



# UNECE

## International PPP Centre of Excellence

### Committee on Innovation, Competitiveness and Public-Private Partnerships

#### Working Party on Public-Private Partnerships

Second session

*20-21 November 2018, Palais des Nations, Geneva, Switzerland*

**Room XII**

#### [Programme](#)

The Working Party on Public-Private Partnerships is an intergovernmental body established in 2016 and it comprises over 2000 experts coming from the public and private sector, NGOs and international organizations. On 20-21 November 2018, the session will focus on the contribution of the UNECE work on people-first PPPs to the United Nations Sustainable Development Goals (SDGs), with the opening of the international Belt and Road PPP Dialogue. The guiding principles on people-first PPPs, the declaration on a zero-tolerance approach to PPP procurement and a number of PPP standards will be debated and endorsed.

## Opening of the International Belt and Road PPP Dialogue

### Background and Introduction

Something of a mantra when analyzing the difficulties in doing PPP is that the challenge lies not in the lack of funds to do projects but rather in the lack of good / viable projects to finance. A core weakness then is the lack of capability of Governments to deliver effective projects and close the infrastructure gap. This is particularly true in low and middle-income countries where institutions are either often lacking capability or not sufficiently strong enough.

The UNECE has, accordingly, launched a comprehensive programme of capacity building (i) to develop 10 flagship projects, (ii) to build institutions and capability in its member States participating in the Belt and Road Initiative and (iii) to organize an international PPP Dialogue. This work follows the signing of a Memorandum of Understanding between China (the National Development and Reform Commission) and the UNECE in May 2017 after consultation with the UNECE member States.

The following programme constitutes an introduction to the first international dialogue.<sup>1</sup> It will cover the following issues:

1. How to select ten flagship infrastructure projects that meet the people-first criteria, that will deliver a significant impact in fast tracking the development of high level PPP capacities in countries, and that will most effectively showcase the impact of using People-first PPP;
2. How to measure people-first PPP project impact through reliable, timely, and cost effective indicators;
3. Identifying more inclusive multi-stakeholder approaches that will create more opportunities for the private sector to supplement or replace governments in government bilateral programme partnerships such as the Belt and Road Initiative.

Finally, the participants in the dialogue will conclude with a review /agreement on its future thematic areas of work.

### What is the International Dialogue?

The dialogue is a multilateral forum that will propose multilateral actions in support of standards, principles and recommendations, developed by the UNECE and other bodies to promote people-first PPP. It is not a dialogue between any one country and the UNECE member States. Every participant can propose projects and no preference is given to any individual country and every country has equal weight.

### Who should attend?

It is a multi-stakeholder forum open to representatives of governments, private sector - developers, constructors, bankers, investors, project advisers etc. – and civil society as well as representatives of international organizations and the multilateral development banks.

It explicitly does not seek to 'reinvent the wheel' and other international organizations which are working in infrastructure and PPP areas. These organizations are welcome to join.

### Why People-first PPP?

People-first PPPs are projects whose rationale are sustainable development and people at its core. People-first PPP enhances rather than replaces the traditional concept of 'value for money'. This value for people approach constitutes a new generation of PPP that is lower risk and more efficient than traditional forms of PPP. People-first PPP is commercially efficient and are specifically designed to achieve the UN SDGs.

---

<sup>1</sup> The first international PPP dialogue will be organised within agenda item 3 of the Working Party session.

**What are the indicators of achievement and impact for this programme?**

The overall benchmark by which this project can be evaluated is the impact delivered by 10 flagship projects subscribing to the 'people-first' outcomes. Such projects, it is hoped, will become the new 'norm' or standard, aimed to inspire and to be replicated elsewhere, improving infrastructure quality and achieving the SDGs. This can involve both revising existing projects and instigating projects from scratch. Other impacts the dialogue is designed to have include:

- Enhanced commitment to international standards and best practices, including commitments to a zero-tolerance to corruption
- Better involvement of all stakeholders in project development
- Increased capability and stronger institutions in the participating countries

**How should this dialogue be structured?**

The dialogue will be organized in the following format:

- Power points are to be discouraged and interventions should be short and addressed to the issue
- Participants will be encouraged to avoid making long and formal pre-prepared statements
- Discussion take place under the independence and neutrality of the United Nations
- Speakers will remain in their seats and the podium will be filled by a representative of the secretariat and the Moderator of the session.
- Statements (no more than five minutes)

# Day 1 | Tuesday, 20 November 2018

**10:00–10:30** Opening, adoption of agenda<sup>2</sup> and election of officers

**Effective implementation of the UNECE People-first PPP approach in support of the UN Sustainable Development Goals**

**10:30–11:00** Opening of the International Belt and Road PPP Dialogue

**11:00–13:00** Session I: Evaluation methodologies for identifying people-first PPP projects that meet the UN SDGs

One of the key objectives of the dialogue is to develop and facilitate the financing (with the involvement of the MBDs and Impact Investors) of 10 flagship projects that are people-first and can be showcased as 'ideal types' of PPP models.

This session will present the project evaluation methodology (see Annex 1). Such a methodology will consider other important infrastructural indices such as those developed by CG/LA Infrastructure. This session will also explore the sectors and categories of projects where such prospective candidate projects might emerge.

Currently the evaluation methodology is being developed. It will rate or score projects as to qualifying them as 'people first'. It can also strengthen projects which do not make the minimum cut for people-first

The people-first methodology and the five impact indicators can also become useful benchmarks to evaluate them for their success and for their impact on the UN SDGs.

#### **Structure of the session:**

- An overview statement by NDRC
- Presentation of the people-first PPP Methodology
- Presentations of proposed cases following the five criteria/outcomes for People-first projects, as presented in Annex I:

**There are three categories of projects which might guide the proponents of projects for consideration:**

#### **Category 1: International cross border infrastructure projects (e.g. transport)**

Several points need to be discussed here:

- What are the type of projects readiness indices that might be used as a guide? e. g. by the Multilateral; development banks ADB, EBRD etc.?
- How to avoid projects that are "fractured" projects into two or more countries so that an investor deals with the whole and not two or more procurements?
- How can we develop an agreed PPP Procurement framework for cross border projects? How does one evolve or adapt it from experience of similar projects? (The MDBs may be able to help in this as their procurement framework can be a useful guideline)

---

<sup>2</sup> The draft annotated agenda is contained in document [ECE/CECI/WP/PPP/2018/1](#) and is composed of the following items (the agenda is available online as an official UN document and will not be circulated at the meeting):

1. Adoption of the agenda
2. Election of officers
3. Effective implementation of the UNECE People-first PPP approach in support of the UN SDGs
4. Review of the PPP work since the first session of the Working Party on PPPs on 21-22 November 2017
5. Implementation plan for 2018-2019
6. Other business
7. Adoption of the report of the second session

- How can the governments use the project to improve the lives of the population putting some investment in add-on local projects in SDG impacting sectors? Can such add-on projects be made a part of the mega cross border project?
- In other words, can meeting the SDG indicators and criteria nudge the creation of sub projects that benefit the local population?
- How can we introduce e-Procurement?

### Category 2: National based projects (social projects, e.g. health and education and or water and sanitation

While these may be national based under a single jurisdiction with their own legal framework: how can we nevertheless encourage cooperation among local authorities from different countries?

### Category 3: So-called people to people projects

Such projects would be small scale, cultural or focusing on trader communities such as setting up of covered markets whereby traders can meet and sell their individual produce and goods to local communities.

#### Expected Outcome from the Session

- o Some suggested candidate projects to be developed as part of the People-first Flagship Programme.

**13:00–15:00**      **Lunch break**

**15:00–16:30**      **Session II: Encourage more inclusive multi-stakeholder models**

**Moderator:**      **Alex Wong**

To date some projects within the Belt and Road Initiative have been characterized as state to state partnerships with the often-state-owned enterprise providing a ‘package’ to the host government consisting of technology, the human resources as well as the financing. This ‘one stop shop’ approach to infrastructure development has the advantage of accelerating project delivery but it can often come at the expense of providing business opportunities to private companies, both local and foreign.

The challenge is to move to a more inclusive multi-stakeholder approach that provide greater opportunities for local and foreign private sectors. This makes sense because the huge scope of projects being considered lies outside the resources of a single country. PPP is needed because there is a lack of resources from aid agencies, governments and other public sectors.

#### Key questions:

- How can new participatory models involving different private sector partners be created?
- What should be the first steps to achieving this? Is it outsourcing? Is it involving local construction companies? Involving local enterprises in construction can assist the project e.g. local enterprises know the building standards and codes
- How can different stages of the project - design, construction, operation and maintenance etc. - be distributed amongst different companies?
- The financially weaker hosting country may prefer that the private partner takes full responsibility in the financing. But this could lead the country into taking on too much debt. Is there any way of countering that there can be a concept of minimum equity by both (especially weaker) government?
- Is here a way that the Belt and Road participating Governments could provide a guarantee mechanism to the private sector investors along with the MDBs? This would strengthen the project financial viability and should draw international investors as well, without the public sector necessarily being the front line investor.
- Consortium mechanism may be necessary but laying the criteria for the formation of consortia with responsibilities/expertise/experience/risk etc. is needed. This can allow the involvement of local companies as well as bring in international know how by the international investor.

**Structure of the session:**

- Introduction by NDRC on its views on PPP models for the Belt and Road Initiative.
- Brief statements from participating countries and other stakeholders

**Expected Outcome from the Session**

- Some suggested inclusive models for partnerships, consortia etc. that support open competition.

**16:30–18:00      Session III: Environmental sustainability**

**Moderator:      Sonia Mezzour (Morocco)**

Large-scale infrastructure projects generally cause some environmental challenges and there is a degree to which the environment will be changed. The challenge though is to ensure that large scale infrastructure projects are not undertaken at the expense of the environment.

- What are the safeguards and standards which infrastructure projects should follow?
- There will have to be a proper EIA/EMP and Safeguards Impact management during the project implementation. The MDB's approach and experience may be useful to discuss how this has been achieved in the past. Speakers from MDBs could be invited to shed some light on this.
- How to make the desired people-first outcome of environmental sustainability achievable as well as the badly needed infrastructure and public services?

**Structure of the session:**

- Brief statements from participating countries and other stakeholders

**Expected Outcome from the Session**

- Actions that must be taken as a priority by people-first PPPs to conform with environmental standards and the need to cut CO<sub>2</sub> emissions.

**18:15-19:45      Cocktail reception at the Concordia foyer (2<sup>nd</sup> floor)  
(hosted by the World Association of PPP Units)**

# Day 2 | Wednesday, 21 November 2018

## 10:00–10:30      **Next steps: thematic areas for discussion at the next dialogue<sup>3</sup>**

**Moderator:**      **Kaimeng Li (China)**

The following areas will be considered for the next dialogue.

- I. Showcase project submissions by countries and help in pilot project design, selection and development;
- II. Building operational level people-first PPP capability development in countries;
- III. Fair and open procurement with zero tolerance to corruption;
- IV. Ensuring projects do not harm the environment;
- V. Establishment of common rules and standards that can lower transaction costs in cross-border infrastructure projects; and
- VI. Women`s empowerment in people-first projects.

## 10:30–13:00      **Review of the PPP work since the first session of the Working Party on PPPs on 21-22 November 2017**

- **Guiding principles on People-first PPPs in support of the UN SDGs;**
- **Standards on PPPs in Railway, Roads, and Renewable Energy;**
- **Declaration on a zero-tolerance approach to corruption in PPP procurement; and**
- **Studies on clauses in concession contracts, independent experts, project planning and prioritization, and the different PPP generations**

## 13:00–15:00      **Lunch break**

15:00–15:30      **Keynote speech:**  
**Philip Alston**, the United Nations Special Rapporteur on extreme poverty and human rights<sup>4</sup>

## 15:30–18:00      **Review of the PPP work since the first session of the Working Party on PPPs on 21-22 November 2017 (cont`d)**

**Implementation plan for 2018-2019**

**Other business**

**Adoption of the report**

---

<sup>3</sup> It is proposed that the next dialogue will take place in Geneva on 28-29 March 2019 within the 4<sup>th</sup> UNECE International PPP Forum, back-to-back with the session of the Committee on Innovation, Competitiveness and PPPs

<sup>4</sup> See further document [A/73/396](#) dated 26 September 2018 available in all UN languages.

**Annex I**  
**The five criteria/outcomes for People-first projects**

<b>Flagship Project for Policy Dialogue</b>
Speakers presenting are kindly requested to present their projects concisely, providing information on the extent to which it contributes to one or all the preferred outcomes of people-first PPPs
<b>Intent:</b> Is the project intended at the outset by the partners to make a sustainable impact and be aligned with SDGs?
<b>Location:</b> Is the project targeting a poor/unserved/ vulnerable region? Yes/No <b>Area/localities and communities to be covered:</b>
<b>Verification:</b> Is there a verification mechanism in place to benchmark the outcomes from the beginning until the end of the project? Yes/No
<b>People-first 5 Impact Criteria</b>
<b>a) Economic effectiveness</b>
<b>b) Access and equity</b>
<b>c) Environmental Sustainability</b>
<b>d) Replicability</b>
<b>e) Stakeholder engagement</b>

## Annex II

### Appropriate Evaluation Methodologies for identifying people-first Projects that meet the UN SDGs

Speaking at the ILO in 2018, Ms Amina Mohammed, Deputy Secretary-General of the United Nations, declared that not all partnerships meet the UN SDGs. The challenge then is to define which projects do meet the UN SDGs and are “fit for purpose”.

Accordingly, the UNECE is developing a **project impact investment tool** as a more robust and systemic evaluation methodology. The starting point is the types of development which the SDGs require – transformative, inclusive, equitable, environmentally sustainable etc. and develop the outcomes that such projects should achieve to contribute to these drivers. Thus, the UNECE has defined People-first PPP as those which have the following five outcomes:

- (i) Increasing access to critical services (especially amongst socially and economically vulnerable groups) and improving equity (projects can help to heal social divisions and even geographical divisions between for example north-south, east-west etc.);
- (ii) Economic effectiveness
- (iii) Stakeholder engagement;
- (iv) Environmental sustainability; and
- (v) Replicability – whether projects through training and other things build capability within governments and NGOs to do further projects.

In developing the project impact investment tool, three other outcomes/indicators have been identified:

- Intent – extent to which parties to the project intend to achieve environmental and social impact from their project;
- Verification – that the impacts/outcomes are in fact able to be verified; and
- Location – that the locations of projects can make the greatest contribution to social development if they are in countries where the development challenges are the greatest.