



## **Economic and Social Council**

Distr.: General  
18 September 2018

Original: English

---

### **Economic Commission for Europe**

**Committee on Innovation, Competitiveness and Public-Private Partnerships**  
**Working Party on Public-Private Partnerships**

**Second session**  
Geneva, 20-21 November 2018

### **UNECE International PPP Centre of Excellence (ICoE)** **Report of the third UNECE International PPP Forum**

**“Scaling up: Meeting the challenges of the United Nations 2030 Agenda for Sustainable Development through people-first Public-Private Partnerships”**

Palais des Nations  
7 – 9 May 2018

**Report prepared by the Secretariat**



## UNECE International PPP Centre of Excellence (ICoE)

### UNECE International PPP Forum:

### “Scaling up: Meeting the challenges of the United Nations 2030 Agenda for Sustainable Development through people-first Public-Private Partnerships”

Palais des Nations

7 – 9 May 2018

### Report prepared by the Secretariat

#### Main Highlights

The following report of the third UNECE International PPP Forum “**Scaling up: Meeting the challenges of the United Nations 2030 Agenda for Sustainable Development through people-first Public-Private Partnerships**”. Given the momentum of enabling frameworks that create an everlasting impact on the SDGs, UNECE advanced the work to scale up the following mandated outputs:

**1. Guiding principles on People-first PPPs for the SDGs:**

- The approach was agreed and the document will be prepared as ONE UN publication
- Further revision will be made for its submission to Regional Commissions

**2. Women’s empowerment:**

- An international roadshow will start, so that companies adopt the “4-point strategy”
- The goal is that 1000 companies sign up to follow this strategic approach by the end of 2018

**3. Draft Declaration on a Zero Tolerance Approach to Corruption in PPP Procurement:**

- This will be finalised this year to scale up implementation in more countries

**4. Draft PPP Sectorial Standards:**

The approval process of the following Draft Standards will be accelerated so that they are finalised by the end of 2018:

- PPP in Transport (Urban rail, Rails, and Roads);
- PPP in Renewable energy;
- PPP in Water Supply and Sanitation; and
- PPP in Universal Health Coverage

**5. Campaign to attain 500 people-first PPP case studies:**

- This will continue with an evaluation methodology to be developed in the next few months

**6. China Belt and Road Initiative:**

- The cooperation is fully endorsed by governments
- The international policy dialogue will be organized this year

**7. International cooperation between UNECE and ECA:**

-The ICoE proposed to hold the next forum in Addis Ababa, to increase capacity building efforts of the Specialist Centres and the Business Advisory Board (BAB) in least developed regions

## Table of Contents

I.	Introduction.....	3
II.	High Level Debates .....	3
	How can the private sector help to empower women through PPPs.....	3
	How to identify and develop effective People-First PPPs (PfPPPs).....	5
III.	Plenary Sessions.....	7
	Plenary I – Is the PPP model fit for purpose for the SDGs?.....	7
	Plenary II – Identifying and scoring effective People-First PPP (PfPPPs) projects.....	9
	Plenary III – The role of People-First PPPs in international cross border mega infrastructure projects.....	11
	Plenary IV – Scaling up: the ‘Big Picture’ .....	13
4.a	Finalising existing Standards.....	13
4.b	Improving implementation on the ground: the UNECE Standard on a Zero Tolerance approach to Corruption in PPP Procurement .....	14
4.c	The Role of UNECE International PPP Centre of Excellence.....	15
4.d	PPP Unit work to scale up PPP programmes/projects .....	16
IV.	Parallel work streams .....	16
	Policy, laws and institutions .....	16
	Urban rail.....	17
	Water and Sanitation/Healthcare .....	17
V.	Meeting our Specialist Centres.....	18
VI.	Conclusion and follow up actions.....	18
	Next PPP Forum.....	18
	Annex I. Status of the International PPP Standards and Recommendations for People-First in Support of UN SDGs .....	19

## I. Introduction

The third edition of the International PPP Forum hosted by the UNECE in Geneva from 7 to 9 May 2018 had the thematic goal to **scale up the UN 2030 Agenda for Sustainable Development through People-First PPPs**.

UNECE calls for a **new generation of PPPs that are “People-First”**, whose overarching goal is sustainable development putting people at its core. Their focus is on improving the quality of life for people, especially the most socially and economically vulnerable, as well as undertaking projects that do not harm the environment, using resources in ways which do not put at jeopardy the future of public budgets and the planet’s prosperity.



Along these lines the key objectives of the Forum were to:

- Present the People-First PPP Guiding Principles and make it a unified UN initiative;
- Advance the work of PPP draft Standards for key infrastructure sectors
- Present the final standard and adoption of the declaration on Zero Tolerance to Corruption (ZTC);
- Promote the Belt and Road Initiative and develop further the policy dialogue;
- Scale up activities of UNECE PPP Specialist Centres and the Business Advisory Board (BAB),
- Showcase projects that aspire to be people-first and meet the SDGs and identify ways they may be measured for their impact on the ground; and
- Promote gender equality and women economic empowerment through PPPs

Some of the key challenges highlighted were:

- The need of a consensus and commitment of governments to develop People-First PPPs, in accomplishment of SDG17;
- The need to address sustainable evaluation criteria in PPP procurement and the increasing importance of impact investing;
- The importance of fundraising for outcome-oriented projects and technical capacity building delivered by the International Specialist Centres and the Business Advisory Board (BAB); and
- The relevance of multi-stakeholder cooperation and alignment, especially between UN Regional Commissions, UN Programmes, International Organizations, and Multilateral Development Banks for the implementation of People-First PPPs, and thus make an impact on the SDGs.

The deliberations and discussions led to key action points for UNECE Secretariat and key stakeholders. These are highlighted under each section and in the conclusion of this report.

## II. High Level Debates

### How can the private sector help to empower women through PPPs

In the PPP sector (e.g. construction and heavy infrastructure, public services etc.) the industry is not as dynamic as it should be, because women are playing only a limited role. The UNECE “Guiding Principles on people-first PPPs for the UN SDGs” expressly state that the people-first PPP projects should include the following four-point strategy for projects’ economic effectiveness:

1. Enhance the role of women inside companies at senior-decision taking levels, undertaking PPPs and in the PPPs themselves;

2. Help women- led companies in the supply chain compete in tenders for projects;
3. Make a difference in the communities where they do business, by helping young women and train them to become the business leaders of the future; and
4. Promote a gender perspective in the design and operational stage of the delivery of projects, so that these help women deal with their special challenges



The panel was moderated by **Sharanjit Leyl**, Producer and Presenter, BBC World News, and was composed of high level panellists including: **Arancha González**, Executive Director, International Trade Centre; **Simona Scarpaleggia**; CEO, IKEA Switzerland; **Anne Hornung-Soukup**, Chair of the Board, Transports Publics Genevois (TPG), Switzerland; **Sonia Mezzour**, Secretary General, AMEE, Morocco; and **Xi Wang**, Deputy Secretary General, Industry Rules Committee of Beijing Lawyers Association. **Olga Algayerova**, the UNECE Executive Secretary, made concluding remarks at the end of the high-level debate. The panel addressed the following key questions:

**i. What is the current situation in the infrastructure sector and what are the types of jobs that women do?**

The panellists recognised that the overall gap of women’s participation in the economy is a collective problem in society. Some key statistics were highlighted as follows:

- Only 1% of women-owned businesses contributes to the global public procurement volume, representing a total of USD15 trillion.
- One billion women is disconnected from the economy. Only 1 of 5 exporting companies is a women-owned business.
- Payment gaps are likewise a very important concern. For instance, the finance sector has the second largest payment gap between men and women in the world.



However, women add significant value to the economy. For instance, it was argued that companies where women comprised at least 15 percent of senior management boards were 50 percent more profitable, in comparison to others with less women participation.

**ii. Should the industry give more opportunities to women to participate and make it more dynamic and successful?**

Gender inequality is the starting issue to be solved in the economy. By increasing women participation in different value chain activities, global GDP could substantially increase. Women participation is both a human right and societal issue.

Some infrastructure sectors such as transportation are typically male-oriented due to the use of heavy machinery in the sector. A favourable environment for women (e.g. codes of conduct) should be introduced in companies. Measurable targets for women inclusion in leadership positions are already being followed

by a number of large companies and organizations to drive gender equality. Gender-balanced recruiting processes, flexibility, and parity of salaries can drive more productivity in companies.

Coaching, mentoring and capacity building are likewise good strategies for industries to build up women skills and help them advance in their careers and in the labour market.

**iii. How can infrastructure companies and governments better work together to give women concrete chances to further advance their career at all stages?**

The panel recognised that governments might wish to introduce regulations that promote women participation, and for the private sector to act more vigorously in enhancing women's economic empowerment.



Women's access to infrastructure is highly relevant. Involving women-led companies in decision-making processes is an important aspect to achieve the SDGs and promote People-First PPPs.

All panellists agreed that commitment from both governments and private sector stakeholders is required to achieve a more gender-inclusive economy, with a set of concrete targets. Market intervention is for this reason required to make progress on gender equality, while tackling social, societal and cultural

issues.

In addition, creating a gender-balanced pipeline of talents among both public and private sectors is extremely important. Efforts by all stakeholders to drive cultural changes, promote education and allow transparency of gender-related data are required to promote inclusion and empowerment of women.

**Actions arising and follow up**

- An international roadshow will be organized to sensitize companies and encourage them to empower women in their economic activities.
- In addition, the speakers made concrete pledges towards further empowering women in the work place within their respective organisation:
  - **Arancha González**, Executive Director of the International Trade Centre, pledged to connect 3 million women to the market by 2030.
  - **Anne Hornung-Soukup**, Chair of the Board of TPG Geneva took a commitment to double the number of women in senior positions within her company and reach 20 percent within four years.
  - **Olga Algayerova**, Executive Secretary, UNECE, remarked that there was a need to improve the representation of women inside the companies undertaking PPPs. She also highlighted the importance of having targets and concluded by launching one: “let us look to recruit in the next three years 1000 companies meeting our goals and showing results on the ground, inspiring others to do more.”
  - **Sonia Mezzour**, with the support of the Government of Morocco, will take the lead to support the launch of a programme to promote women empowerment in PPP projects.

**How to identify and develop effective People-First PPPs (PfPPP)**

The biggest challenge facing governments in PPPs is how to identify and develop the right projects for sustainable development and the implications of bringing private sector investment in People-First PPP projects.



### i. The public sector's work on SDGs and People First PPPs

The high-level debate was moderated by **James Stewart**, Chair, PPP Business Advisory Board and was composed of the following panellists: **Fatima Bargach** (Morocco); **Andy Carty** (UK); **Agha Waqar Javed** (Pakistan); **David Martínez García** (Spain); **Hafiz Salikhov** (Russian Federation); **Jekaterina Šarmavičienė** (Lithuania); and **Henry Tillman**. The following questions were addressed to government representatives in the panel:

- **What are the tools and instruments that are needed to advance projects meeting the SDGs?**
- **How do governments prioritise and how should they coordinate inside the Government and between national, regional and local levels?**

All governments represented on the panel gave an overview on the individual progress achieved to meet SDGs, responding in this way to the questions addressed.

In Morocco there are bodies designed to select projects that promote training, education and productivity. PPPs thereby address socio-economic objectives, and industrial activities are coordinated not only to generate revenue, but also to be inclusive, so that women are well represented.

The UK has at least 700 operational PPPs. People First PPPs and the SDGs can play an important role in UK projects and the development of new business models. For example, PF2 is a model in the UK, which has enabled success stories. Operational management and effective maintenance of assets are also critical points contemplated by the UK when developing PPPs.

In Pakistan projects for reforestation have been already awarded to private partners for 15-year concession periods. Environmental impacts have been assessed as part of these projects. However, the difficulty in Pakistan and other similar countries is to convince governments to use PPPs for development goals, making it therefore hard to enter for a new generation of PPPs.

An impact evaluation framework and digital analytical tools are used for PPP design and project development in Lithuania. In this way the added value and drivers of PPPs can be better understood, helping to effectively define weighting selection criteria and socio-economic impacts of projects. Cooperation has been done with other countries, taking best examples and adapting them into their own cases. Therefore, disclosure of information is crucial for knowledge-sharing between countries.

The City of Barcelona follows a collaborative approach for the social and economic development. PPPs play a very important role for urban planning and transformation. The economic impact of PPP urban transformation projects has been positive, as both quality and innovation have been enhanced in a sustainable way. Multi-disciplinary and multi-stakeholder meetings and urban innovation laboratories are effective means of work to achieve urban objectives in Barcelona.

The speaker from the Russian Federation shared his experience and progress made to improve legal frameworks through Inter-Ministerial action plans. A roadmap was developed for PPPs in infrastructure. A Commission has been established at a federal level to coordinate national, subnational and municipal work.

In addition, examples of sustainable Belt and Road projects (e.g. renewable energies, ports, light railway, among others) in Czech Republic, Serbia, Ecuador, Sri-Lanka and Ethiopia were also presented.



## ii. Role of the Business Advisory Board (BAB) in People-First PPPs (PfPPPs)

This panel was moderated by **James Stewart**, Chair, PPP Business Advisory Board, and **BAB Members** shared their experience on the BAB and its policy advisory work in countries. The aim of the BAB is to bring a private sector lens to PPP capacity building. Missions are carried out to support governments in defining their pipeline of projects, introducing the SDGs, supporting regulatory frameworks, among others. Belarus is a concrete example where BAB support has led to the development of concrete projects. Governments seeking support from the BAB are requested to contact the UNECE Secretariat.



Overall BAB supports line Ministries in the improvement of legal and regulatory framework, the design of infrastructure development plans, and institutional coordination. Often the BAB does this work after carrying out a Readiness Assessment.

### Actions arising and follow up

- BAB is looking to scale up its activities to meet the demand and find resources for the Secretariat which organizes BAB advisory work missions.
- To foster capacity building missions in Africa by the BAB, it was suggested to hold the next International PPP Forum in Addis Ababa, Ethiopia, jointly with ECA.

## III. Plenary Sessions

### Plenary I – Is the PPP model fit for purpose for the SDGs?

The secretariat, in consultation with a variety of stakeholders, prepared new revised Guiding Principles on People-First Public Private Partnerships (PPP) for UN SDGs. The central purpose of the document is that PPPs are designed in a way that not only delivers “Value for Money”, but also “Value for People”, so that their outcomes make significant progress on the UN SDGs.

### Presentation of the People-First PPP Guiding Principles

**Geoffrey Hamilton (UNECE)** introduced the eight guiding principles that will enhance the implementation of PPPs globally for a "people-first" approach. The principles are the following:



1. Principle 1: Projects and Action Plans
2. Principle 2: Capacity Building
3. Principle 3: Improving Legal frameworks for People-first PPPs
4. Principle 4: Transparency and Accountability
5. Principle 5: Risk and de-risking
6. Principle 6: Procurement: Promoting, Value for People
7. Principle 7: Resilience and Climate Change
8. Principle 8: Innovative Financing: Impact Investing

This document is based on the premise that the SDGs present an opportunity for governments and people to change the world for good and that improving people’s lives can be done through suitably adjusted public-private arrangements. The impact of People-First PPPs should be:



- **Transformational** in an international, global, game-changing sense;
- **Inclusive** by 'leaving no one behind', especially promoting women economic empowerment;
- **Resilient**, adapting and mitigating the multiple challenges presented by climate change;
- **Social** as opposed to just economic infrastructure; and
- **Moving from a linear to a circular economy**, and fostering more rational and sustainable production and consumption patterns, and to reuse, recycle, and repurpose.

The UNECE argues that PPP is critically on most countries' agenda because the public sector will not be able to meet the required funding to achieve the ambitious sustainable development goals; hence the need for private finance alternatives. The collaboration with the private sector will be critical to bringing additional capacity and transformation on the ground. It also recognizes that the private sector can have an important role as a source of innovative technologies, management and organizational skills and enhanced capabilities.

But, the UNECE argues that PPPs should be designed to achieve five specific outcomes which include:

- Increase access to essential services, lessen social inequality and injustice;
- Deliver resilient and sustainable infrastructure;
- Be economically effective, by bringing transformational economic impact;
- Be replicable and scalable, to allow the development of further projects; and
- Bring all stakeholders together in partnership and consulting those affected.

### **Main points raised on the People-First approach**

After presenting the principles, a panel moderated by **Geoffrey Hamilton** and composed of **Felix Dodds**, Senior Fellow Global Research Institute, **Marc Frilet**, International PPP Specialist Centre on PPP policy, laws and institutions, France, **Raymond Saner** CSEND, **Kaimeng Li**, China, **Anand Chiplunkar** (Former Representative Asian Development Bank), **Sedef Yavuz Noyan**, Turkey and **David Dombkins**, addressed the following questions:

#### **i. Do these eight Guiding Principles reflect the new model required for the SDGs?**

The eight guiding principles were acknowledged by all speakers to be innovative and comprehensive for a new mindset on PPPs, and even a new generation of PPPs. Additionally, they were recognized to be needed not only for SDGs, but also for all kinds of PPPs. A new methodology for evaluating PPPs is urgently needed in national policies for project prioritization and to reflect the new model.

Some speakers considered the Guiding Principles to be a breakthrough, for a next generation of PPPs, especially for impact investors. It was recognised that a substantial increase in financing for people first projects are required. Thus, this document can become a blueprint that expands the scope of PPPs. It also allows NGOs to play an important role for delivering the SDGs in low and middle-income countries. This will be especially the case in low-income and post conflict countries, where the private sector will likely to be not attracted to invest.

The People-First model represents a new generation of PPP. The 1<sup>st</sup> generation was value for money PPPs, the 2<sup>nd</sup> generation integrates resources for economic development and now the proposal is to focus on a 3<sup>rd</sup> generation of PPPs integrating three pillars (value for the planet, value for economy and value for people). The eight Guiding Principles are needed as a basis for a major reorientation in the future, and yet the legal framework should be put in place by governments to implement them.

Meeting SDGs is much more than evaluating outcomes of projects. It is important to focus on the capacity of a country to scale up a pipeline of projects. For this reason, a maximum transformation effect should be considered in the Guiding Principles, to make them different from what other international organizations

have proposed. A global framework is necessary and the guiding principles are a basis. How to find new financial budgets to help in project preparation and feasibility is a core challenge and should be seriously explored by the international community.

**ii. Are there new guiding principles to be considered and how can we support the People-First Agenda so that all stakeholders work together and implement it?**

Firstly, more responsibility should be given to developed countries and multilateral banks. Value for money means maximizing value of PPPs vs traditional procurement, so this criteria should not be considered in a negative way. It should be about stressing the fact that financial profitability is not the only thing to be contemplated when developing People-First PPPs. The latter can do more to support projects for the SDGs and to build the necessary capacity within governments.

Secondly, a thorough stakeholder analysis should be conducted, so that the Guiding Principles reflect participation of all, including trade unions, indigenous communities, and academia, among others. The definition of civil society should be revised in the principles. Along these lines, awareness should be likewise raised amongst stakeholders for the SDGs to be delivered by People-First PPPs.

Lastly, transformation is a key word for the Guiding Principles but a complex task when developing a pipeline of projects. Besides developing the principles, the focus should be on their endorsement and effective implementation. What remains to be done is to develop procedures and legal provisions in countries to make projects possible. People-First PPPs is about developing instruments that make the SDGs real in fragile and developing countries, and standardizing contracts, procedures and laws, so that reinventing the wheel can be avoided. Time and funding are thus required to develop the right capacity. Impact investing should be further explored to bring the People-First Agenda forward.

**Actions arising and follow up**

- While recognizing a growing consensus in support of the Guiding Principles, the proposed changes on governance, better definitions, among others discussed should be incorporated.
- UNECE also acknowledged the need for a strong, one UN perspective on PPPs and the SDGs. Unified guidelines will be more powerful in assisting policy makers to develop PPPs that put people-first and achieve the ambitious outcomes of the SDGs.
- Therefore, as a next step, the Guiding Principles will be sent to the other UN Regional Commissions to get comments and decide how to jointly implement them in countries.

**Plenary II – Identifying and scoring effective People-First PPP (PfPPPs) projects**

Selecting and prioritizing impactful PPP projects is the biggest challenge facing policy makers in low and middle-income countries. For instance, it is no longer about simply building a road or a railway. It is about making sure that the transport project is sustainable and brings positive social and economic impacts. The overall challenge is to select projects through the new lens of social and economic transformation and sustainable development.



## i. Presenting People-First PPP cases

The UNECE has launched a campaign to collect 500 case studies that demonstrate the people-first PPP criteria and how these projects are meeting the SDGs. The case studies collected so far – around 130 – in a variety of sectors (health, roads, energy, ports, water and sanitation) aspire to meet the SDGs. The UNECE is working on a mechanism by which these and other projects will be evaluated against the people first criteria. The challenge is to ensure that, once identified and evaluated, these projects could be replicated and scaled up.

A total of 21 case studies<sup>1</sup> from Albania, Brazil, Cabo Verde, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Croatia, Cyprus, Democratic Republic of Congo, France, Germany, Guinea-Bissau, India, Ireland, Japan, Korea, Lithuania, Madagascar, Mali, Mauritius, Mexico, Peru, Poland, Portugal, Spain, São Tomé and Príncipe, Sudan, Switzerland, Turkey, and United Kingdom were presented at the session moderated by **Anand Chiplunkar** and **Tony Bonnici** (UNECE).

**Ivonne Higuero**, Director, Economic Cooperation and Trade Division, UNECE appreciated the positive response given by the countries for adopting People-first Public-Private Partnerships (PfPPP) approach towards meeting the SDGs. **Pedro Neves** introduced the Session's objective which was to select projects through a single lens to view the transformational impact that can be achieved with people being in the front line of those who benefit and at the same time boosting irrevocably the national, regional and international economy. He emphasized that projects should be structured innovatively through PPP rather than being dependent on grants or aid. As the evaluation methodology for PfPPPs was under preparation, the 60 case studies collected and disseminated at the Forum were being considered as aspiring candidates to demonstrate the Pf-PPPs principles.

The case study presentations were followed by comments from BAB discussants – **Bruno de Cazalet** (France), **Julie De Brux** (France), and **Richard Ornitz** (United States of America), and an overall appraisal by **Anand Chiplunkar**, former Director, Urban and Water Division, Central and West Asia Department, Asian Development Bank, Philippines.

### Actions arising and follow up

- The UNECE will continue with its campaign to collect 500 people-first PPP case studies and look at new ways to promote the People-first Approach to governments, civil society and the private sector.

## ii. Scoring methodology for People-First PPPs

The second part of the session addressed the following questions:

- **Can UNECE's programme of achieving 500 people-first PPPs uncover projects that might be replicated and scaled up?**
- **How could an evaluation methodology be developed to score PPP projects against the people-first criteria and the SDGs?**

The moderator highlighted the importance of a reward and incentive mechanism for the implementation of People-First PPPs and that these are scaled-up accordingly.

---

<sup>1</sup> The cases studies can be obtained [here](#).



The methodology will be validated by an inclusive multi-stakeholder group of experts, under the overall responsibility of the UNECE.

**Miguel Rodriguez**, Manager of the Centre of Excellence on PPP in Smart Cities in Barcelona, Spain presented a proposal for a People-First PPP methodology, around the five people-first criteria. He informed the audience the Centre was ready to provide pro-bono support to the UNECE in developing this tool in the form of a full-time professional staff member working under the auspices of the UNECE and the multi-stakeholder group of experts.

**Karl Richter**, UNDP, presented the SDG impact finance initiative which aims to make progress on impact investing and thereby unlock private financial capital for positive measurable, intentional and tangible impacts. UNDP is on the way to develop an impact measuring framework that governments can use to make informed public investment decisions, define new policy options for impact investing and incentivize capital markets to prioritize SDG-aligned investment practices. The UNDP experience in developing this measuring tool could be useful to the UNECE when designing its evaluation methodology.

As a conclusion, the definition of the criteria is important before the evaluation is designed, and it should be flexible for country-specific priorities in SDG implementation.

### **Actions arising and follow up**

- A multi-stakeholder expert group will be set up to design and validate the methodology and pilot it on the current database of People-First case studies (around 120 cases).
- There is a need to scale up the examples to about 500 projects to make the reference case studies more informative and present the varying circumstances under which PF-PPPs could be implemented to meet the SDGs.

## **Plenary III – The role of People-First PPPs in international cross border mega infrastructure projects**

Following the signing of a Memorandum of Understanding between China and the UNECE in May 2017, a plan of work was drawn up consisting of three Pillars to implement a comprehensive cooperation in PPP capacity building. These three pillars consist of a capacity building programme in PPPs for individual UNECE countries along the Belt and Road Initiative (B&R), a project facilitation and financing scheme, and an *international policy dialogue* to obtain agreement on the foundations, common rules, and international best practices for delivering effective people-first PPPs. The **Policy Dialogue Pillar** has five work streams, including the creation of a sustainable procurement system. Having a fair transparent ‘level-playing field’ means companies having an equal chance at succeeding in winning tenders for infrastructure projects.

This panel was moderated by **Arvind Mayaram**, with an introduction from **Geoffrey Hamilton** (UNECE), and a panel consisting of **Yuqun Su** and **Kaimeng Li** (China), **Georgios Katapodis** (Greece), **Iryna Kalenchak** (Belarus) and **Iryna Novikova** (Ukraine), and **Laurin Wuennenberg** (IISD).

### **Main issues and points raised**

Prior to the raising and approval of funding for this capacity building project, the Session discussed the following key issues:

- On what basis should the outcomes of competitive tenders take place, e.g. ‘value for money’ or ‘value for people’?**

Speakers argued that the B&R was consistent with the SDGs, including SDG 17. Policy coordination, connectivity, people to



people bonds, among others are some of the main objectives of the B&R initiative. B&R goals can be fully aligned with people-first PPPs. It was argued that it supports access to essential services, resilience, economic effectiveness, replicability and stakeholder engagement. It was also argued that the B&R and SDGs should broaden the value for money approach to incorporate additional value for people targets and priorities. Value for Money is of course a key component of the value for people criteria, since any government project should take into consideration tax payer's money.

Social effects must be considered in project selection and in tendering processes. This is particularly true for social infrastructure. Risk and sustainability dimensions should be likewise assessed. Thus, value for money should go beyond a cost-benefit analysis. Assessing risks and externalities, quantifying and monetizing impact on the financial viability of infrastructure assets in an early planning stage is crucial, so that private sector addresses them at the tender stage.

**ii. How can cooperation amongst the countries in the B&R set the highest standards of international best practice in PPP sustainable procurement?**

So far, more than 80 countries and international organizations have signed bilateral cooperation agreements with China. The speakers from China explained that the B&R follows market rules and it is dedicated to promoting connectivity, economic integration and globalization in a more inclusive and universally beneficial way. Trade within China and BR countries exceeded USD 4 trillion, and has contributed to the creation of thousands of jobs. China is in this regard committed to further cooperate with UNECE and promote People-First PPPs.

The five workstreams in the Policy Dialogue pillar reflect the direction of policies for a future generation of PPPs, and can be the foundation for the development of good practices and good projects. The aim is to take active measures to mobilize new sources for prosperity among B&R countries, promoting a common understanding of procurement practices, risk allocation, sustainability and gender empowerment in PPPs. The implementation requires joint efforts and involvement by all stakeholders.

Speakers agreed that the creation of a multilateral policy dialogue framework could help governments design a predictable and stable environment for procurement. Financial risk and sustainability dimensions should be addressed for PPP sustainable procurement. Selecting the right tender process is also very important for market analysis (e.g. competitive dialogue). Open competitive tendering procedures are thus very important for the B&R initiative.

Same procurement rules can be deployed in B&R initiative countries. Best practices can be used to develop standards and conduct technical support for pilot projects in less experienced countries. Additionally, procurement legislation in B&R countries should be analysed and improved where necessary. A training hub might be created to support the necessary capacity building in this regard.

**iii. What are the individual case studies which demonstrate how a level playing field in procurement led to the most successful project outcomes?**

Public authorities should focus on outcome-based performance criteria instead of only considering technical deliverables, or least price. Private sector is responsible for performance delivery and performance risks, this means paying attention not only to initial costs but also considering the whole project lifecycle. Pre-qualification stage of bidders helps also evaluate their management capacity to meet environmental and social criteria. 'Value for people' metrics should also play an important role in the procurement process. Circular procurement could be also integrated into the procurement of projects (e.g. carbon management along the supply chain).

Capacity building is very much needed amongst B&R countries. For example, Belarus started its PPP capacity building programme with EBRD for road projects, and it has been working with China for more than 25 years in economic cooperation. It suggests creating a Committee under B&R initiative for capacity



building to follow common approaches and good practices in tendering processes and principles. Ukraine also sees B&R as an instrument for investment and modernization, but also as a capacity building tool for People First projects. The country has also used the Zero Tolerance to Corruption Standard to strengthen procurement transparency and institutional capabilities. China in conclusion, deserves praise in conceiving this ambitious programme and while it could do this probably by itself, it is commendable that it closely aligns its strategy and practices with UN goals.

#### **Actions arising and follow up:**

- There is a consensus that in competitive tenders, value for money and value for people are both important and can complement each other.
- Cooperation under B&R countries should be developed, so that policy harmonization, project implementation tools (e.g. standardised procurement) and anti-corruption practices can be implemented to achieve best results.
- A multilateral policy dialogue is a sound mechanism to ensure that a predictable and stable environment for procurement of projects is in place.

### **Plenary IV – Scaling up: the ‘Big Picture’**

#### **4.a Finalising existing Standards**

Member States have given a strong mandate to the UNECE to develop PPP voluntary<sup>2</sup> standards across different sectors. Four of them are in the final approval process: Renewable Energy, Roads, Rails, and Water and Sanitation.

The aim is to bring value to Member States for their PPP programmes and develop a library of reference material and best practices for governments to source. The goal is also to link the recommendations to the SDGs and support governments in the creation of transformational programmes and projects.

This panel was moderated by **Geoffrey Hamilton (UNECE)**, with an introduction from **Scott Walchak (UNECE)**, and was composed of Project Team leaders **Naresh Bana** (standard on PPPs in rail) and **Kaimeng Li** (standard on PPPs in Urban Rail). The following questions were addressed:

##### **i. How can standards lead to real transformative projects?**

Standards are reference points for decision makers, so that they identify what approaches work best in a specific sector or sub-sector. The aim of standards is to reduce uncertainty, and identify common risks that will allow for a more structured and effective management of PPP initiatives. Standards can also help decision makers focus on the SDGs, realize value for money as well as value for people, and yet remain relevant, flexible, and adaptable to governmental needs and service innovations over time. In addition, standards in PPP can reduce transaction costs in projects. Governments in this regard should identify transformative candidate projects in conjunction with using the standards to enhance implementation and make progress in achieving the SDGs.

##### **ii. Who can be the champion for the standards to ensure their effective implementation?**

All standards should be adopted to fit national circumstances and support decision makers in actual cases. Countries and political authorities must champion the standards and People-first approach, through their respective PPP Units and programmes. They must have for this a robust, supportive, legal and regulatory framework. Governments, and PPP Units where applicable, should develop clarity on their policy positions

---

<sup>2</sup> The UNECE PPP standards, guiding principles, best practices, declarations and recommendations are adopted by acclamation by the UNECE intergovernmental bodies – the Working Party on PPPs and the Committee on Innovation, Competitiveness and PPPs – and do not impose any obligations on member States as their implementation is entirely voluntary.

with respect to SDG focused PPPs, and build their capacity to implement the standards and put their recommendations into effect in concrete projects.

Participants pointed out that the people-First PPPs concept should be better understood by senior policy makers, (e.g. Ministers) before standards are voluntarily implemented in countries. While governments have the responsibility to safeguard the development of the SDGs through PPPs, they must foster private sector support as well and allow the private sector to play their key role in building resilient infrastructure and sustainable public services. Training for all stakeholders should be undertaken to implement the standards. Could Ministers of Governments come together and make a positive declaration for the People-first approach and thereby give a boost to the SDGs?

#### **Actions arising and follow up:**

- The draft Standards on Rails, Roads, Renewable Energy and Water and Sanitation were presented at the Working Party on PPPs in November 2017, which encouraged the Bureau and the secretariat to continue consultations with member States and other stakeholders during the Public Review stage.
- The secretariat will finalise the drafts and submit them to the Bureau in June 2018.
- The final versions will be submitted to the Working Party (November, 2018) and the Committee (March, 2019) for consideration and potential endorsement and adoption. However, the drafts are available for use on the UNECE website.

#### **4.b Improving implementation on the ground: the UNECE Standard on a Zero Tolerance approach to Corruption in PPP Procurement**

Bribery consumes more than a tenth of the total transaction value in public procurement globally. In addition, 1 trillion USD are paid each year in bribes around the world. The implementation of SDGs requires in a huge price tag, and transparency and integrity are critical components for the huge amount of money needed for the SDGs. Some of the main objectives of the ZTC Standard are to provide a voluntary set of recommendations and inform all parties on how PPPs can be operated and keep corruption away. The Standard consists of 20 pages. A declaration was drafted that summarizes the key points. This instrument supports capacity building efforts for countries wishing to improve transparency and accountability in PPP procurement.

The panel was moderated by **Geoffrey Hamilton (UNECE)**, with an introduction from **Alecos Michaelidis (Cyprus)**, and composed of **Prashant Sharma (World Bank)** and **Marc Filet (Specialist Centre in Policy, Laws and Institutions in France)**. The Session addressed the following question:

#### **How can the ZTC Declaration support voluntary compliance in PPP procurement?**

Other examples of voluntary frameworks in the context of anticorruption produced by the World Bank in many countries were referred to. It was highlighted that voluntary approaches give flexibility to countries as their PPP markets evolve. By implementing the ZTC standards and declaration on a voluntary basis, governments can continuously improve their regulatory framework and can own this process accordingly. A roadmap to adopt the standard could be useful. The adoption of the declaration could be interpreted as a solemn commitment by governments to root out corruption.

The view of the panel on implementing the standard was to follow three steps: First, send it to the industry associations asking for feedback and support in communicating it to its members; Then send it to the International Finance Institutions (IFIs) for their comments; and finally send the ZTC standard and the Declaration to governments inviting them to endorse the Declaration.

#### **Actions arising and follow up:**

- The draft Declaration on ZTC was presented last March at the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP), which encouraged the Bureau and the Secretariat to continue consultations with member States and other stakeholders.
- The Secretariat will finalise the ZTC Declaration draft and submit it to the Bureau in June 2018. The final version will be submitted to the Working Party (November, 2018) and the Committee (March, 2019) for endorsement and adoption. Once adopted, the Declaration will be promoted for voluntary implementation<sup>2</sup> in countries.

#### 4.c The Role of UNECE International PPP Centre of Excellence

The decision to set up an International PPP Centre of Excellence (ICoE) goes back to 2009 and was one of the key recommendations by three UN Regional Commissions: UNECE, ESCAP and ECA. In 2012, after a four-year gestation period, during which the ECE's PPP expertise grew, the UNECE Executive Committee established an International PPP Centre of Excellence in Geneva. The advent of the SDGs in 2015 have added urgency to the need for systemic capacity building with more participation of other regions, including Africa and Latin America.



This panel was moderated by **Geoffrey Hamilton (UNECE)**, with interventions by Ms. **Eunice Ajambo** from the Economic Commission for Africa (ECA).

The two main questions raised for discussion were:

- **What has been the record and experiences of ECA, ESCAP, ECLAC, ESCWA and ECE in the ICoE?**
- **In what ways might this body be made operational to cover also government agencies dealing with ESCAP, ECA, ESCWA and ECLAC regions?**

The ECA is working to enhance effective regulatory systems for transformative infrastructure in poverty alleviation, climate change and sustainable development in Africa. Private sector development is a core working area in the African continent for infrastructure projects. However, legislation is often not strong enough for the development of infrastructure projects. The 'rules of the game' are virtually non-existent in some countries, while others are more advanced.

PPP knowledge exchanges between ECE and ECA are essential and further cooperation is necessary.

ECE recognized that cooperation with ECA should be deepened and formalized at an operational level. This would include:

- Organize jointly BAB visits in African (e.g. Uganda);
- ECA joining the ICoE;
- Holding the next International PPP Forum in Addis Ababa; and
- Soliciting comments on the Guiding Principles on people-first PPPs for the SDGs, thereby reflecting ECA concerns.

This could be a step forward towards involving the other UN Regional Commissions in the ICoE, in the spirit of 'one UN'.

#### Actions arising and follow up:

- ECE and ECA to institutionalize PPP cooperation through an exchange of letters to the mutual benefit of the member States.

#### 4.d PPP Unit work to scale up PPP programmes/projects

This panel was moderated by **Geoffrey Hamilton (UNECE)**, with interventions **Ljerka Bregant Golubic (Croatia)**, **Alena Dadzerkina (Belarus)** and **Dieudonné Bondoma Yokono (Cameroon)**. The following questions were addressed:

- **What can the PPP units do to achieve the SDGs and the people-first approach to PPPs?**
- **What has been the status to date of cooperation among PPP units (e.g. EPEC)?**
- **How can international bodies help PPP units to contribute to achieve the SDGs?**

The panel noted that work at national levels is very important to introduce the People-First PPP approach. A nationwide programme for SDGs at country level is likewise necessary.

PPP Units were identified as key vehicles to deliver information and undertake promotion and outreach sessions for innovative PPP procurement with the participation of the private sector. PPP Units can also contribute to the SDGs by integrating quantitative and qualitative criteria with social content for PPP assessments.



It was also highlighted that a holistic approach is required, with involvement and agreement of various organisations when conducting the value for money analysis. PPP Units can thus promote tools to facilitate this and agree with best approaches for Value for Money and Value for People so that outputs are consistent and aligned. Procurement directives, regulatory issues, quality control, and statistics are very useful tools where international bodies (e.g. EPEC Body) can support PPP Units.

#### **Actions arising and follow up:**

- Given the need for a step change in PPP capacity building, PPP Units can do much by cooperating with each other: Some of the more experienced PPP Units should help those less-experienced PPP Units from low-income countries.

## IV. Parallel work streams

A number of parallel sessions were held during the Forum:

### **Policy, laws and institutions**

**Marc Frolet** provided information on the work of the International Specialist Centre on PPP Policy, laws and institutions in France. He also highlighted the need to have a clearer definition of People-first PPPs and stressed out that other forms of contracts such as Design and Build, Design and Operate, PFI, etc. should be considered and compared with PPP, as the PPP model is not systematically the best way to deliver a project. The delivery of successful PPPs in West African countries was highlighted, also illustrating the importance of implementing the most appropriate and suitable projects.

**Vincent Piron**, ETIC-PPP, pointed out a number of issues to address before undertaking PPPs:

- Need to think in terms of services not only in terms of building (e.g. hospitals).
- The project should consider where the population will be in 20/30 years and what their needs will be.
- Importance of the cost-benefit analysis in every project
- Who pays for the service: taxpayers or end users?

- If end users, affordability is a key criterion in the project: The infrastructure should not be too expensive, otherwise people will not use it because they will not be able to pay for it.
- If tax payers, then the impact on the government budget should be addressed.

## Urban rail

The session was moderated by **Kaimeng Li**, Project Team Leader of the draft Standard on PPPs in Urban Rail, and focused on important aspects in the development of the draft standard on Urban Rail, the transformation impact that urban rail projects may have on cities, and on the possibility to measure their contribution to sustainable development putting people-first as their main target. It involved a panel of experts with worldwide experience in city economic, social, and infrastructure development, including **Anne Hornung-Soukup**, Chair of the Board of Transports Publics Genevois (TPG), Switzerland, **Banting Sze**, Chairman, CEO of Freetech Road Recycling Technology (Holdings) Limited, Hong Kong, **Wayne Yu**, Vice-Dean of City University of Hong Kong, **Jingqiang Du** of China Metro Corporation, **Istemi Demirag**, Professor, Keele University, United Kingdom, and **Yuwei Li**, Director, UNECE Sustainable Transport Division.

This session centred on the following key questions:

- What are the Urban Rail projects that may have transformation impact on cities?
- Is it possible to measure their contribution to sustainable development and putting people-first?

The development of the standard on Urban Rail was presented, including the selection of the SDGs relevant for a project on Urban Rail Transit. The team leader also briefed about project cases and the challenges ahead, including the advance of the development of the Urban Rail standard, and on the decision of ways to implement it. Several experts commended the Project Team for their inclusiveness and for achieving a quality product in a relatively fast timeframe.

### Action points and follow up:

- The project team will finalize the draft standard and prepare it for Public Review in the upcoming months.

## Water and Sanitation/Healthcare

The session was moderated by **Diogo Faria de Oliveira**, Head of the International Specialist Centre on PPPs in Water and Sanitation, Portugal. The panel of experts was comprised of **Dietrich Stiller**, PPPs in German Health care, Germany, **David Dombkins** Healthcare & NGO model, **Anand Chiplunkar**, Water Expert, **Inon Schenker**, Singulariteam Technology Group, **Nataliya Nikiforova**, UNECE Protocol on Water and Health, and **Waleska Guerrero**, UNECE. The panel addressed the following topics:

- How to solve the lack of water and sanitation services and access to water for all?
- How can People-first PPP in healthcare achieve universal healthcare coverage?
- What would be the focus of capacity building of government officials and how could the International Specialist Centre of Excellence on PPPs in water and sanitation support renewed demand for capacity building?

Good practices in health, water and sanitation were presented in developed, developing and low-income countries. Some of the key points identified for PPPs to make an impact on these sectors are an enabling environment, innovation, circularity, but also efforts to build capacity, and develop new models and partnerships that make PPPs fit for purpose, especially in fragile states.

UNECE introduced its protocol on Water and Health in the Pan-European region and a draft recommendation on People first PPPs for universal health care. Participants expressed their interest in reviewing the current draft, and to integrate issues of universal health coverage in fragile countries. The



draft standard on PPPs for water and sanitation is also open for comments so that it can be finalized this year.

## V. Meeting our Specialist Centres

Each of the Specialist Centres affiliated to the UNECE ICoE presented their current activities and future action plans to scale up projects. Copies of the presentations made by the following representatives of the Centres can be found on UNECE's website:<sup>3</sup>

- **Marc Frilet**, Head of the International Specialist Centre of Excellence on PPP in policy, laws and institutions, Paris, France
- **Sam Tabuchi**, Head of the International Specialist Centre of Excellence on PPPs in Local government, Toyo University, Tokyo, Japan
- **Ziad Hayek**, Head of the International Specialist Centre of Excellence on PPPs in ports, Beirut, Lebanon
- **Míquel Rodríguez**, Head of the International Specialist Centre of Excellence on PPPs in smart cities, Barcelona, Spain
- **David Dodd**, Head of the International Specialist Centre of Excellence on PPPs in resilience, New Orleans, United States, and
- **Diogo de Faria de Oliveira**, Head of the International Specialist Centre of Excellence on PPPs in water and sanitation, Lisbon, Portugal

## VI. Conclusion and follow up actions

The Forum attracted great interest and participation from over 300 experts. The positive feedback received from many participants demonstrates the great interest in the UNECE work on people-first PPPs for the UN SDGs. The work on the latter was advanced at this Forum to scale up actions for the following deliverables:

- The People-First PPP Guiding Principles will be further developed with a view to create a one UN document for People-first PPPs, along with implementation strategies for countries.
- Collaboration with UNCTAD and the Economic Commission for Africa (ECA) was agreed to validate and finalise the People-First PPP Guiding Principles.
- The People-First Evaluation Methodology will be designed and validated by a Group of Experts and piloted in identified People-First PPP case studies.
- The draft ZTC Declaration will be validated by key stakeholders to finalize the approval process; and the approved standard will be further implemented in countries.
- UNECE Specialist Centres will cooperate closer to make progress on capacity building, and to be available to help governments in their PPP capacity building activities.
- The cooperation with China B&R initiative was fully endorsed and governments supported to organize the policy dialogue this year.

### Next PPP Forum

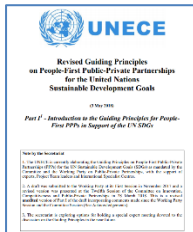
The next edition of the international PPP forum will be in early 2019 with the aim to continue advancing the development of the PPP standards and the people-first PPP concept for the UN SDGs. The secretariat has received expressions of interest from Spain and Ethiopia to host the next Forum. The venue and thematic areas are still to be confirmed.

---

<sup>3</sup> The presentations of Specialist Centres, including all presentations shown as part of the International Forum can be found on the link: <https://www.unece.org/ppp/forum2018.html>

# Annex I. Status of the International PPP Standards and Recommendations for People-First in Support of UN SDGs

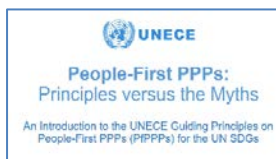
## 1. Draft Guiding Principles on People-first PPPs (PfPPPs) for the Sustainable Development Goals (SDGs)<sup>4</sup>



[Part I: Introduction to the Guiding Principles for People-First PPPs \(PfPPPs\) in Support of the UN SDGs](#)

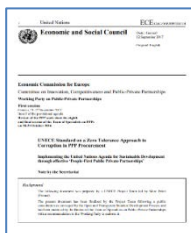


[Part II: The 8 Guiding Principles for People-First PPPs \(PfPPPs\) in Support of the UN SDGs](#)

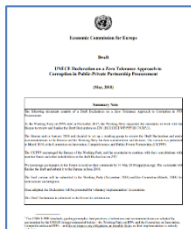


[Presentation; An Introduction to the UNECE Guiding Principles on People-First PPPs \(PfPPPs\) for the UN SDGs by Geoffrey Hamilton, UNECE](#)

## 2. Standard on Zero Tolerance to Corruption (ZTC)<sup>5</sup>



[Standard on Zero Tolerance to Corruption \(ZTC\) in PPP Procurement](#)



[Draft Declaration on a Zero Tolerance Approach to Corruption in PPP Procurement](#)

<sup>4</sup> The Guiding Principles will be released as a one UN publication. The next version of the Draft will be presented on the Working Party Session in November 2018.

<sup>5</sup> The Standard on ZTC has been approved and released for use by Member States. The final version of the Declaration will be submitted to the Working Party (November 2018) and the Committee (March 2019).

### 3. Sectorial Draft PPP Standards<sup>6</sup>



[Draft PPP Standard on Railways](#)



[Draft PPP Standard on Renewable Energy](#)



[Draft PPP Standards on Water Supply and Sanitation](#)



[Draft PPP Standard on Roads](#)



[Draft PPP Recommendation on Universal Health Coverage](#)

### 4. Compendium of People-first PPP Case Studies<sup>7</sup>



[Compendium of People-first PPP Case Studies](#)

---

<sup>6</sup> The Final versions of the Standards will be submitted to the Working Party in November 2018 and the Committee in March 2019 for endorsement.

<sup>7</sup> The People-First case studies are continuously under development. There are currently around 120 cases in the compendium. The goal is to reach 500 cases by the end of the year. An evaluation methodology will be developed by the International Centre of Excellence (ICoE).