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Team of Specialists on Public-Private Partnership

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Role of the specialist centres in the UNECE International PPP Centre of Excellence

Conference room paper submitted by the Secretariat

This document specifies the role of the specialist centres in the framework of the UNECE International PPP Centre of Excellence, provides an overview of the progress in creating specialist centres and describes the experience and lessons learned from the first specialist centre created - the International Specialist Centre on PPP in Health (hosted by the Department of Health of the Philippines in Manila).

INTRODUCTION

One of the key tasks in making the UNECE International PPP Centre of Excellence (ICoE) operational is the creation of the specialist centres. These will be the main bodies identifying excellence, preparing the best practice guides and helping governments build their capabilities to develop a successful pipeline of projects. In fulfilling these tasks, the specialist centres will be assisted by the coordinating hub at the UNECE which will provide support *inter alia* through the Advisory Board and the Editorial Board¹. These actions are designed to ensure both consistency amongst the specialist centres and a quality assurance for the deliverables of the specialist centres.

¹ See CRP2 and CRP3 for detailed information on the structure and organisation of the UNECE PPP International Centre of Excellence and its financing strategy.

The following note, divided into three parts, presents information on the progress in the creation of specialist centres:

- I. Overview of the progress in creating specialist centres and their areas of work;
- II. Experience and lessons learned from the International Specialist Centre on PPP in Health (hosted by the Department of Health of the Philippines in Manila) - the first specialist centre created;
- III. Challenges that lie ahead for the specialist centres.

PART I. OVERVIEW OF THE SPECIALIST CENTRES

The goal of the UNECE International PPP Centre of Excellence is to identify best practice in PPP and help governments implement these practices. The task is carried out by the hub in Geneva in tandem with the specialist centres. The idea, however, is not to cover every area in which PPPs are occurring, but to focus on some of the most important sectors. The choice of a sector should, ideally, comply with the following two conditions:

- (i) The impact of PPP in the sector will contribute to addressing some of today's pressing problems, notably, greening our economies, use of technologies to fight climate change, improving access to basic public services, alleviation of poverty, etc.;
- (ii) The sector selected has few, if any, previous published toolkits for doing projects in that specific sector.

To date, as can be seen from the *chart* below, a number of very significant sectors, such as renewable energy, green PPPs, broadband and ICT, schools, health, etc. are being considered or established that will, it is hoped, fulfil these above mentioned conditions.

In other cases, specialist centres may focus on specific sectors that constitute the core challenges countries face in taking PPPs forward. These challenges include the legislation and institutional requirements for undertaking PPP. In addition in large countries in particular, another challenge concerns the role of subnational entities in undertaking PPP. The Russian Federation is in the early stages of exploring the feasibility of establishing a specialist centre to focus on role of the regions of large confederation in promoting PPP.

Status table of establishment of the specialist centres:

CENTRE	LOCATION AND HOST ORGANISATION	STATUS	BEST PRACTICE OUTPUT	PARTNERS	FOCAL POINT
PPP in health	Philippines, Department of Health	MoU signed	First draft is available	ADB, WHO	Celso Manangan celso.manangan@gmail.com
PPP in renewable energy	Morocco, Agence Nationale pour le Développement des Energies Renouvelables et de l'Efficacité Energétique	Expression of Interest	-	-	Sonia Mezzour Secrétaire Général de l'Aderee sg@aderee.ma
Green PPP	Korea, Korea Development Institute	Expression of Interest	-	-	Jungwook Kim Awaker2@kdi.re.kr
PPP legislation	France, location to be identified	Expression of Interest	-	UNCITRAL	Marc Frilet avocats@frilet.com
Regional development	Russian Federation, National Research University – Higher School of Economics	Expression of Interest/ MoU ready to be signed	-	-	Vladimir Korolev vkorolev@hse.ru
ICT/ broadband	Azerbaijan, Ministry of Communication	Expression of Interest	-	-	Rufat Tagizadeh International-rt@mincom.gov.az
Schools	Germany, location to be identified	Expression of Interest	-	-	Bernhard.mueller@bmf.bund.de
Water management	Netherlands	Expression of Interest	-	-	Helena.hernandez@pppsupport.nl

	Specialist Centres established
	Specialist Centres in the pipeline
	Specialist Centres under initial consideration

PART II. EXPERIENCE OF THE SPECIALIST CENTRE ON PPP IN HEALTH (MANILA, THE PHILIPPINES)

As mentioned above, the specialist centres' role is using the experiences worldwide to evaluate what are the best practice/projects and to help governments to adapt these projects to, and to implement them in their own socio-economic setting. This task leads to a number of challenges which we can, to a certain extent, see already emerging in the case of the Philippines.

Even before it was established, the Centre on Health identified some important requirements for the establishment of a specialist centre, namely²:

² Speech by Mr. Celso Manangan, Director of the Specialist Centre on PPP in Health, at the international conference on PPP in Health, jointly organized by ADB, UNECE and WHO, 23-25 October 2013, Manila, the Philippines

- It is important to identify a PPP ‘Champion’ (preferably, a senior government official) who has the confidence of the Government of the country and at the same time of the private sector.
- The country should be moving towards having a strong policy on PPP as a strategy for infrastructure development and it must recognize the role of the private sector as a partner in development.

The challenges that the Specialist Centre on PPP in Health faces are the following:

1. Translating ‘successful’ PPP projects into best practice

A wide array of healthcare PPP projects will need to be researched, evaluated and coordinated under established criteria leading to ‘best practice’. Experiences from different governments under diverse cultures, economic and financial conditions, manner of political administration, investment climate, etc. would all together have to be understood. How can we differentiate from all these multiple factors and identify something called ‘best practice’?

2. Strengthening capacity building programmes

Using ‘best practice’, specialist centres will structure effective capacity building programmes and activities, using different methodologies and processes. But here again, how do you translate the best practice, which contains different factors as mentioned above into appropriate capacity building programmes?

3. PPP projects on health in the Philippines

The final stage is the implementation of actual projects in the health sector. The Specialist Centre would provide support and assistance to local PPP Health Units to bring projects to a prefeasibility stage in line with the priorities set by the Government and following consultation with stakeholders including representatives of the private sector. But what happens when projects are put into a country’s project pipeline based on the best practice model, but then cannot be funded and tried out? A job half done?

PART III. CHALLENGES FACED BY THE SPECIALIST CENTRES GOING FORWARD

Of course, finding funding that can allow them to undertake the work in a realistic time frame will be the principal challenge for the specialist centres. Putting this challenge aside, though, there are at least two other challenges that need to be overcome.

Data collection

How do relatively small specialist centres with limited staff collect data, undertake the necessary research and evaluate projects taking place around the world? It has to be recalled that even where a specialist centre is in a country with good best practice experiences in PPP in specific sector, it will still have to research the PPP experiences in other countries to provide global best practices. So it cannot rely on its own country sources, even if that is easily accessible. Global research is moreover both costly and time consuming.

Communities of Practice are groups of researchers/practitioners who share tips and best practices, and who interact regularly to learn how to do it better. Membership is dependent on expertise - one should have at least some recent experience performing in the role or subject area. Communities are not limited by formal structures; they create connections among people across organizational and geographic boundaries.

Source: Etienne Wenger. Communities of practice: A brief introduction.

One possible solution is linking specialist centres up with ‘Community of Practice’ that exists within many global companies and international financial institutions. Such communities (defined in the box) can provide the raw data to the specialist centres so that the latter can become operational very quickly.

One related issue here concerns the nature of the incentives these communities of practice will need in order to cooperate with the specialist centres. Basically, why should communities of practice work with the specialist centres? Ideally, what specialist centres are looking for are communities of practices willing to share their detailed, unpublished data on projects with the specialist centres and the ICoE on a *pro bono* basis.

Connecting specialist centres with each other

Specialist centres are undergoing a number of challenges, e.g. gaining approval from the relevant authorities and the UNECE, developing cooperation with relevant government bodies, and reaching out to the private sector in the respective sector area. In addition, they have to undertake necessary administrative work to fully function as the specialist centre, e.g. finding suitable offices, preparation of work plans, recruiting staff, etc.

One way to help specialist centres to undertake these tasks is to develop communication between them, so that they learn from each other’s experiences. Indeed, it is highly desirable, that specialist centres develop regular contact with each other, either through the ICoE in Geneva or directly with each other.

IMMEDIATE ACTION POINT TO FOLLOW-UP

To organize a meeting of specialist centres in the first half of 2013 in order to accomplish the following objectives:

- To present the methodology and criteria identified by each specialist centre to determine the best practice in the respective sectors, with a view of exploring a common set of criteria for best practice that can be used by all specialist centres;
- To explore ways and means under which International Financial Institutions commit to support and cooperate with all specialist centres.