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## **ECONOMIC COMMISSION FOR EUROPE**

### **COMMITTEE ON ECONOMIC COOPERATION AND INTEGRATION**

Team of Specialists on Public-Private Partnership

Sixth session  
Geneva, 23-24 June 2014  
Item 3 of the provisional agenda

#### **Developing international standards and best practices in PPPs: the activities of the UNECE International PPP Centre of Excellence, its Specialist Centres and the PPP Business Advisory Board: International PPP standards in different sectors**

Conference room paper submitted by the Secretariat

### **Initial Recommendations for future PPPs standards**

#### **I. Introduction**

At its eighth session on 12 -14 February 2014, the United Nations Economic Commission for Europe (UNECE) Committee on Economic Cooperation and Integration (CECI) agreed that the focus of the activities of the UNECE International Centre of Excellence on Public Private Partnerships (ICoE) should be the development of international standards on public private partnerships (PPPs).

In 2014 – 2015 the ICoE, in line with the United Nations Millennium Development Goals and the Sustainable Development Goals of the post-2015 development agenda, will focus the development of standards in the following sectors: health, renewable energy, water and sanitation, ICT Broadband and roads as well as on PPPs policy and institutions including transparency in procurement and zero tolerance to corruption.

In May 2014 the secretariat conducted a survey addressed to both governments and private sector representatives with the aim to identify the areas where international PPPs standards are most needed. Standards are voluntary recommendations used to guide policy makers to improve policy implementation. The information contained in such standards is based on national experience and best practices and governments can benchmark their own policies and processes against the standards.

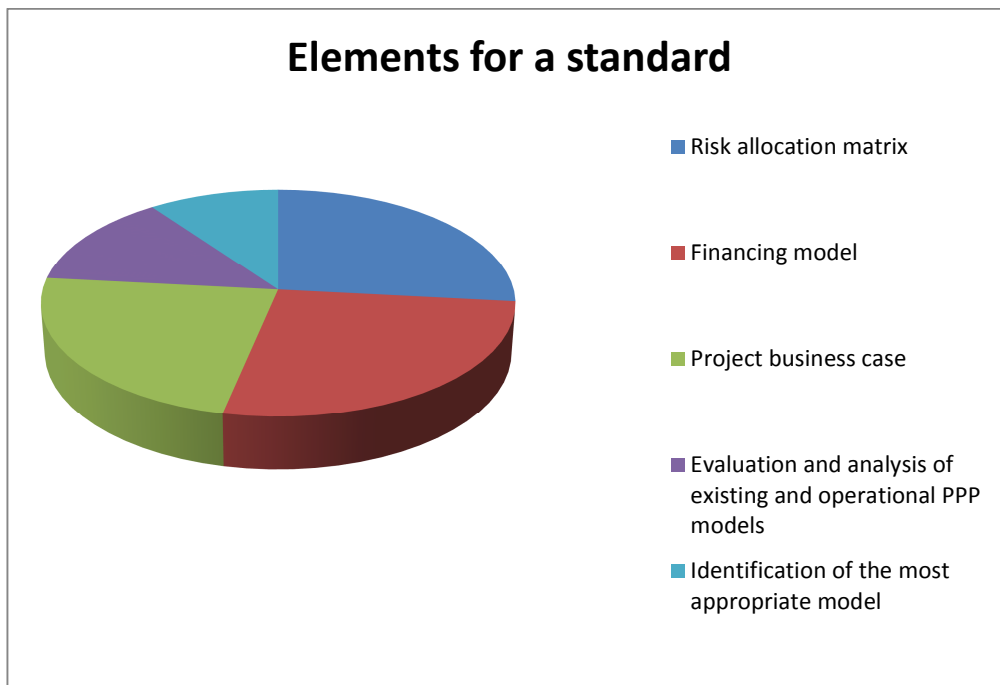
The results of the questionnaire have confirmed the need for international PPPs standards, they have highlighted the elements that the format of an international PPPs standard should include and allow to draw an initial list of possible PPPs standards to be developed in selected sectors.

This note takes stock of the results of the secretariat questionnaire.

## **II. Standard format**

Participants to the survey were asked to select the elements of a PPPs process that should be included in a standard. The following items were selected in order of importance:

- ✓ Value for Money - 90%
- ✓ Risk allocation matrix - 80%
- ✓ Financing model (sources of financing and agreements) – 80%
- ✓ Project business case – 70%
- ✓ Evaluation and analysis of existing and operational PPP models - 40%
- ✓ Identification of the most appropriate model - 30%



The questionnaire also evidenced the necessity to take in consideration the following elements: Evaluation of Bidding & Contract Conditions; Dispute Resolution Mechanisms; Grading of all participants in Contracts; Evaluation & Analysis of Analysts & Survey Teams involved including Lenders' Engineers; Contract templates (such as FIDIC); Communication Plan and Monitoring and Evaluation Program (Project and Contract).

### III. Standards List

As result of the questionnaire investigation the following standards have been indicated as the most useful and needed. The standards are listed in order of rated importance).

PPP Policy and Institutions
Standard on procurement process requirements 90%
Standardised procurement documentation 80%
Setting up a Certification scheme to reward compliance amongst PPP units and other agencies with the Integrity Principles in PPPs 70%
Principles for implementing integrity and zero tolerance to corruption in PPP 40%
Health
PPPs and Hospitals 90%
PPPs and clinical services 55%

<b>Renewable Energy</b>
PPPs for the development of energy efficiencies 90%
PPPs for the development and use of wind energy technology 40%
PPPs for the development and use of solar energy technology 30%
<b>Water and sanitation</b>
PPPs in water distribution systems for urban water 80%
PPPs in wastewater management 80%
Standardised performance based contracts for water PPPs 60%
PPPs in sewerage systems development 50%
PPPs in irrigation systems 40%
PPPs in water distribution systems for rural water 40%
<b>Roads</b>
Standard Toll Road 70%
Standard Availability Payment Roads ( PFI – DBFMO) 60%
Standard performance based contracts in roads 60%
Standards O&M contract in roads 60%
Most Optimal Hybride model – combination of Toll and DBFMO 50%
<b>ICT &amp; broadband</b>
ICT and education 75%
Laying dark fibre (hard infrastructure) 50%
ICT and urban transport 37.50%
ICT and health diagnostics 37.50%

### **Other suggestions from the survey participants:**

#### **Health:**

- ✓ A standard on the introduction and implementation of a "universal health care system"

**Renewable energy:**

- ✓ PPPs for the development and use of hydro energy technology
- ✓ Smart network related energy and telecommunication infrastructure

**Water and sanitation:**

- ✓ PPPs in dams' management
- ✓ PPPs in Ground Water System & Management including Water Harvesting Systems

**ICT Broadband**

- ✓ ICT for SMEs
- ✓ ICT and energy
- ✓ FSO (Free Space Optics) and mobile broadband infrastructure (to cover future needs such as electrical vehicles, smart vehicles)

**Other sectors for consideration:**

- ✓ Education
- ✓ Infrastructures related to the concept of "smart network" (including concepts such as "internet of things", "smart homes", "smart metering", "smart vehicles" etc.),
- ✓ Environmental protection (water treatment, air and gas cleaning, solid waste treatment, soil recovery and preservation Waste management).
- ✓ Airports and Ports
- ✓ Irrigation
- ✓ Transport systems
- ✓ Land reclamation
- ✓ Housing
- ✓ Government buildings
  - Undertaking PPPs for the renovation of buildings, benefiting from extraterritoriality.
- ✓ Tourism