricated units.
2. Emphasis on Sustainable Infrastructure: The Secondary Towns and Rural Community-Based Water Supply and Sanitation Project was initiated to provide sustainable water and sanitation facilities using modern construction methods.
3. Training and Skill Development: The Skills Development Project, backed by the World Bank, was initiated to provide training in modern construction skills, ensuring quality construction and providing employment opportunities.

**Outcome:** The post-civil war reconstruction in Sri Lanka, with its emphasis on monitoring, data management, and modern construction methods, provides valuable insights into how

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<sup>4</sup> Sources: [Good Practice and Lessons Learned in Post-Conflict Reconstruction in Sri Lanka](https://hccolombo.gov.in/indian_housing)  
[https://hccolombo.gov.in/indian\\_housing](https://hccolombo.gov.in/indian_housing)  
<https://www.adb.org/countries/sri-lanka/post-conflict-assistance>

post-conflict regions can be effectively rebuilt. The involvement of various government bodies, international agencies, and specific programs ensured a holistic approach to reconstruction, addressing both immediate and long-term needs.

## **Annex II**

[English only]

Members of the drafting team led by Syed M. Ali Zaidi (Canada) involved in the preparation of the document (in alphabetical order): Sam Barr, David Baxter, Frédéric Bobay, Fjolle Bunjaku, Doris Chevalier, Christopher Clement- Davies, Jennifer Collier, Istemi Demirag, Anita Fuerstenberg, Rudolf Heimerl, Julia Kowalle, Aikaterini Kyriazi, Amanda Loeffen, Kevin Masters, Shunsuke Nakai, Dragutin Nenezic, Rafael Perez, Christobal Pollman, Richard Threlfall, Maude Vallée, Tom Williams and Iryna Zapatrina.

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