



PLEASE CHECK AGAINST DELIVERY

**Opening remarks by
Mr. Michael Møller**

**United Nations Under-Secretary-General
Acting Executive Secretary of the
United Nations Economic Commission for Europe**

**Sixth Session of the UNECE Team of Specialists on PPPs
Palais des Nations, Room XVII
Monday, 23 June 2014 at 10:20 a.m.**

It is my great pleasure to welcome you to the sixth session of the UNECE Team of Specialists on Public Private Partnerships – PPPs. This session is especially important as it will launch another stage in the progress of UNECE – now in its third decade of work on PPPs – towards becoming the pre-eminent United Nations organization in developing international PPP standards.

I would like to place the discussions here in the broader context of the United Nations’ efforts for peace, rights and well-being, and also share a few remarks on the steps ahead in our collective work.

In 2015, the international community will adopt a new global development framework with Sustainable Development Goals – SDGs – at its core. The post-2015 development agenda should reinforce the shared commitment to poverty eradication and sustainable development, with a single comprehensive and coherent framework for effective delivery and results at all levels. The fundamental parameters have been laid out in the outcome of the “Rio+20” Conference, focused on practical action and universality. Providing access for all to a wide range of public services – notably water and sanitation, health and education, sustainable energy and transport – will likely be a key component of the SDGs.

The investment required will be of a massive scale. In the case of water, for example, the World Economic Forum and the OECD estimate that capital expenditures in the region of 20 trillion dollars will be required to provide universal access to safe drinking water and adequate sanitation by 2030. These expenditures will not be easily borne by governments or by donors. And this is why PPPs and the private sector will need play a central role in the post 2015 development agenda.

Against this background, the objective for the UNECE is to develop the core standards that can underpin effective delivery of projects that will make a difference in achieving the SDGs. This is work that will have a direct, tangible and positive impact on individuals across the world.

To start the process, our first draft proposals for standards are the following:

- First, set of guidelines on zero tolerance to corruption. This is critical if capital transfers to the poorest counties are to be achieved;
- Second, a scheme to reward performance in compliance amongst Government agencies; and
- Third, a framework for an optimal healthcare policy where PPP is utilized so that Governments can extend universal coverage.

Looking ahead, we will build on the United Nations' expertise to put in place an innovative way to develop these and other international PPP standards. The United Nations' strength lies in an independent and neutral approach that will give credibility to its standards. The United Nations neither funds projects and nor supports any specific company or any single country.

We need to be realistic: there are a number of challenges to address if we are to achieve our goal of applying PPPs to advance our shared development agenda:

The first challenge is to deliver standards that encompass the sectors most relevant to achieving the SDGs, such as water and sanitation, health, renewable energy, ICTs and others, depending on what Member States agree. A preliminary estimate puts this number at around 20 or 30 standards in the next two to three years.

We will achieve this through an Open and Transparent Development Process that will improve the speed with which our standards can be delivered. This process also involves the setting up of Project Teams consisting of experts from the public and private sectors while the secretariat plays a facilitating role.

The second challenge is to ensure that these standards will not be based solely on a one-sided view of PPP but developed from a balanced perspective that takes into account the potentially negative side of PPPs. This is challenging because when a PPP fails, contractors, bankers, Governments and others involved are reluctant to divulge what has gone wrong. But, openness is necessary because we need to draw lessons precisely from the failures. So we

need to include both those who are committed to PPPs and the sceptics and critics in the Project Teams. To achieve this objective, the Open and Transparent Development Process requires a public review of sixty days so as to allow comments, also from the critics.

As our third challenge we must ensure that the standards are not derived from a purely Northern context and applied to the South in a blanket manner. We need South-South and Triangular cooperation to develop effective standards that will be used by countries most in need of PPP. This will mean adjusting and adapting the models so that they can deliver services to the poor in low-income countries – so-called ‘pro-Poor PPPs’. These models are critical to low-income countries. UNECE’s collaboration with the United Nations Office for South-South Cooperation to help scale up PPP solutions that would support poor and developing countries of the Global South is essential if these objectives are to be achieved.

Standards have to be used and developed into real projects. I am therefore pleased to report that a PPP Business Advisory Board has been established to assist countries with implementation of the standards. We must also work closer with the International Financial Institutions and I appreciate that senior representatives from the World Bank and the EBRD are with us to continue deepening our cooperation.

In my dual capacity as Acting UNECE Executive Secretary and Acting Director-General of UNOG, I welcome the cooperation between UNECE and UNOG in the area of PPPs. The Team of Specialists on PPPs has a unique reservoir of expertise from which UNOG benefits. Tomorrow, representatives of the Business Advisory Board will address the question of the private sector’s readiness to partner with the United Nations in the renovation and modernization of the Palais des Nations – the Strategic Heritage Plan. This was initiated following the recommendation of the Advisory Committee on Administration and Budgetary Questions in November 2013. This dialogue between UNECE and UNOG involving the Business Advisory Board should continue beyond this session to allow the Secretary-General to make a judicious proposal to the General Assembly about private sector involvement in the Strategic Heritage Plan.

I also propose that the Team of Specialists on PPPs could explore the possibility of producing a standard for the renovation of United Nations buildings so that the entire United Nations

family, Government and partners could benefit from PPP models that offer the best value for money to Member States.

I wish to thank you all for your support to the work of UNECE. As you know, the work of UNECE in this area is now widely recognized beyond the UNECE region. I also thank my colleagues for their tireless work, especially Mr. Geoffrey Hamilton and his team.

I wish you a most productive session and look forward to the outcome of your discussions.