

15 April 2015

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

Partnering for Sustainable Development

Background Paper



PARTNERING FOR SUSTAINABLE DEVELOPMENT



Introduction

Partnerships “for sustainable development” has become an important topic for many governments and UN agencies. This interest will grow over the coming year as the Sustainable Development Goals become clearer and are then approved by the General Assembly in the autumn of 2015 because such partnerships are sure to figure prominently in the means of implementation. Accordingly, UN agencies are already highlighting the need to promote partnerships. UNCTAD ‘s World Investment Report of 2014¹, for example, has called for ‘action plans ‘ to promote Public-Private Partnerships (PPPs) if the SDGs are to be met; while the Rio plus 20 Summit unequivocally recognized “that the active participation of the private sector can contribute to the achievement of sustainable development, including through the important tool of public-private partnerships”.² Thus, in view of their considerable importance, it is worth asking what ECE does in promoting partnerships, with what success and how it might do more, going forward.

¹ <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=937>.

² See outcome document of the United Nations Conference on Sustainable Development, Rio de Janeiro, 20-22 June 2012, available at: <http://www.unosd.org/index.php?menu=242>.

Current situation and challenges

There are different forms of partnerships, as well as different drivers and mechanisms for developing partnerships that can contribute to sustainable development goals and a better future for the planet. In other words, partnerships that will, *inter alia contribute to*: improving livelihoods; eradicating poverty; achieving universal access to essential services; empowering communities, and especially women; and promoting economic development underpinned by low carbon, climate resilient infrastructure; while, at the same time, respecting the rules of the market places in which business people operate. Modes of partnership vary and, at the same time, share an underlying premise for their establishment which is the fact that Governments by themselves cannot find solutions to these challenges and need to partner with the private sector, civil society and other groups. Following are some good examples of partnership arrangements from around the world:

Transition Economy: Tajikistan, the PAMIR Partnership



Eastern Tajikistan is one of the UNECE's poorest regions. Up until a few years ago, its poor communities lacked access to a regular supply of energy, suffering from frequent and long power outages. During the winter, 60 per cent of inhabitants had no energy and 15 per cent had no energy at any time. Over ten years ago, a PPP was created between the Government, the World Bank, and the Aga Khan Foundation establishing the Pamir Energy company, based on a 25-year concession agreement.

Today, over 70 per cent of the population (127,000 people), 745 commercial consumers and 360 governmental entities, receive around-the-clock electricity in winter compared to only three hours per day in 2002. Instead of rationing electricity, Pamir Energy is now also able to supply electricity to over 1,000 households as well as hospitals, schools, and businesses in neighbouring Afghanistan. The affordability of electricity for the poorest households was ensured by a "lifeline" subsidy scheme funded primarily by a grant from Switzerland.

Brazil: "Light for All" Partnership

'Light for all' is an ongoing campaign - launched in 2003 by the Brazilian Government - to bring electricity to the millions of its citizens who live in far flung rural areas. It is a partnership between the Government, Eletrobras (the state utility company), electricity companies and rural electricity cooperatives. The programme changed track in 2008 to encourage the use of solar, wind, mini hydro and natural gas generated power, with the government paying up to 85 per cent of the implementation costs in remote regions.

At the end of 2013, after 10 years, the programme had reached its milestone of bringing electricity to 15 million people. Among the programme's benefits were: an improvement in the quality of life in rural areas; a slowing of the pace at which people were leaving to go to cities; and increased educational opportunities by allowing children to continue studying after dusk. Furthermore, the project empowered women by freeing them from the need to spend considerable time and physical effort collecting fuels for heating and cooking. Additionally, it has improved the environment by eliminating traditional ways of heating and cooking with wood and biomass that lead to deforestation and illness from respiratory problems.



Global: GAVI Alliance

The GAVI Alliance is a public private partnership set up in order to make vaccines available to all children no matter where they live and to make medicines available to children in the poorest countries. It is a global alliance involving donor and beneficiary countries and organizations such as UNICEF, the World Bank, WHO, the Bill and Melinda Gates Foundation and many private companies and organizations. Since 2000, GAVI has helped immunize 440 million children saving 6 million lives. Diseases such as pneumonia, measles and diarrhea take an enormous toll in developing countries. Private companies are engaged in improving this situation through GAVI because they recognize that the health of the communities where they do business, and the health (and competitiveness) of their businesses, are mutually dependent. Vaccines are one of the most cost effective health investments available. This partnership has lowered the price for vaccines, set up logistical support and trained medical staff in producing vaccines.



The programme has contributed strongly to reducing mortality levels in young children, thus supporting the Millennium Development Goals and plans to go even further in 2015 by vaccinating a further 250 million children, with the overall goal of ensuring that every child in the world is fully vaccinated.

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These diverse examples of partnerships for sustainable development are, in their own ways, highly productive and valued, targeting specific problems, involving different stakeholders and working to fill gaps that governments, for a variety of reasons (such as lack of resources, management capacity and technology) – were and still are not equipped to fill.

Challenges

At the same time, there are still considerable challenges to realizing the full potential of partnerships, including:

- (i) **Achieving global scale and real impact:** Very few partnerships achieve the enormous impact and scale of the GAVI Alliance. This is because very few are able to attract the considerable amounts of financing that GAVI has achieved through the tremendous sponsorship of groups such as the Bill and Melinda Gates' Foundation.
- (ii) **Difficulties in replicating partnerships:** Many countries having done one successful partnership, fail to go on and do more. For example, in the 12 years following the pioneering Pamir PPP in Tajikistan, only one other PPP project has been started. This challenge is a very common one and is linked to a lack of knowledge of what constitutes international best practices in PPPs. Even the wealthiest countries in the world are identifying the lack of international best practices as a challenge. For example, at the G20 meeting in Australia in November 2014, during an informal discussion on the future of infrastructure, there was clear frustration at the way states were "reinventing the wheel" and questions about whether different projects involving the public and private sectors were, or were not, complying with global best practice.³



³ In response the G20 created an Infrastructure hub to compile better information on infrastructure investments projects and PPPs.

(iii) Integrating civil society fully into partnerships: During the past decade, civil society has become much better organized and more effective inside partnerships. Despite these advances and despite best intentions, civil society, – and particularly poorer and less organized stakeholders, often remain at the periphery of partnerships. How can the intended beneficiaries of partnerships be encouraged to fully contribute to a programme? Another, related, challenge is developing successful partnerships that succeed in targeting the very poor and offer relief to them through adequate access to public goods such as clean water and education.⁴



(iv) Mobilizing the business community: Over the years, the business community has strengthened its commitment and support to partnerships that promote UN goals. At the beginning, support was, in many cases, only for the purpose of public relations. Today, companies are far more conscious of developing a positive reputation with their customers and stakeholders and, as one result, in many companies, the sustainable development agenda has moved to centre stage. Despite this, in a recent survey of CEOs in organizations working in infrastructure conducted by the World Economic Forum (WEF), while almost all respondents had heard of the World Bank, surprisingly few identified the UN as an organization working in this area.



United Nations Global Compact

ECE solutions to those challenges and examples of effective ECE work

The ECE uses its wealth of experience, expertise and networks of expert; together with its independence and neutrality, to bring people together in partnerships that successfully address these challenges as illustrated by the examples below:

Achieving Global scale and impact

TIR Convention – A Public-Private Partnership for facilitating movement of international Goods

The TIR system was created to facilitate trade and transport while implementing an internationally harmonised system of customs control that effectively protects the revenue of each country through which goods are carried.



⁴ When developing PPPs for poor populations, there can be substantial business risks and a high risk/low return scenario may require some reformulating the PPP model – into so called ‘pro poor PPPs’ - work on these sorts of models is just beginning and they will have to be developed virtually from scratch.

'TIR' (Transports Internationaux Routiers or International Road Transport) today is an international customs transit system based on a UN TIR Convention implemented at global level as a public-private partnership. TIR is the only universal transit system that allows the goods to transit from a country of origin to a country of destination, by allowing customs-sealed vehicles and freight containers to transit countries without border checks. The TIR System has been facilitating and securing trade and international road transport for over 60 years and at the same time minimising administrative and financial burdens and Customs duties and taxes that may become due.

TIR is the materialisation of the multilateral approach which allows: access to TIR operational countries, management of a low cost, high value guarantee system, intermodal transport operations, security in the supply chain, reduced delays and costs for the international transit of goods, trade facilitation (goods move across international borders with minimum interference), and economic benefits for individuals and nations. As a public-private partnership, TIR involves the International Road Transport Union (IRU) which implements the TIR System under UN mandate; IRU Member Associations which issue TIR Carnets and grant access to the TIR System to transport operators in collaboration with national authorities; TIR Carnet Holders - who perform TIR transport operations; National Authorities - usually Customs administrations; and United Nations bodies which oversee the TIR System and multilateral transport legislation at the global level.



Currently, the TIR Convention has 68 Contracting Parties. Countries such as Argentina, Brazil, China, India or Pakistan, have also expressed a keen interest in joining the TIR System. To date, more than 40,000 international transport operators have been authorized to access the TIR system, using more than 3 million TIR Carnets per year. With further enlargement of its geographical scope and the forthcoming introduction of an electronic TIR system (the so-called "eTIR-system"), it is expected that the TIR system will continue to remain the only truly global customs transit system, one of the most successful multilateral trade and transport facilitation and security instruments in force, and one of the most successful public-private partnerships in transport sector. Finally, TIR system as a form of public-private partnership, contributes to sustainable development goals by facilitating international trade and thus economic development.

UN/CEFACT – A Partnership for “Simple, Transparent and Effective Processes for Global Commerce.”

UN/CEFACT⁵ helps business, trade and administrative organizations from developed, developing and transition economies to exchange products and services effectively. To this end it simplifies national and international transactions by harmonizing processes, procedures and information flows related to these transactions, rendering these more efficient and streamlined, with the ultimate goal of contributing to the growth of global commerce.

In view of the global nature of its work, all UN Member States and organisations recognized by ECOSOC, participate. UN/CEFACT encourages developing countries and transition economies to participate in the standards development processes.

Over 200 volunteer experts from around the world, nominated by heads of delegation, prepare UN CEFACT standards and recommendations. Experts participate without representing special interests of their countries or institutions and are drawn from private companies, governments, intergovernmental organization, industry associations and academia. ECE standards have radically reduced the cost of global trade transactions and have become an engine for growth worldwide.



⁵ The United Nations Centre for Trade Facilitation and Electronic Business.

Partnerships for Sustainable Energy for all (SE4All)

UNECE is developing such partnerships to implement a regional agenda to attain the three objectives of SE4All: ensuring universal access to modern energy services; doubling the global rate of improvement in energy efficiency; and doubling the share of renewable energy in the global energy mix by 2030. In particular, UNECE has mobilized the support of all Regional Commissions on this issue. At the Fifth International Forum on Energy for Sustainable Development",



4–7 November 2014, Hammamet, Tunisia, the Executive Secretaries of all the Regional Commissions signed a Joint Statement that reaffirmed the roles of key stakeholders in promoting sustainable energy policies. The Joint Statement is a roadmap for achieving the objectives of SE4All and for greening the energy sector and the economy as a whole.

Difficulties in replicating partnerships

One of the most effective ways to promoting partnerships is to make them easily replicable through the development of international standards. Internationally proven standards and recommendations are strongly needed in PPP.⁶ The **UNECE International PPP Centre of Excellence** is precisely developing the international standards that will allow for easier replicability. It does this through first preparing international best practices and then developing them into **international standards**. Project Teams work to develop standards in a transparent way– the public and civil society have 60 days to comment.

They are good examples themselves of multi - stakeholder partnerships - one Project team is working in the area of zero tolerance to corruption in PPP procurement, bringing together experts from over thirty countries, from the World Bank, ADB, and the private sector and from academia. It is not a theoretical exercise: the implementation of the standards in close partnership with the World Bank has already started in UNECE countries.

In addition, this partnership is extremely cost effective. The collection of international best practices is done by Governments, hosted **Specialist Centres** with an emphasis on sectors which could have a major impact on the SDGs. It has established such bodies in: the Philippines (health); France (law, policy and institutions); the Netherlands (flood water management); Azerbaijan (ICT and broadband); Morocco (renewable energy); India (roads); and one to be established on water and sanitation. Moreover, all the experts participate in the Project Teams on a *pro bono* basis.

Integrating civil society fully into partnerships

Aarhus Convention – a partnership with civil society

The Aarhus Convention is a unique instrument. It brings civil society into the heart of decision making on environmental issues. The Convention empowers civil society by granting it right to access to environmental matters, the right in participation in environmental decision taking, and the right to access to justice for redress in cases where their rights have been compromised.

The impact of this Convention has been considerable. Governments have stressed how civil society now plays a very active role in their respective environmental decision making processes. In addition, the EBRD now uses the principles contained in the Convention as standards for involving civil

⁶ Until a few years ago 'national best practices' were generally considered to be sufficient for disseminating the model to other countries, with many simply copying national 'best practice' models of a few countries, such as Private Finance Initiative(PFI) in the UK. But when this programme became somewhat discredited a few years ago, a pressing need emerged to find different, more appropriate, and international best practices, based on the experiences of all countries doing PPPs – not just a few.

society in its investment projects in its countries of operation. It has prepared draft guidelines for private operators providing public services, such as water and sewerage providers, on ensuring public access to environmental information. EBRD project officers also used Convention's Compliance Committee findings to assist them when carrying out projects.

This collaboration of civil society in environmental decision-taking leads to more environmentally sustainable large infrastructure projects in areas such as highways and nuclear installations.

Mobilizing the business community

The ECE is highly successful in mobilizing the private sector across the spectrum of its activities notably in the Energy, Environment and Transport related activities. For example Working Party 29⁷ in Transport brings together the world's leading car manufacturers and also their suppliers. Their meetings on developing standards attract large numbers – up to 300 in some cases.

The ECE PPP Business Advisory Board comprises around 25 of the world's leading companies involved in infrastructure investments (water and sanitations, financing, construction, transport technology etc.). This group offers its unique knowledge and expertise to governments in review the bankability of their project proposals and to remove the existing bottlenecks in order to attract private

capital – and in the case of Belarus, their contribution has improved legislation, established a PPP Unit and helped identify pilot projects.

The foundation of all these successful partnerships – making them rock solid – is UNECE's huge advantage as an organization developing and implementing international conventions, norms and standards across a wide spectrum of daily economic life.



New and forward-looking measures to be taken by ECE in the future

It is essential that the ECE continues to promote so actively partnerships for sustainable development. It is the right approach for the twenty-first century. Partnerships, done wisely and well, offer member States value for money. There is no doubting moreover that the importance of promoting strong, effective and 'smart' partnerships will grow. The new SDGs will consist of targeted commitments towards the eradication of poverty and expanding access to basic services that contribute to poverty alleviation such as: sustainable and affordable energy; healthcare; education; affordable Internet and broadband; and safe drinking water. These commitments, if they are to be achieved, will require the creation of new partnerships, as universal and comprehensive access will need massive transformational investments that Governments by themselves will be unable to meet.⁸

Discussing partnerships for sustainable development is thus not a 'yes' or a 'no' question. Rather, the question is how to build even more successful partnerships at ECE. In this spirit, three suggestions might be made going forward:

⁷ UNECE's World Forum for Harmonization of Vehicle Regulation.

⁸ In the area of water alone, it is estimated that USD 20 trillion will be required to meet a target of universal access to safe drinking water by 2025.

- I. Make ECE's standards work even more impactful and open – this can be done by ensuring that all UN states participate equally in the UNECE standard making and implementing process.⁹
 - II. Create even greater synergies within the UNECE – the PPP work is cross-sectoral and already there are useful synergies between it, the Protocol on Water and Health, Renewable Energy and Transport.
 - III. Ask our partners how we could do better – the ECE PPP Business Advisory Board, for example, could, on top of the advice being given to member states, be asked how the ECE might engage the private sector more effectively and to make them more aware about the forthcoming challenges of the SDGs.
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⁹ Non UNECE members have no voting rights in UNECE's intergovernmental processes.