



People-First PPPs: Principles versus the Myths

An Introduction to the UNECE Guiding Principles on
People-First PPPs (PfPPPs) for the UN SDGs

Main myth

The PPP model cannot be used as transformative tool that can put People at its core to achieve the UN SDGs

Our position says **No!**

PPPs can deliver a pipeline of projects to:

- ✓ Improve **access and equity**
- ✓ Invest in **resilience and climate change**
- ✓ Have **economic effectiveness**
- ✓ Ensure that there is **stakeholder engagement**
- ✓ And can **be replicable**

For example economic effectiveness means more involvement of women in infrastructure:

- ✓ Better representation of women in projects and companies
- ✓ More women-led companies becoming suppliers to PPP
- ✓ Private sector involved in PPP helping young women in the community to become entrepreneurs
- ✓ Making and operating infrastructure in ways that are more gender sensitive

Principle 1: Policy/ sector plan/ action points

Myth: PPP is about individual projects

Our position says **No!**

People First PPP to become **transformative** has to be allied to:

- ✓ A concerted **infrastructure policy**
- ✓ A clear **sectoral plan** (for water, renewable energy, etc.), and
- ✓ An **action oriented plan** with private sector mobilization as its goal

Principle 1: Policy/ sector plan/ action points

“Governments should develop ‘People First PPPs’ as part of the comprehensive, scaled-up transformative Programme of Action to deliver the SDGs and the various climate agreements”

Principle 2: Capacity building

Myth: Just bring in personnel into government who have private sector skills

Our position says **No!**

Delivery of PfPPPs has to:

- ✓ Be by **public civil servants** with public sector ethos
- ✓ Be inspired by **case study evidence-500 PfPPP campaign**
- ✓ Be stronger with **good quality** of consultants
- ✓ Avoid officials once trained to move to private sector

Principle 2: Capacity building

“Governments as a priority should use every way to scale up their capacity building efforts based on an Action Plan at different levels, all targeting the creation of more effective People-First Projects”

Principle 3: Improving the legal framework

Myth: PPPs is just an agreement

Our position says **No!**

A **legal framework** is required –fewer, better, simpler: Focus on the social side; **five sine qua nons** needed:

- ✓ **Zero tolerance** to corruption
- ✓ Level playing field for **sustainable procurement**
- ✓ **Repatriation** of projects
- ✓ Disputes that go to **international arbitration**
- ✓ **Right of citizens** to being consulted and heard

Principle 3: Improving the legal framework

“Legal frameworks have to be improved: a lot to do and while they have to protect investor’s rights; they also need to protect citizens rights in infrastructure projects”

Principle 4: Transparency and accountability

*Myth: Access to full information on the project,
undermines commercial secrecy*

Our position says **No!**

- ✓ Full **disclosure project information** improves **public trust**
- ✓ **Boost performance**-people know indicators of projects
- ✓ Private sector wants **more information** of the **selection process**

Principle 4: Transparency and accountability

“Successful and sustainable PfPPPs require substantial transparency and accountability at all stages”

Principle 5: Risk and de-risking

Myth: The private sector provides infrastructure assets at no costs nor risks to the government

Our position says **No!**

- ✓ Private sector must accept a different **risk/reward ratio**
- ✓ Improved **governance and predictability** by governments in doing business
- ✓ **Targeted regulation**
- ✓ Partner with **NGO community**

Principle 5: Risk and de-risking

“Low-income countries have extra risks that lead private sector’s reluctance to invest: governments need to persuade private sector in taking longer-term perspectives and less returns in the short-term”

Principle 6: Procurement, promoting value for people

Myth: The private sector only looks for easy and quick returns

Our position says **No!**

- ✓ Private sector can and want to achieve **stronger KPIs**
- ✓ They want to do **more not less projects** based on mutual trust
- ✓ **People-First criteria (social, environmental and economic criteria)** needs to be integrated into award mechanisms

Principle 6: Procurement promoting value for people

“The criteria for project selection needs to be broadened to include “Value for People”, not just Value for Money”

Principle 7: Resilience and climate change

Myth: Climate change does not pose any threats to infrastructure nor puts barriers in the way of world's poor to essential services

Our position says **No!**

- ✓ The poor are the **most vulnerable**
- ✓ Risks are associated across **all infrastructure sectors**
- ✓ PfPPPs can provide **technological innovation** (e.g. solar)

Principle 7: Resilience and climate change

“PPPs are needed in resilient infrastructure because of the huge costs in climate change adaptation and new technologies required”

Principle 8: Innovative finance-impact investing

Myth: PPPs puts profit before people

Our position says **No!**

- ✓ **Impact investing is moving forward** as sustainable financing becomes a serious trend in the banking industry
- ✓ Private individuals wish to see **social impact** from their investments
- ✓ **Better metrics** are needed to show real impact of projects in support of the SDGs

Principle 8: Innovative finance-impact investing

“Impact investing has great potential harnessing a new willingness of investors to do well and do good”



Thank you

Geoffrey Hamilton
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