



Aggregating our Forces to Formulate International Best Practices and Standards

Views from the International Centre of Excellence Concessions PPP “Policies, Laws and Institutions”

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The Challenge for Developing PPP Standards

- Developing standards at a UN universality and quality level for PPP is an immense challenge.
- It is often heard that it is not possible since each PPP Project is specific.
- However empirical evidence shows that in fact many issues and practical solutions are to a large extent similar across countries and sectors.
 - But many of these solutions do not travel well.
 - And many of them remain to be formulated in a clear and simple manner.

Conclusion: Formulation and dissemination of best practices and standards could play a major role to develop pipelines of PPP Projects in LDCs and emerging economies critical to meet the SDGs.



Lessons Learnt on Real Issues and Best Practices

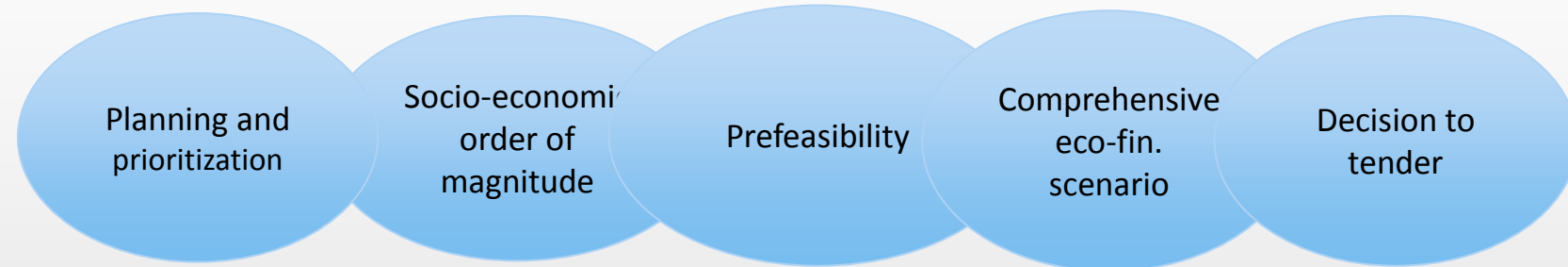
- I. During the recent development of the UNECE Centres of Excellence Project and Project Teams:**
 - Some best practices and standards can be of universal nature irrespective of countries and sectors.
 - Other can be sector specific, examples: renewable energy, water, road, health care, etc.
 - Other can be more specific to a legal system.
 - the best results for formulating best practices and standards should be to aggregate the forces of the Centres of Excellence and of the Project Teams under the leadership of the UNECE Secretariat.

- II. During a decade of investigation by the teams of CICA and IFEJI, promoters of the International Centre of Excellence "Policies, Laws and Institutions" created in France:**
 - the list of real issues impairing the possibility to develop pipelines of essential infrastructures projects in LDCs is much more comprehensive than generally considered.
 - As a result best practices and standards should cover a very wide scope

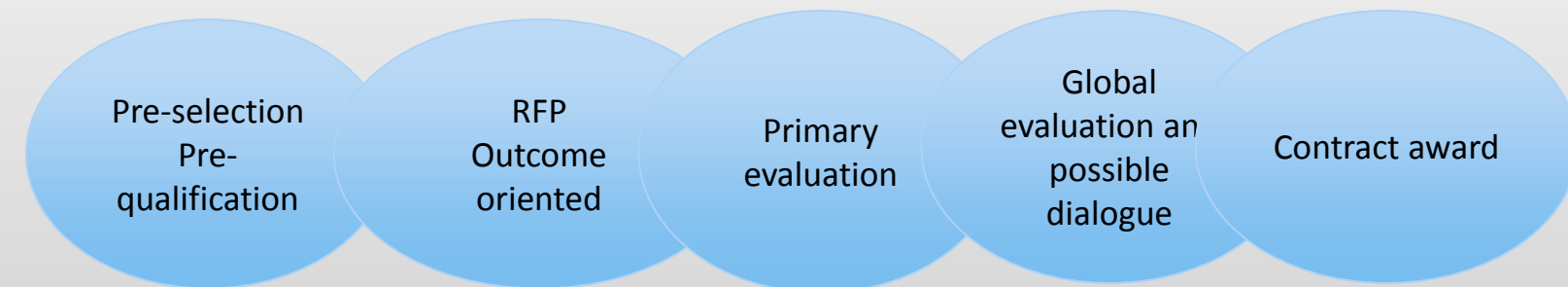


Example of the Key Issues of Universal Nature to be Resolved for the Development of Pipelines of Concessions PPP (users fees) in LDCs

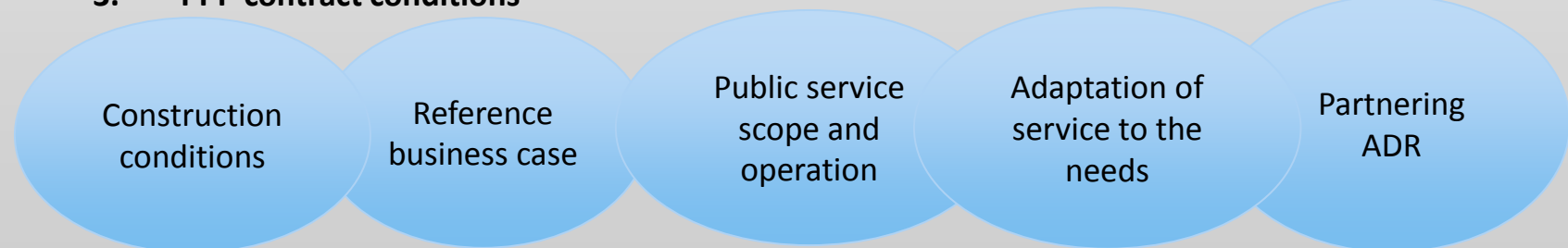
1. PPP preparation: procedural steps preparation



2. PPP procurement: procedural steps



3. PPP contract conditions





Example of the Key Issues of Universal Nature to be Resolved for the Development of Pipelines of Concessions PPP (users fees) in LDCs(2)

4. PPP legal principles governing public contract

Due process, fair trial and arbitration

Public service priority

Sovereign rights of the Public Authority

Uncommon rights of project company

Outside regulation

5. Legal framework: investment climate

Economic equilibrium

Expropriation and security of tenure

Granting of permits and authorizations

Tax and custom certainty

Stability of regulations

6. Institutional framework (sovereign and sub sovereign)

Governance
Integrity
Efficiency

Planning and prioritization authority

Evaluation and selection authority

Monitoring authority

Choice of outside advisers



How to Design Best Practices and Standards with the Level of Quality and Neutrality Required by the UN (Excellency Level)?

- I. **Some views on immediate priorities** (among 20 to 30 key issues)
 - ❖ Standards for deciding whether a PPP route is preferable over traditional public procurement
 - Comparison with remeasurement contracts
 - Comparison with Design & Build contracts
 - Comparison with Design, Build & Operate contracts
 - Evaluation of the contributing capacity of users and CAPEX & OPEX
 - Revision of the conceptual parameters of the Project
 - ❖ Standards for deciding which PPP to develop for a particular Project
 - Availability funding with limited risks during the operation of the the service (ex: PFI)
 - Users fees funding with full operation of the service (ex: Concessions)
 - A blend of the two: possible under which conditions?



How to Design Best Practices and Standards with the Level of Quality and Neutrality Required by the UN (Excellency Level)? (2)

II. Some views on methodology

- ❖ Designing best practices and standards requires prima facie:
 - an in depth knowledge of relevant experience (good and bad) on projects, regulations and countries practice.
 - a team having a professional knowledge and capable to acquire much more
 - a team capable to extract from these information useful lessons
 - a team capable to formulate best practices and possibly standards
 - In a nutshell a team having sufficient knowledge of the science of “**légistique**” as adapted to LDCs and emerging economies

If this is achieved, the standards required by the UN will be easy to endorse and implement in LDCs and emerging economies.



How to Optimize the Relationships between the Centres of Excellence and the Project Teams to Deliver the Expected Outcomes?

Developing together a strategy and an action plan with priorities even if only optional for the countries

- ❖ **Clarify the objectives on the content and future role of the standards**
 - Difference between guidelines, policies and standards
 - Level of prescriptive form and wording conditions for the standards (even if not mandatory)
 - Consistency and hierarchy between the standards (universal, sector specific, legal system specific, etc.)



How to Optimize the Relationships between the Centres of Excellence and the Project Teams to Deliver the Expected Outcomes? (2)

❖ Formulating universal standards

- In many situations the formulation of universal standards deserving the UN label will necessitate a fresh formulation of best practices by the specialized Centres of Excellence.

It is proposed that the Centres of Excellence prioritize their work program for contributing to the development of related standards in joint venture with the Projects Teams.

- When best practices are already formulated in a clear and simple manner, the specialized Centres of Excellence should offer support to the Project Teams when required.

❖ Proposals to speed up the process of designing standards

Consider a draft of a UNECE Guidance Note to Centres of Excellence and Projects Teams including objectives, methodology and template by-laws facilitating the formulation of best practices and standards and including ethical rules, reporting requirements and the resources to be found or allocated.