



# Economic and Social Council

Distr.: General  
15 February 2017

Original: English

---

## Economic Commission for Europe

Sixty-seventh session

Geneva, 26 and 27 April 2017

Item 3 of the provisional agenda

High-level thematic discussions

### **Strengthening cross-sectoral action and mobilizing resources in support of the implementation of the 2030 Agenda**

Background note by the secretariat

#### **I. Mandate**

1. The rules of procedure of the United Nations Economic Commission for Europe (UNECE) require basic documents to be prepared in relation to the agenda items, as appropriate. This document is being submitted to support the discussion under agenda item 3 of the high-level segment.

#### **II. Strengthening cross-sectoral action in support of the implementation of the 2030 Agenda**

##### **A. The need for a cross-sectoral approach**


2. Sustainable development is a multidimensional concept that aims for economic, environmental and social progress. Success in one area cannot come at the expense of insufficient advances or failures in other areas. The 2030 Agenda for Sustainable Development and the set of Sustainable Development Goals (SDGs) at its core call for an integrated, cross-sectoral approach. The 2030 Agenda provides an opportunity to assess the complementarities that exist between different policy areas and therefore, it makes possible broader policy discussions, engagement in synergistic approaches, and thus allows for more effective choices. Building awareness of the implications of the 2030 Agenda for cross-sectoral work contributes to facilitating this policy discussion.

3. The importance of cross-sectoral considerations emerges not only from the desire to balance different goals from a high-level policy perspective. Such approaches are also necessary for the effectiveness of the actions undertaken, including at the project level. True measures of impact cannot be developed without taking into account cross-sectoral spillovers. And only when these are incorporated, does it become possible to develop plans for resource mobilization that properly match projected costs and benefits, including

GE.17-02356(E)



\* 1 7 0 2 3 5 6 \*

Please recycle 



through the combination of public and private resources. For example, decisions on infrastructure also need to incorporate environmental aspects and implications for health and well-being when assessing future payoffs.

4. A cross-sectoral, integrated approach should not be seen as a constraint. On the contrary, it offers new opportunities. For example, initiatives to mitigate climate change can secure health co-benefits through reduced pollution. Considering these benefits changes the incentives for action and the financial implications of different projects.

5. Generally speaking, SDGs and targets may reinforce each other, move in different directions or be necessary conditions for achieving other targets. While some general relations can be established (for example, phasing out harmful fossil fuel subsidies would contribute to increasing the share of renewable energy, improving energy efficiency and reducing deaths from air pollution), the trade-offs and synergies involved may differ significantly at the national level, depending on multiple factors, including the level of development, the extent to which existing productive capacity is used, the prevalent or available technologies or the existing environmental situation. The time dimension is also important: impacts may emerge within different time horizons for different goals, which adds another source of complexity.

6. Integrating cross-sectoral activities is not always an easy task — at any level — since this involves reconciling different interests and addressing trade-offs. There may not only be synergies to be reaped but there may also be conflicting objectives for which satisfactory solutions need to be found to arbitrate disparate interests. While the rationale for improved coordination and enhanced cooperation may be strong, effective implementation of these principles to strengthen policy coherence also involves costs.

7. Debates at an international platform may contribute to addressing existing barriers to cross-sectoral cooperation, as such a platform provides a learning environment in which multiple experiences can be shared in a setting without the intense pressures of national policy-making. At the national level, the interaction between different SDGs and targets can be analysed through cross-sectoral consultations involving policymakers and experts from a variety of areas.

8. UNECE hosts two dedicated legal instruments that set out obligations and step-by-step procedures for the comprehensive integration of environmental and health considerations into economic development activities across the various sectors. The Convention on Transboundary Environmental Impact Assessment (EIA) (the Espoo Convention) applies to projects, and the Protocol on Strategic Environmental Assessment (SEA) applies to government plans and programmes.

9. The strategic environmental assessment is particularly helpful for coordinating national development objectives and offering alternatives, which can avoid costly mistakes and damages to the environment and impact on health, and contribute to the attainment of the 2030 Agenda.

10. UNECE is also engaged in multiple policy areas, which are inherently cross-sectoral, such as innovation, Public-Private Partnerships (PPP), trade, statistics or education for sustainable development. It therefore provides a space to explore the cross-sectoral implications of the 2030 Agenda. There are multiple instances of clear linkages between UNECE activity areas. For example, environmental considerations weigh heavily in the future transformation of energy and transport systems, which remain major drivers of prosperity. Innovation and PPP provide the necessary tools to develop technologies and revamp infrastructure to address environmental and sustainable urban development concerns. In trade, regulatory aspects and non-tariff barriers have also significant environmental implications, for example regarding illegal fishery, trade in endangered species and food waste.

11. An integrated, inclusive approach at the UNECE level could facilitate a fuller consideration of costs and benefits of normative outputs. At the same time, the involvement of broader cross-sectoral constituencies in the elaboration of these outputs, including norms, standards and guidelines, makes it more likely that these outputs become more widely used and generally accepted.

12. The UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and its Protocol on Pollutant Release and Transfer Registers (PRTRs) provide a solid and comprehensive framework for governments to engage the public effectively in sustainable development, in greening the economy and in setting and implementing the 2030 Agenda for Sustainable Development as well as achieving SDGs.

13. Work along sectoral lines at UNECE has sought to actively incorporate the 2030 Agenda for Sustainable Development, following an assessment of how current activities are contributing to meeting the SDGs. A natural extension of this approach is the consideration of how enhanced cross-sectoral collaboration could contribute to advancing the implementation of the 2030 Agenda through, for example, further collaboration and cooperation between sectoral committees of UNECE.

14. UNECE is already involved in many ongoing cross-sectoral activities, which have emerged as a way to answer concrete sustainable development needs of its member States. The scope and the demand for cross-sectoral action is likely to increase as a reflection of the steps taken by different partners and clients in the implementation of the 2030 Agenda.

15. In a survey carried out by UNECE and the United Nations Development Group to gauge the initial steps and approaches adopted by member States in the implementation of the 2030 Agenda for Sustainable Development<sup>1</sup>, many countries expressed the view that a comprehensive mainstreaming approach would be required, not just purely sectoral interventions. In fact, some responses drew attention to the need to avoid unintended consequences of sectoral strategies that do not take into account interdependencies.

16. The cross-sectoral character of SDGs is reflected in the projected extensive use of interministerial structures in the implementation of the 2030 Agenda. In fact, some countries' responses to the survey mentioned the importance of a "whole of government approach". In order to have a broad view of cross-sectoral linkages and dependencies, UNECE needs to reach out to new constituencies in national governments that transcend purely sectoral interests, as these would be better placed to take a broader view of existing challenges. Complex sectoral trade-offs may also require a higher level of decision-making.

17. The implementation of the 2030 Agenda at the national level is likely to lead to the strengthening or creation of structures engaged in cross-sectoral action, as governments incorporate SDGs in national policies. Cross-sectoral institutional structures at the national level could be mirrored in the activities of UNECE. The development or strengthening of coordination structures in national governments for the implementation of the 2030 Agenda therefore provides the rationale and opportunity for the strengthening of cross-sectoral work at UNECE. Cross-sectoral actions are also likely to emerge as a response to similar initiatives in other international organizations.

18. While, ultimately, the engagement of UNECE in cross-sectoral work would reflect the demands of member States, the capacity to deliver this work and to make useful proposals would depend on the ability of UNECE to assess potential opportunities. This

---

<sup>1</sup> The country answers to the Regional Survey on the Planning, Implementation, Follow-up and Review of the Sustainable Development Goals and the summary of responses can be found at <http://www.unece.org/index.php?id=42256>.

would be facilitated by nurturing an environment that rewards cross-sectoral collaboration, encourages information-sharing and promotes cross-referral of follow-up opportunities with different stakeholders. Ongoing efforts on developing a knowledge-management strategy could be aligned with the aim to foster cross-sectoral collaboration.

19. The multiple trade-offs between the various dimensions of sustainable development — social, economic, environmental — implies complex assessments that are not purely of a technical nature. Addressing these questions requires the involvement not only of various policy areas but also different government levels and a wide range of stakeholders. This would contribute to policy coherence and stability but would also require substantial coordination efforts.

## **B. Cross-sectoral work at UNECE**

20. There are multiple instances of cross-sectoral work at UNECE, including both ad hoc forms of collaboration and those that are underpinned by institutional structures or organizational arrangements and are clearly reflected in work programmes. These different forms of collaboration were mapped<sup>2</sup> by the secretariat recently, in response to a request by the Inspection and Evaluation Division of the Office of Internal Oversight Services, following a programme evaluation of UNECE in 2015-2016.

21. This mapping exercise provided a starting point to discuss different drivers for cross-sectoral cooperation, lessons that could be derived from past experience and potential models of collaboration that could be replicated. Regular exchanges of information are the basis for more complex forms of collaboration, including those that are eventually underpinned by stable institutional arrangements.

22. The more complex and institutionally developed forms of cross-sectoral collaboration include also external partners. This is the case of THE PEP, the Transport, Health and Environment Pan-European Programme, where UNECE cooperates with World Health Organization-Europe to support this intergovernmental programme linking the transport, health and environment sectors. The United Nations Special Programme for the Economies of Central Asia brings together the work of a number of UNECE subprogrammes and is jointly supported by UNECE and the Economic and Social Commission for Asia and the Pacific.

23. This pattern could suggest that partnerships with external actors could have a positive, catalytic influence on cross-sectoral collaboration within UNECE. Demands for information and representation in external initiatives also have a positive impact on cross-sectoral collaboration. An example, among many, is the coordination of the UNECE contribution by the Sustainable Energy Division and the Environment Division in the context of the Climate and Clean Air Coalition global partnership. A strategic consideration of where cross-sectoral collaboration could be required in the future would need to review how it could reinforce the ability to interact with external partners and even to reach out to new partners. On the other hand, strengthening cross-sectoral collaboration may require creating sources of internal demand for such collaboration, drawing lessons from the experiences gained in relations with external partners.

24. The Pan-European Strategic Framework for Greening the Economy, which was endorsed at the Eighth Environment for Europe Ministerial Conference (Batumi, Georgia, 8-10 June 2016), and the Batumi Initiative on Green Economy (BIG-E), launched at the

---

<sup>2</sup> See [http://www.unece.org/fileadmin/DAM/commission/EXCOM/Agenda/2016/87Excom-18Nov16/Item\\_8-2016\\_58-Cross-Divisional\\_Activities.pdf](http://www.unece.org/fileadmin/DAM/commission/EXCOM/Agenda/2016/87Excom-18Nov16/Item_8-2016_58-Cross-Divisional_Activities.pdf).

Conference, are also the result of the work of the Committee on Environmental Policy and the efficient collaboration between the UNECE secretariat and the United Nations Environment Programme, in close cooperation with the organizations participating in the regional United Nations system, the Organization for Economic Cooperation and Development, the European Environment Agency and other stakeholders. The Strategic Framework envisages a transition to an inclusive green economy by 2030 that will bring investment in innovation for green technology, products and services, foster the transfer of green technology and stimulate green behaviours by consumers. This approach is inherently cross-sectoral, as it requires multiple actions in different policy areas, which could become a source of demand for further cross-sectoral activities at UNECE.

25. One of the expected implications of the Strategic Framework for Greening the Economy was precisely “to serve environment ministers in initiating discussions on the green economy transition in their national governments and ultimately in creating an interministerial policy process to advance this transition”, thus promoting cross-sectoral cooperation at the national level. The Batumi Initiative on Green Economy fostered cross-sectoral cooperation by encouraging environment ministries to engage with sectoral ministries in the selection of commitments to support the transition to a green economy.

26. UNECE policy advisory work, such as, for example, the programmes of Environmental Performance Reviews and Innovation for Sustainable Development Reviews, include assessments and recommendations that have a cross-sectoral dimension. These recommendations are also used to facilitate an interministerial dialogue on the initiatives proposed, including the need for coordinated actions and their ramifications that go beyond the remit of individual ministries or agencies. As the 2030 Agenda for Sustainable Development enhances cross-sectoral considerations, there is an opportunity to reflect on how this UNECE work could make further contributions in this direction.

27. The body of reviews and studies carried out by UNECE, which also includes Housing Country Profiles and studies on Regulatory Barriers to Trade, benefit to varying degrees from cross-sectoral collaboration across the organization. Such collaboration extends to their preparation (participation of expert staff from different Divisions) and circulation of their results (presentations at different Committees). However, these efforts are not supported by a well-established mechanism to exchange information, share findings, reconcile basic assessments of the different countries under review or ensure consistency of recommendations. Managing the knowledge accumulated under reviews in different fields would serve to identify new prospective areas for cross-sectoral collaboration and facilitate the external communication of their results.

28. Cross-sectoral collaboration is often based on or initiated by an assessment of the situation, which may have been carried out independently or jointly. Gathering evidence or undertaking a scoping exercise appear to be necessary steps to identify the potential opportunities opened by collaboration. For example, the impulse for the ongoing work on energy efficiency standards in buildings, which is being led by a Joint Task Force under the Committee on Sustainable Energy and the Committee on Housing and Land Management that also includes experts from Working Party 6 on Regulatory Cooperation and Standardization Policies, was sparked by a survey on building standards and building regulations.

29. Another important example of analytical work to identify areas for cross-sectoral collaboration are the nexus assessments undertaken under the Water Convention. They intend to provide an overview of the interdependencies across water, ecosystems, energy, food and climate change, among others. This is empirical work that seeks to address uses, needs, economic and social benefits, potential synergies, tensions and trade-offs at both the national and transboundary levels. After the identification of interlinkages, possible policy,

technical and cooperation responses between energy, water and food sectors as well as environmental protection are considered.

30. In particular, renewable energy has been integrated into the analysis, an especially important factor given the hydropower potential in the river basins considered. While the assessment work has been carried out as part of the Water Convention, it has provided an entry point for the work of the Group of Experts on Renewable Energy as part of the collaboration between the Sustainable Energy and Environment Divisions in the water-food-energy-ecosystems nexus of the Drina River Basin.

31. In the water sector, for example, Strategic Environmental Assessment, guided by the Protocol on Strategic Environmental Assessment (SEA), can be used to address conflicting demands on water usage and identifying cumulative multi-sectoral impacts that are useful in policy assessments. Both the Espoo Convention and the Protocol provide for consultation of environmental and health authorities, facilitating intersectoral coordination and stakeholder consultations, including at the international level, thereby promoting transboundary cooperation. They also promote effective public participation.

32. An appropriate assessment of the existing situation would not be possible without the necessary data, and such data would not be available in the absence of well-developed methodologies and frameworks to interpret and organize it. The Conference of European Statisticians has developed recommendations on measuring sustainable development, including a measurement framework and the measurement of transboundary impacts.

33. Combining horizontal and area-specific expertise creates benefits for cross-sectoral collaboration as well. An excellent example, given the continuity provided by its institutional structure, is the Joint Task Force on Environmental Statistics and Indicators. The model of collaboration represented by this Task Force, which was set up jointly by the Conference of European Statisticians and the UNECE Committee on Environmental Policy, could potentially be extended to other areas where data and methodological complexity demand the continued involvement of statisticians and sectoral experts.

34. UNECE activities are multifaceted and include those that have a clear sectoral character (i.e. transport or forests) with those that have a more horizontal dimension (i.e. innovation, trade or PPP). The latter are intrinsically cross-sectoral and offer, therefore, a clear potential to address policy problems in different sectors. There are already instances of such collaboration in the work of UNECE, for example concerning the work of smart sustainable cities, PPP and innovation. There are further opportunities to undertake cross-sectoral activities looking at how innovation could be encouraged in a wide range of sectors, including energy, housing, agriculture, environmentally friendly goods or transport, for example. PPP can be used to support infrastructure investment wherever it is needed, be it in roads, rail, Information and Communication Technology infrastructure or product testing facilities. A joint Recommendation on PPP in Trade Facilitation has already been finalized with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) and joint work could also be undertaken with other UNECE intergovernmental bodies.

35. Some cross-sectoral collaboration is already taking place as intradivisional work, thus reinforcing the overall mutual coherence of the subprogrammes. For example, there are clear linkages between trade, innovation and PPP as they all support competitiveness both at the firm and the country level. The potential for developing this collaboration, which is well-aligned with SDGs regarding growth, infrastructure and innovation, is significant, as these policy areas are the basic components of strategies to foster economic development and diversification.

36. Regulation and standardization are closely related areas of work and hold potential for closer collaboration. This could be structured in the pursuit of specific goals. The aim to

increase trade in agricultural products, for example, can be supported through the development of agricultural quality standards and related material for their consistent implementation, but would also benefit from the simplification and harmonization of regulations and the removal of regulatory and procedural barriers to trade for agro-products. This could lead to cross-sectoral projects between the Working Party on Agricultural standards, UN/CEFACT and the Working Party on Regulatory Cooperation and Standardization Policies.

### **III. Mobilizing resources in support of the implementation of the 2030 Agenda**

#### **A. Making the investment case**

37. The implementation of the 2030 Agenda for Sustainable Development will require the mobilization of significant resources as well as significant changes regarding the way in which resources are allocated. Advancing sustainable development implies not only that resources flow to particular sectors or address specific needs but that investment decisions fully take into account the multiple dimensions of sustainable development. This is in line with the integrated, cross-sectoral approach presented in the previous section of this document.

38. The need for resources for the multitude of UNECE projects differs widely. Infrastructure building, including in the critical energy sector, is highly capital-intensive, while much smaller investments in road safety, for example, could have significant impact on saving lives. In some initiatives, both social and private returns are high, so it is easier to attract private financing. By contrast, if private returns are too low or negative, strong involvement of the public sector is required. Risk profiles are also very different: infrastructure can provide a steady flow of real or imputed income, while technological innovation is subject to significant uncertainty. This diversity implies different investment horizons and different sources of financing.

39. In all cases, mobilizing the necessary resources will require the combination of public and private efforts, contributing not only financial means but also other types of expertise. Traditional public financing is required in some areas where the risk-return and time profiles of investment are not sufficiently attractive for the business sector. However, there are multiple ways — not only financial — in which public sector initiatives can help to channel private resources towards intended public goals.

40. When possible, public financing should be used as a catalyst to attract private resources, in order to get a multiplicative impact, rather than simply replace private financing. The combination of different sources of public sector funding can also have such a catalytic effect, as initial outlays pave the way for additional investments. This is one of the rationales that underpins the proposal for the establishment of a United Nations Road Safety Fund, which has been coordinated by UNECE.

41. SDGs can be seen as providing guidance on future business opportunities, identifying areas to which public resources are likely to flow and where demand is likely to increase. For example, there is strong projected demand for environmental innovations or "clean-tech", which broadly speaking includes technologies that are able to compete on price and performance, while reducing environmental impact or carbon footprint. This implies a wide range of potential sectors for investment, encompassing energy, transportation, industrial processes, production of materials, recycling and waste, among many others.

42. SDGs will also become an important focus of attraction for “impact investors”, i.e. those who guide their investment decisions not only by the search of financial returns but seek also to help achieve social and environmental goals. This is a rapidly growing asset category, although it stills accounts for a small share of overall investment.

43. Public initiatives will shape the space for private investment, in particular through appropriate regulations. There are multiple instances in which UNECE work has an impact on different economic sectors. For example, UNECE activities regarding pollution are creating incentives to develop new solutions that also address related health implications.

44. These regulations originate in different subprogrammes. UNECE services the World Forum for Harmonization of Vehicle Regulations (WP.29), which provides a unique framework for globally harmonized vehicles regulations. The Working Party on Pollution and Energy is a subsidiary body that prepares regulatory proposals on pollution and energy efficiency to WP.29. Its work includes technical provisions for pollutant emissions standards and measurement emissions. UNECE hosts the Convention on Long-range Transboundary Air Pollution, which has been extended by eight protocols that identify specific measures to cut emissions of air pollutants. Such environmental regulations encourage innovation, both at the sector and the firm level, creating incentives for change and providing a framework for action, including by finance providers.

45. Broadly speaking, the transformative changes required by the 2030 Agenda for Sustainable Development often require new business models and involve changes along the complete value-chain or product life-cycle. Platforms like the UNECE that facilitate the exchange of information and the engagement of multiple stakeholders can alleviate the coordination problems that create difficulties for financing.

46. Unaddressed coordination and interdependency issues are major constraints in raising the necessary resources. For example, putting in place intelligent transport systems, which can have important implications for fuel efficiency, safety and pollution, depend on coordinating the actions of multiple agents. Such coordination is necessary to pave the way for the changes required and to put in place the appropriate infrastructure.

47. Work carried out in the context of the UNECE Euro-Asian Transport Links is also a good example of how coordination facilitates financing, resulting from the identification of priority Euro-Asian road and rail prospective routes and the existence of a cooperation platform for the coordinated development of coherent Euro-Asian inland transport links. Phase III of this project aims to make these links operational, including by contributing to the removal of physical and administrative bottlenecks when crossing borders in overland transport between Europe and Asia.

48. Overall, there is a strong rationale for closer collaboration between the public and the private sectors as well as for the role of platforms like UNECE where the interaction between both sectors is possible. Developing predictable policies with a long-term orientation requires anticipating changes, so the private sector can be encouraged to take adaptive actions before abrupt adjustments are necessary. Shared strategic intelligence, developed with inputs and guidance from public initiatives, can help to improve risk perceptions and therefore facilitate raising finance. UNECE fosters such dialogue in the multiple sectors in which it operates.

49. One aspect that negatively influences investment decisions is incomplete or costly access to information. UNECE activities bring relevant information to the marketplace as a public good that facilitates economic interaction, increases transparency and reduces costs. UN/CEFACT work on e-business standards for instance, helps to simplify and harmonize the exchange of information, which accompany goods, services and payments across borders. Supporting the convergence or harmonization of regulations also has a positive



influence on facilitating cross-border investments, which are important to attract financing but also to gain access to associated expertise.

50. UNECE work on standardization in different fields has these information-gathering benefits for economic agents. For example, UNECE is involved in the development of a Global Classification System for Renewable Energy Resources based on the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources. Estimating and classifying renewable energy resources in a representative, coherent and consistent manner is becoming an important need for the renewable energy industry and all its stakeholders, as well as for other energy investors looking to divest from fossil fuels or diversify their portfolios and include renewable energy resources.

51. A key challenge to raising finance in support of the implementation of the 2030 Agenda is the existence of social and environmental costs and benefits that are not adequately captured by the market. These externalities — positive or negative — prevent the adoption of decisions that fully reflect sustainable development considerations.

52. Recommendations provided in the UNECE Environmental Performance Reviews identify these externalities in different situations: from excessively low pollution charges that do not create incentives to introduce abatement technologies, to water tariffs that are not cost-reflective and therefore do not encourage water saving, among others. Internalizing these externalities through appropriate pricing and tax changes is a necessary first step towards attracting the financing required to address these environmental problems.

53. UNECE has been involved in addressing market failures that prevent raising the necessary resources for the preservation of natural capital through its work on payments for ecosystems services. These payments are based on the “user pays” principle, under which the beneficiary of an environmental service, such as water purification, pays directly to the provider of the service. This is a cooperative tool for environmental protection, which can engage both the public and the private sectors in mutually beneficial solutions. UNECE has been developing recommendations and assessing the scope and conditions for the introduction of payments for eco-systems on its work on forest and water.

## **B. The involvement of the private sector**

54. While public resources will remain critical to advancing sustainable development, large financing needs make the involvement of the private sector essential. Moving towards a low-carbon economy and addressing climate change challenges will require substantial infrastructure investments. According to the Global Commission on the Economy and Climate, the world economy may need almost \$90 trillion in infrastructure cumulatively to maintain current growth trajectories in the period up to 2030. In addition to this business-as-usual scenario, the transition to a low-carbon economy may require an additional 5 per cent upfront investment.

55. By contrast, the stock of public capital (which is closely related with infrastructure) as a share of output has fallen over the past three decades across advanced countries, emerging market economies, and low income countries, according to the International Monetary Fund. The shift towards renewable and low-carbon energy is encouraging strong infrastructure investment in this area, in contrast with more subdued activity in other sectors since the 2008 global financial crisis.

56. The United Nations Conference on Trade and Development estimated that the infrastructure investment gap (the difference between projected needs and spending) could reach around \$1.6 trillion annually between 2015 and 2030 in developing countries. In the UNECE region, the situation is quite diverse across countries — both regarding the

quantity and the quality of infrastructure — but many infrastructure needs remain unaddressed.

57. There are however, indications that these differences have narrowed. In the European Union, the new member States have been catching up with older members. In the UNECE region as a whole, the recent perceptions on the quality of infrastructure compiled by the World Economic Forum show that progress has been more rapid in countries that had a worse initial situation in South-Eastern Europe and the Commonwealth of Independent States. By contrast, this subjective indicator also suggests that in a number of advanced countries the quality of infrastructure has deteriorated due to insufficient maintenance spending and the ageing of networks.

58. Private sector participation in infrastructure differs significantly across sectors, being typically lower in water and sanitation and much higher in telecommunications and power. It is also much lower in developing countries than in developed countries, in particular for water and sanitation.

59. UNECE Environmental Performance Reviews have routinely included an assessment of the changes that are necessary to improve the provision of environment related services, such as water supply and sanitation or waste disposal. The proposed reforms seek to increase available investment resources, including by creating better conditions for the private sector to participate in service provision. Affordability issues are paramount, but trying to address them through low prices for all results in underinvestment and waste. Income support to vulnerable groups or block tariffs (applicable to some minimum consumption levels) appear more socially equitable and environmentally sound.

60. The collaboration between the public and the private sectors can take the form of well-structured PPP. In a strict sense, PPP are contractual arrangements between one or more public agencies (national, state or local) and a private sector entity, under which the private party delivers a facility and/or facility-based services for public use. PPP can therefore be used for the infrastructure development and the provision of public services in a wide range of sectors that are relevant for sustainable development.

61. PPP are one of the modalities in which private sector participation can be encouraged. Public sector strategic investments that remove bottlenecks for further investments by the private sector can also facilitate this participation and raise overall investment levels. In addition, many of the legal and institutional reforms required to encourage PPP are also supportive more generally of private sector development.

62. UNECE is significantly involved in PPP, through multiple strains of activity. With over 500 contributing experts, 30 international PPP standards in the making, 500 PPP case studies being collected, and 7 operational International PPP Specialist Centres of Excellence, UNECE is strongly contributing to the mobilization of resources in this area.

63. In particular, UNECE is promoting “People-first” PPP, developing standard approaches and best practice models in PPP. These standards are being developed with the collaboration of experts from national governments, academics, the private sector, civil society and other international organizations. “People-first” PPP refer to projects that support the 2030 sustainable development goals. One of the criteria used is the degree to which projects engage with all stakeholders including the citizens who are the main beneficiaries of infrastructure and public services.

64. UNECE PPP standards are policy documents prepared by international project teams and approved by member States. Standards aim to facilitate the involvement of the private sector while at the same time provide safeguards regarding the quality and continuous delivery of public goods and services. Their implementation is voluntary and UNECE, through its PPP Business Advisory Board, provides policy advisory services for their

implementation in countries. Areas in which PPP standards are currently being developed include health, zero tolerance approach to corruption, airports, railways, roads, water and sanitation, renewable energy, procurement and urban rail transit.

#### **IV. Some policy issues for discussion**

65. In view of the above, the discussion under this item could consider the following questions:

(a) Which kinds of linkages and interdependencies exist between different thematic sectors and what are their implications for policy towards 2030?

(b) What additional synergies can be achieved with an integrated approach that reaches beyond narrow sectoral perspectives? What are the opportunities for future cross-sectoral cooperation?

(c) What is required to strengthen effective cross-sectoral action in the UNECE region?

(d) How can UNECE further adapt to the need for stronger cross-sectoral collaboration required by the 2030 Agenda for Sustainable Development?

(e) What are the key financial requirements of different sectors in support of the implementation of the SDGs?

(f) What role do the standards and norms of UNECE play in terms of financial and resource-allocation decisions?

(g) What role can the collaboration between the public and the private sectors play, including through the work of UNECE on PPP for infrastructure development and the provision of public services?