

Fourth International PPP Forum. 7 – 9 May 2019.

Concept Note

Session on “Implementation of People-first PPPs in Africa: The Role of African PPP Units”
9 May 2019. 16.30 – 17.30. Palais des Nations, Geneva. Salle XVIII.

I. Context

With only a decade to the expiration of the 2030 Agenda, the impetus to achieve the Sustainable Development Goals remains an imperative. In 2019, the ECA’s Economic Report on Africa estimates that the continent’s financing needs for the SDGs range from \$614 billion to \$638 billion a year. Africa’s annual financing needs for infrastructure, food security, health, education and climate change mitigation alone are estimated at \$210 billion. Mobilizing the various means of implementation to finance the SDGs, has been an ongoing quest for African countries, with member States and partners exploring various financing instruments and seeking ways to strengthen existing ones.

ECA continues to be committed to supporting African member States in their access to sustainable financing. The Addis Ababa Action Agenda on Financing for Development (AAAA), of the 3rd International Conference on Financing for Development calls for the consideration of the financing mix for the SDGs. Paragraph 48 of the Agenda recognizes that “both public and private investment have key roles to play in infrastructure financing...”.

Blended finance instruments including public-private partnerships (PPP) serve to lower investment-specific risks and incentivize additional private sector finance across key development sectors led by regional, national and subnational government policies and priorities for sustainable development...”

“For harnessing the potential of blended finance instruments for sustainable development, careful consideration should be given to the appropriate structure and use of blended finance instruments...”
“Blended finance, combines concessional public finance with non-concessional private finance and expertise from the public and private sector.”

PPPs are a necessary component of the funding mix to meet these funding needs as: they augment government budgets, and are thus an opportunity for resource mobilization and engagement with partners, including the private sector. They are an alternative to full privatization and its related weaknesses, and they help solve the dire need for public services and goods, if structured and managed well. There exist best practices where PPPs have been successful.

II. Background

In the context of the 4th International PPP, ECE’s collaboration with ECA builds on the call launched by African PPP Units, in May 2018, at the 3rd International PPP forum. During the meeting, African delegates requested ECE and ECA to cooperate more extensively to enable access to international networks of experts, common tools, standards and guiding principles and, thereby, facilitate the development of capabilities to deliver pipelines of PPP projects.

Ongoing studies at ECA also estimate that a total of 29 African countries have PPP Units, which are key entities for the effective and efficient mobilization of resources through PPPs. However, PPP Units face

challenges including questions on the financial and efficiency gains of PPPs; the need for capacity to develop, structure, manage and evaluate PPPs; and the mitigation of their associated risks in the context of weak legal and regulatory environments, and also nascent local private sectors that need to be strengthened.

III. Objectives

The Session will seek to:

1. Articulate the role of PPP units in implementing PPPs, exploring opportunities for strengthening the capacity of African countries to leverage PPPs as means of implementation for the SDGs;
2. Establish a roadmap for an Africa-wide protocol on PPPs, at the level of Heads of State; A continent-wide framework to operationalize the protocol; Continued engagement with donors and partners, as a means to strengthening an PPP Initiative and Consortium, in Africa.
3. Pave the way for a framework of cooperation between UN Agencies, including an MoU between ECA and ECE on the 2020 5th International PPP Forum.

IV. Format

The Session will take the form of a panel discussion. It will commence with a background presentation on the Overview of PPPs in Africa, followed will be an interactive discussion by panelists, after which the discussion will be open to participants with the aim of reaching a consensus on a roadmap for strengthening the PPP Initiative and Consortium in Africa.

V. Target Audience

The Session aims to attract a diverse group of PPP practitioners and policymakers, including from Government Ministries; the United Nations System; the private sector; development partners; academia; and civil society.

VI. Expected Outcomes

The 4th PPP Forum will examine actions needed to strengthen the PPP model by increasing the collaboration between the public and private sectors and identifying ways in which stakeholder engagement can be increased, among others.

The outcomes feed into SDG 17 – To strengthen the means of implementation and revitalize the global partnership for sustainable development, and particularly the targets to: (i) mobilize additional financial resources for developing countries from multiple sources; (ii) enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals.

Specifically, this session is expected to:

- 1) Generate increased understanding and capacity of African PPP Units to structure and manage PPPs on the Continent, using proven approaches and best practices;
- 2) Articulate a consensus on the roadmap for a PPP Consortium in Africa, its roles and responsibilities;
- 3) Strengthened capacity of African PPP stakeholders to actively and effectively engage in follow-up on the implementation of PPPs as a means of implementation of the 2030 Agenda and Agenda 2063;

- 4) Enhanced cooperation among African PPP stakeholders and between them and other stakeholders, including national, sub-regional and regional policymakers, practitioners and experts, and the United Nations entities.

VII. Expected Outputs

The session will generate the following outputs: (a) A statement by participants on a roadmap to advance the PPP Initiative in Africa; (b) Summary report of the Meeting.

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