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Review of the work since the third session of the Working Party on Public-Private Partnerships on 3-4 December 2019

A revised draft People-first Public-Private Partnerships Evaluation Methodology for the Sustainable Development Goals

Note by the Bureau

Background

This document contains a draft People-first Public-Private Partnerships (PPP) Evaluation Methodology for the Sustainable Development Goals (SDGs) developed by an international Project Team co-Chaired by Ms. Melissa Peneycad, Mr. Joan Enric Ricart and Mr. James Stewart with the support of the secretariat.

Key areas of interest:

- Over one hundred fifty experts[1] worldwide responded to a call for participation in the Project Team and were divided into five sub-groups each responsible for one of the five People-first PPP outcomes;

- The draft Evaluation Methodology was widely shared for comments with prospective end-users through various means, including webinars;

- Thirty countries and over fifty companies have informed the secretariat of their intention to implement the draft Evaluation Methodology; and

- The consultations demonstrated a strong eagerness to have the draft Evaluation Methodology finalised as soon as possible and certainly in 2020 in line with the decision taken by the Committee on Innovation, Competitiveness and Public-Private Partnerships to complete the Evaluation Methodology in 2020 (paragraph 28 in the Intersessional Implementation Plan, ECE/CECI/2020/INF.2).

The document is submitted to the Working Party for endorsement.

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[1] To the extent possible, the secretariat follows in its documentation the guidelines as set out in document ECE/CECI/WP/PPP/2018/10 on the selection of reliable and independent experts.

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I. Avant propos

A new approach to Public-Private Partnerships (PPPs) is needed

The Sustainable Development Goals (SDGs) call for different forms of partnerships, including PPPs as a tool to close the infrastructure gap ...

Trillions of US dollars are needed across a wide spectrum of infrastructure and Governments by themselves do not have the resources to deliver on these projects. This is especially true of the low and middle-income countries.

... but the complexity in the design and management of these long-term public–private arrangements also presents some limitations and challenges ...

These challenges and limitations of PPPs are important to bear in mind when analysing the potential of PPPs to promote sustainable development. In order to realize their social value beyond their economic value, PPPs need to be "fit for purpose". That means PPPs moving from being a mere financing tool to becoming an instrument that also provides "value for people" and "value for the planet".

... which require a new "People-first" approach.

In this context, the United Nations Economic Commission for Europe (UNECE) has developed the People-first PPP approach and the 10 Guiding Principles on People-first PPPs in support of the SDGs[2] to provide a model that will foster access to essential public services for all with sustainable development as its objective and putting people at the core.[3]

Evaluation Methodology as a compass for People-first PPPs

Launching a new model of PPPs requires new tools to evaluate the impact of PPPs ...

The UNECE has spearheaded a movement towards a new model of PPPs called "People-first" PPP and in this regard, it has argued for a mechanism to evaluate and score infrastructure and PPP projects and to determine the extent to which they meet the People-first PPP designation.

... that can measure impact and score projects including both infrastructure projects and People-first PPPs ...

People-first PPPs are defined in the Guiding Principles and are summarised according to five specific outcomes: access and equity; economic effectiveness and fiscal sustainability; replicability; environmental sustainability and resilience; and, stakeholder engagement. In view to implement the Guiding Principles, these generic outcomes have been carefully analysed, and benchmarks and indicators were elaborated and added that can be scored to assess the extent to which projects meet the People-first designation.

... and fully implement the Guiding Principles ...

The whole purpose of the Evaluation Methodology is to implement the Guiding Principles in their entirety.... *using the methodology to foster improvements in the projects themselves.*

It is important that the UNECE People-first PPP Evaluation Methodology (hereinafter referred to as the Evaluation Methodology) is used to improve projects. Some projects will

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[2] The documents are available at:
http://www.unece.org/fileadmin/DAM/ceci/documents/2019/CICPPP/Official_documents/ECE_CECI_2019_06-en.pdf and
http://www.unece.org/fileadmin/DAM/ceci/documents/2019/CICPPP/Official_documents/ECE_CECI_2019_05-en.pdf

[3] The Guiding Principles have defined People-first PPPs as follows: *"'People-first PPPs' can be perceived as a type of Public-Private Partnerships (PPPs) designed to implement the Sustainable Development Goals and thereby to be 'fit for purpose'. It is defined as an enhanced approach for PPPs that overcomes some of the weaknesses in the way the traditional PPP model has been implemented. PPPs are contract delivery tools for public infrastructure provision involving initial private financing. They include two types: 'government-pay PPPs' which are primarily funded by taxpayers and 'concessions' which are primarily funded by the users of the infrastructure."*

be evaluated and might not meet the People-first designation. But users of the Evaluation Methodology – typically governments – can adjust their projects accordingly. In addition, realistically few projects can deliver on each of the five rather specific People-first outcomes.

The Evaluation Methodology is not merely a calculus or a "pass or fail"

The Evaluation Methodology can be applied to the whole project lifecycle…

The whole project lifecycle refers to project identification, development and implementation stages. In this regard, the Evaluation methodology can also serve to make revisions to projects that are not performing well. In such a context, the Evaluation Methodology can also perform a "gatekeeping role" between People-first PPPs and typical or traditional PPPs.

The Evaluation Methodology should however not be used as a slide rule to describe projects as either "good" or "bad", "pass or fail" but rather …

This Evaluation Methodology should be used incrementally as a path finder and a development tool to move projects towards People-first solutions and outcomes.

… integrated into a robust Programme to promote People-first PPPs, …

The Programme needs "converts" and can give incentives to go further as People-first PPPs are more challenging to do than conventional PPPs, where the emphasis is solely on "value for money". Some People-first PPPs might also be more expensive to implement.

… building a data base of People-first PPP projects …

The UNECE has a substantial database of case studies that showcase elements of the People-first outcomes that make people the main beneficiaries and which have sustainable development as the core. These projects can become "flagships" to inspire Governments in other countries. At the same time, it is fully appreciated that many of these projects found in the UNECE database aspire to be designated as People-first. They require still to be assessed in a comprehensive manner and in line with the Guiding Principles, notably Principle 10.

… and this will then become a source of encouragement to project sponsors to go even further in their strategies and aspirations for their projects.

Projects can always be improved upon and challenges are constantly changing. Models need to be tested and adjusted. Learning is a continuous exercise and the Evaluation Methodology can contribute to this process.

Measurable, neutral, adaptable benchmarks are the key to an effective Evaluation Methodology

The benchmarks should be both qualitative and quantitative, …

The benchmarks elaborated for each of the five People-first outcomes were drafted in a way that leave as little as possible to subjective interpretation. A major challenge to developing any Evaluation Methodology is whether the evaluation that is done using such a methodology can be genuinely presented as "non-biased".

… a reasonable number…

Realistically, the users of the Evaluation Methodology wishing to adjust their projects to make them closer to the People-first approach, will be less inclined to use the Methodology if it is too complicated, with too many benchmarks.

… and aware of some limitations in the Evaluation Methodology itself.

The Evaluation Methodology does not deal with the institutional framework for project preparation and decision-taking which is very important in launching projects and ensuring their effectiveness.

Governments need support to properly use the Evaluation Methodology and to develop actual projects

This process to mainstream the People-first PPP model is only just beginning…

As defined in the Guiding Principles, People-first PPP is, after all, a new model that is getting started, often in the most challenging of environments.

... and there are no quick fixes but requires all stakeholders to work together in new forms of partnerships over long periods of time...

Like the SDGs themselves, People-first PPP is an ambitious model coming out of the main drivers for the SDGs, viz, transformative change, environmental sustainability, poverty eradication, transparency and good governance.

... with no single project being ringfenced.

People-first PPPs are part and parcel of new integrated infrastructure policies that put sustainable development at the core and people as the main beneficiaries of infrastructure and public services.

Infrastructure projects in countries, especially the low and middle-income ones ...

The battlegrounds for the SDGs are precisely where the achievements for success are the most challenging. These are the vulnerable and fragile countries often which have just endured conflicts and where institutions are rather weak.

... are desperately needed, and Governments in these countries need support in facilitating such projects.

Support needs to be offered to countries wishing to use the Evaluation Methodology in order to deliver impactful projects. Such support to Governments needs to be project-based and comprehensive if the Evaluation Methodology is to deliver high valued quality, People-first PPP projects following the 10 Guiding Principles. Although the methodology can be used by Governments without any further assistance, in order to ensure it widespread use, it is important that the Evaluation Methodology is underlined implemented through support and capacity-building project facilitation in order to assist Governments and to help them meet their SDG targets.

The Evaluation Methodology should thus not be the "end of the story". Rather it must be the beginning. Work must follow the publication of this document in order to ensure its effective use and widespread application.

II. Introduction

The following is a description of the Evaluation Methodology for scoring and evaluating PPP projects that aspire to be described as "People-first" in line with the UNECE People-first PPP Guiding Principles. This Evaluation Methodology[4] consists of three elements:

- Benchmarks and indicators that demonstrate achievement in each of the five People-first PPP outcomes;

- A weighting and ranking of these outcomes along with other issues pertinent to scoring; and

- A scoring system that can provide various stakeholders[5] with the evaluations needed to revise and adjust their projects to make them more compliant with the People-first PPP outcomes and the SDGs.

The benchmarks identified below are grouped under each of the five outcomes that together summarise People-first PPPs, namely,

    (a)   Access and equity;

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[4] The UNECE PPP standards, methodologies, guiding principles, best practices, declarations and recommendations are endorsed and adopted by acclamation by the UNECE intergovernmental bodies – the Working Party on Public-Private Partnerships and the Committee on Innovation, Competitiveness and Public-Private Partnerships – and do not impose any obligations on member States as their implementation is entirely voluntary.

[5] Mainly governments, but the tool is also suited for the private sector, lenders and civil society.

(b) Economic effectiveness and fiscal sustainability;

(c) Replicability;

(d) Environmental sustainability and resilience; and

(e) Stakeholder engagement.

The Evaluation Methodology is a living document and will be amended in the future on the basis of feedback received from the users. The Evaluation Methodology draws extensively from other methodologies,[6] namely the EASIER[7] methodology and its accompanying Practical Guide[8] based on the People-first PPP outcomes developed by the Specialist Centre of Excellence on PPPs in Smart and Sustainable Cities in Barcelona, Spain, affiliated to the UNECE International PPP Centre of Excellence; and Envision,[9] a sustainable infrastructure evaluation tool and rating system developed and administered by the Institute for Sustainable Infrastructure (ISI).[10]

III. Features and characteristics of the People-first PPP Evaluation Methodology

A. Where does the Evaluation Methodology apply?

The Evaluation Methodology applies to all types, sizes, project stages, and PPP models,[11] anywhere around the world, in any sector.

Examples of PPPs include:

(a) Economic infrastructure[12] such as transportation facilities and utility networks (for example, water, sewage, communications, electricity);

(b) Social infrastructure such as schools, hospitals, libraries, parks and other amenities, public housing; and

(c) Green infrastructure/community-based PPPs.

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[6] Such private methodologies have been used as inspirations sources for the present Evaluation Methodology. The UNECE and its members States have not reviewed, discussed, nor endorsed any of the other methodologies. The Evaluation Methodology is the exclusive propriety of UNECE in accordance with "Intellectual Property Rights Policy governing the development and use of UNECE PPP Standards" and its adoption does not imply any advantage or privilege or any acknowledgement by UNECE of the other methodologies and their related institutions and privates parties.

[7] EASIER methodology (P. Berrone, J.E. Ricart, A.I. Duch, V. Bernardo, J. Salvador, J. Piedra Peña and M. Rodríguez Planas, "EASIER: An Evaluation Model for Public-Private Partnerships Contributing to the Sustainable Development Goals", Sustainability 2019, 18 April 2019). More information at https://www.mdpi.com/2071-1050/11/8/2339.

[8] Practical guide to answer EASIER evaluation (2019), Specialist Centre of Excellence on PPPs in Smart and Sustainable Cities, IESE Business School, Barcelona, Spain.

[9] Envision is used to evaluate the sustainability and resiliency of all types and sizes of civil infrastructure. Originally developed in joint collaboration between the Institute for Sustainable Infrastructure (ISI) and the Zofnass Program for Sustainable Infrastructure at the Harvard University Graduate School of Design, it has been used to evaluate billions of dollars of infrastructure development globally: www.sustainableinfrastructure.org.

[10] ISI, Washington, DC, United States, is a non-profit education and research organization founded in 2010 by the American Public Works Association (APWA), the American Society of Civil Engineers (ASCE) and the American Council of Engineering Companies (ACEC): www.sustainableinfrastructure.org

[11] As defined by the Guiding Principles, PPP models "*include two types: 'government-pay PPPs' which are primarily funded by taxpayers and 'concessions' which are primarily funded by the users of the infrastructure.*"

[12] Infrastructure is a general term used to describe the basic physical systems required to operate a region, country, enterprise or society, such as transportation systems, communication networks, buildings, power supplies, sewage and water.

B.   When to use the Evaluation Methodology?

The Evaluation Methodology can be used early on in project identification through to project development and implementation.

Project identification refers to the concept stage of the project (that is, the original idea for the project) until pre-feasibility studies are conducted. During this stage of the project, the public partner sets forth its ideas, strategy and objectives for the project.

Project development refers to the stage of the project where the detailed shaping of the project occurs through full feasibility, tendering, technical design, legal and financial structuring up until contract signing and financial close.

Project implementation refers to the construction, operations and contract management stages of the project over the project lifespan. At this stage of the project, the project design and commitments are crystallised, and the public partner is in the position of monitoring performance and compliance.

The earlier the Evaluation Methodology is applied in a project lifecycle the greater value it can deliver. For example, the ability to make changes to a project and their associated costs is typically much lower during the project implementation phase than in the project identification phase where the ability to make changes to the project is far higher.

C.   How to make the implementation of the Evaluation Methodology effective?

Three options are available in reply to the indicators: "yes", "no" and "not applicable". The latter is available for those indicators that are not universally applicable to all projects (this is the case, for example, of some indicators in the Environmental Sustainability and Resilience outcome).

D.   Main features of the Evaluation Methodology

There are many features and characteristics of the Evaluation Methodology, including:

Flexible and adaptable:

- The Evaluation Methodology is flexible and sufficiently adaptable to be applied to all types and sizes of PPPs and users of the tool have the flexibility to address the People-first benchmarks in the best, most efficient, and most appropriate ways for the project, taking local context into consideration;

- The Evaluation Methodology can be applied to PPPs anywhere around the world and can be adapted for use at any stage of a PPP's lifecycle; and

- The Evaluation Methodology is non-prescriptive, allowing users to determine the best ways to approach the People-first PPP benchmarks in the context of their project.

Measurable:

The Evaluation Methodology includes both qualitative and quantitative methods for measuring the People-first PPP outcomes. The emphasis of the Evaluation Methodology is not just on value-for-money, but also value-for-people.

Comprehensive:

The Evaluation Methodology aims to comprehensively address the five People-first PPP outcomes. A number of benchmarks, along with the indicators, are presented as ways to measure a project's contributions to each of these outcomes which align with the SDGs.

Applicable:

- The Evaluation Methodology is intended to evaluate projects, not governments; however, due to the nature of PPPs and the alignment of this Evaluation Methodology

with the SDGs, which have macro implications, the Evaluation Methodology includes a mix of micro (project-specific) and macro (government) criteria.

- The Evaluation Methodology is agnostic in terms of which PPPs can use the tool. Any PPP may use the tool, with the notation that improvements can be made in any sector and in any country.

Consistent:

The aim of the Evaluation Methodology is to provide a consistent way of addressing People-first PPPs, provide a "common language" for both governments and the private sector to engage in People-first PPPs, and to enable a consist way in which to evaluate PPPs for their contributions to People-first PPP outcomes.

IV. Benchmarks and indicators for the People-first PPP outcomes

The Evaluation Methodology is comprised of 22 benchmarks and 100 indicators[13] outlined below for each of the five People-first PPP outcomes.

1. Access and equity

Definition

The SDGs are first and foremost concerned with improving access to critical services[14] for social development and poverty eradication, recognizing that depriving access to one service can have huge negative impacts on people's livelihoods and wellbeing.

This outcome most reflects the SDG orientation on poverty eradication and social impact and more equitable forms of development.

Equity could be broadly defined as equal access to the PPP project outputs/services, and that proactive measures are employed, where necessary, to ensure that the economically disadvantaged and those who suffer from social exclusion can also share in the project benefits.

Benchmarks

The following four benchmarks have been identified to assess project performance against the Access and Equity People-first PPP outcome:

1.1   Provide essential services;

1.2   Advance affordability and universal access;

1.3   Improve equity and social justice; and

1.4   Plan for long-term access and equity.

Indicators

A total of 18 indicators were developed to accompany the four benchmarks and these are listed below under each benchmark:

1.1   Provide essential services:

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[13] Not all indicators (for example, those related to Environmental Sustainability and Resilience) apply to all projects, and a "not applicable" option is available in the self-assessment tool (see below) for selected indicators along with a "yes" or "no" answer. The indicators are not mutually exclusive and collectively exhaustive, and some of their aspects are hard to quantify (these are explained in detail in the user's guides).

[14] Access to energy, safe drinking water, healthcare, affordable housing, are among the key public services access which is essential to achieve the SDGs.

1.1.1 Has the project identified and taken into account the needs, goals, and issues of the communities it intends to serve?

1.1.2 Does the project directly or indirectly provide essential services[15] to people who did not previously have access to such services and/or directly or indirectly improve or maintain access to essential services?

1.1.3 Have impacts[16] to existing essential services as a result of the project been assessed?

1.1.4 Has the project avoided/eliminated, mitigated, and/or offset impacts to existing essential services?

1.1.5 Is there evidence that stakeholder lives have been transformed as a result of the project providing new or improved access to essential services?

1.2 Advance affordability and universal access:

1.2.1 Has the project clearly identified and addressed the affordability needs of the communities the project is intended to serve, such that the service provided by the project is easily affordable for all users, including those most vulnerable and disadvantaged?

1.2.2 Has the project clearly identified and addressed the accessibility needs of the communities the project is intended to serve, such that the service provided by the project is easily accessible by all users, including those most vulnerable and disadvantaged?

1.2.3 Have indicators and targets for both nominal and effective access been established for the project?

1.2.4 Are there plans to monitor the ongoing effectiveness of the affordability and/or accessibility measures put in place by the project?[17]

1.3 Improve equity and social Justice:

1.3.1 Has the historic context of equity and social justice been taken into account during project identification, development and implementation?

1.3.2 Has the project assessed the range of direct and indirect social impacts[18] it will have on host and affected communities?

1.3.3 Has the project explicitly addressed the direct and indirect social impacts it will have on host and affected communities?

1.3.4 Are project impacts and benefits equitably distributed across stakeholders/throughout the host and affected communities?

1.3.5 Does the project correct an existing or historic injustice or imbalance?[19]

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[15] Essential services include telecommunications and Internet, education, energy, healthcare, transport (of goods and people), waste, and water etc.

[16] Temporary and permanent impacts related to access, affordability and quality.

[17] For example, any measures put in place by the PPP to ensure users are able to continue to afford and access the service(s) provided.

[18] For example, direct impacts on cultural, historical, recreational, or other resources and services resulting from the project and associated activities (for example, staging, construction, operation); impacts from independent secondary development or actions that may occur as a result of the project (for example, new temporary or permanent housing developments, new formal or informal business districts, or other developments that occur outside of the PPP but are a result of the PPP being developed); indirect impacts on cultural, historic, recreational, or other resources or services important to the local community as identified through, for example, a stakeholder engagement and public participation process.

[19] Examples of a project correcting a historical injustice or imbalance include (but are not limited to): the provision or improvement of services to historically underserved communities; the removal of existing infrastructure that divided or created barriers within a community; correcting historic

1.3.6 Have the public and/or private-sector entities involved in the PPP made specific commitments to equity and social justice within their organisations?[20]

1.4 Plan for long-term access and equity:

1.4.1 Have potential risks to project performance in terms of affordability, accessibility, and equitability been evaluated?

1.4.2 Has the project been designed, structured, developed, managed, or contracted in such a way to be able to continue to anticipate and respond to potential future risks to project performance in terms of affordability, accessibility, and equitability over the life of the project?

1.4.3 Are monitoring mechanisms in place to ensure continued service delivery at acceptable performance levels over the life of the project?

2. Economic effectiveness and fiscal sustainability

Definition

Economic effectiveness and fiscal sustainability refer to the project's contribution to economic growth and development through good quality jobs, women's empowerment, etc. It also stems from the project's ability to utilize efficiently all economic assets, generate profitability from affordable tariffs while allowing sustainable budget and debt management by the public party, including off-balance sheet debt and contingent liabilities.

Because corruption is one of the biggest challenges to the achievement of People-first PPPs, the UNECE has developed a Standard on a Zero Tolerance Approach to Corruption in PPP Procurement (ECE/CECI/WP/PPP/2017/4) which contains anti-corruption principles and recommendations specifically targeted toward PPPs. By implementing this standard, governments can put procedures and processes in place to lower the risk of corruption taking place, therefore building trust with all stakeholders involved in a project.

Benchmarks

The following four benchmarks have been identified to assess project performance against the Economic Effectiveness and Fiscal Sustainability People-first PPP outcome:

2.1. Avoid corruption and encourage transparent procurement;

2.2. Maximise economic viability and fiscal sustainability;

2.3. Maximise long-term financial viability; and

2.4. Enhance employment and economic opportunities.

Indicators

A total of 21 indicators were developed to accompany the four benchmarks and these are listed below under each benchmark:

2.1 Avoid corruption and encourage transparent procurement:

2.1.1 Has the project generally followed or adhered to the UNECE Standard on a Zero Tolerance Approach to Corruption in PPP Procurement (ZTC) or the principles contained therein?

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inequality where one community or sub-group within a community was disproportionately burdened with negative impacts while not receiving its fair share of the benefits; addressing historic socioeconomic trends in PPP development and implementation related to diversity and inclusion (that is, ensuring women are in positions of authority where they historically would have been excluded).

[20] For example, policies and/or public commitments concerning non-discrimination, diversity and inclusion, pay equity.

2.1.2 Have approvals of the project, PPP contract and private sponsor/shareholder been processed according to law[21] and in full transparency?

2.1.3 Was the project awarded through an open and transparent competitive tender or, in the case of an unsolicited proposal, did the project generally follow the safeguards stipulated in the UNECE Standard on a Zero Tolerance Approach to Corruption in PPP Procurement (ZTC) or the principles contained therein?

2.1.4 Is evidence of corruption or undue influence absent throughout the stages of PPP procurement (identification, development, and implementation) and have protections for whistle-blowers been established?

2.1.5 Was the PPP the result of a structured process[22] resulting in a balanced contract?[23]

2.1.6 Are project costs and, where applicable, obligatory upfront payments to the public authority strictly related to the implementation of the PPP?

2.2 Maximise economic viability and fiscal sustainability:

2.2.1 Does the project deliver net tangible and intangible benefits to society by providing services to a consistently and verifiably higher standard[24] over the life of the project in line with national strategy and programmes?

2.2.2 Does the project generate positive value-for-money[25] by comparing the costs[26] and benefits[27] of the PPP model vs. a public procurement model?

2.2.3 Does the project generate positive cost/benefits to the public party, comparing the amount of taxpayer's money required for the project and the economic benefits (including any upfront or annual fees from the project) that will accrue from the project's implementation?

2.2.4 Have any budgetary impacts or revenues been transparently reflected in public accounts and the fiscal sustainability of the PPP contract and creditworthiness of the public authority been positively assessed and openly disclosed to interested parties including the burden of any direct payment,[28] the fiscal return to the public authority[29] and the potential burden of the debt from contingent liabilities?[30]

2.2.5 Is the project designed to maximise socio-economic impact by facilitating women's empowerment?

2.3 Maximise long-term financial viability:

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[21] For example, government approval under a proven PPP legal framework, or special law enacted by parliament for a one-off project. Indicator 2.1.2 is not an assessment of legality but rather an indication that the PPP legal framework was duly followed in the PPP approval process.

[22] For example, involving experienced advisors.

[23] For example, ensuring tariff affordability and appropriate risk allocation.

[24] Examples of high-quality service delivery include school infrastructure that leads to improved educational outcomes, hospital infrastructure and ongoing maintenance that leads to lower in-hospital infection rates, etc. A thorough cost benefit analysis including an assessment of positive and negative externalities, helps select infrastructure projects and their output specifications that can maximise their intended benefits.

[25] Applying an appropriate discount rate for the country, sector and nature of the project, for example, green infrastructure.

[26] For example, higher cost of funds and other negative externalities.

[27] For example, fixed price certainty, shorter implementation period, higher design and technical standards applied, consistent maintenance, whole life costing of the project.

[28] Availability payment or otherwise.

[29] For example, from upfront and annual fees from the project as well as taxes accrued directly or indirectly from the project.

[30] Contingent liabilities are usually involved in the case of sovereign guarantees and PPP contract clauses, such as clauses related to revenue thresholds or termination.

2.3.1 Is the project's private sponsor/shareholder of adequate technical, financial and reputational standing to successfully finance, implement, operate and maintain the project over its life, including having access to necessary resources to fulfil its contractual obligations?

2.3.2 Will the revenues under the PPP contract[31] enable the project to cover operating and maintenance costs and repay the capital invested?[32]

2.3.3 Have material risks[33] to the PPP been identified and appropriately allocated?[34]

2.3.4 Has the PPP limited execution risks by implementing risk mitigation measures[35] during project development?

2.4 Enhance employment and economic opportunities:

2.4.1 Does the project create a significant[36] number of new local[37] jobs during project identification, development, and implementation?

2.4.2 Are quality jobs created by the PPP that are in line with the ILO Decent Work Indicators?

2.4.3 Has the project identified skill or capability gaps in the local workforce and targeted training and capacity building programmes to address them?

2.4.4 Are training, education, or skill development programmes specifically targeted towards groups[38] that face barriers to employment and upward mobility in the workplace?

2.4.5 Are there plans and programmes, including key performance indicators (KPIs) in place to ensure diversity and inclusion in the workforce?

2.4.6 Are there commitments for the protection of workers' rights that include women's rights, non-discrimination and the prevention of violence and

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[31] For example, from tariffs, availability payments, or other sources.

[32] Debt and equity, including interest and shareholder return as applicable.

[33] Material risks may include (but are not necessarily limited to):

(a) Construction risks (such as construction cost overruns);

(b) Operations and maintenance risks (such as higher than expected operations and maintenance costs);

(c) Demand risks (such as the risk that the project will not be used by those it is intended to serve to the extent required);

(d) Collection risks (such as the risk that the project's end users or beneficiaries will not pay or will not be able to pay for the service);

(e) Inflation, currency, and exchange risks; and

(f) Security or other in-country risks that could impact the successful implementation of the project.

[34] Allocation i.e., between the public party, private party (including the engineering, procurement and construction contractor(s), the project sponsors and lenders.

[35] Execution risks could be mitigated with clear design specifications, and/or implementing a phased approach to development.

[36] Determining whether or not a project creates a "significant" number of new jobs is somewhat subjective; however, significance in this instance is referring not only to the number of jobs directly created by the PPP (direct employment), but also the economic impact the new jobs will likely have on the local economy, and the duration of those new jobs. It also refers to the potential for indirect employment (jobs created throughout the supply chain) and induced employment (jobs created in the economy as a result of the consumption effects on goods and services generated by households who are benefiting from direct and indirect employment induced by the project). Significance should scale relative to the size of the project. (An example: 5 local jobs created during the identification phase, 15 (1:3) during the development phase, and 75 (1:15) during the implementation phase).

[37] Local is relative to the project scale and may be "state/provincial/territorial" or "national" for large projects or may be within the project service area only for smaller projects.

[38] For example, economically depressed, underemployed, or disadvantaged communities, including women, ethnic and racial minorities, and other vulnerable groups that face barriers to employment and upward mobility.

harassment in the workplace; equal pay for equal work; and access to education and other essential services?

3. Environmental sustainability and resilience

Definition

Environmental sustainability refers to the protection and preservation of the planet and is a basic requirement of sustainability. Acting to combat climate change and its impacts is integral to the successful implementation to the SDGs.

Resilience refers to "the ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and the restoration of its essential basic structures and functions through risk management" (United Nations International Strategy for Disaster Reduction, 2017).[39]

The UNECE has negotiated five environmental conventions, also known as Multilateral Environmental Agreements (MEAs).[40] Particularly, the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and its Protocol on Strategic Environmental Assessment, set out the obligations of Parties to assess the environmental impact of certain activities at an early stage of planning. Additionally, the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) aims to ensure the sustainable use of transboundary water resources by facilitating cooperation. It is complemented by the UNECE-WHO/Europe Protocol on Water and Health which provides a framework to translate into practice the human rights to water and sanitation and to implement SDG 6. Additionally, the Convention on Long-range Transboundary Air Pollution aims to improve air quality across sectors and national boundaries by providing access to data and information on the effects of air pollution and the Convention on the Transboundary Effects of Industrial Accidents helps Parties to prevent industrial accidents that can have transboundary effects and to prepare for, and respond to, accidents if they occur.

Benchmarks

The following seven benchmarks have been identified to assess project performance against the Environmental Sustainability and Resilience People-first PPP outcome:

3.1   Reduce greenhouse gas emissions and improve energy efficiency;

3.2   Reduce waste and restore degraded land;

3.3   Water consumption and wastewater discharge;

3.4   Protect biodiversity;

3.5   Assess risk and resilience for disaster management;

3.6   Allocate funds for resilience and disaster management; and

3.7   Advance community-driven development.

Indicators

A total of 34 indicators[41] were developed to accompany the seven benchmarks and these are listed below under each benchmark:

3.1   Reduce greenhouse gas emissions and improve energy efficiency:

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[39] The Organization is now called the United Nations Disaster Risk Reduction (UNDRR).

[40] For more information, visit https://www.unece.org/env/treaties/welcome.html

[41] As stated above, not all the indicators under this outcome apply to all projects. In the Self-Assessment Tool (see further below), there is a "not applicable" option for those indicators that are not universally applicable.

3.1.1 Have the annual greenhouse gas emissions over the life of the project been calculated?

3.1.2 Has the project developed a plan/identified strategies to reduce greenhouse gas emissions over the life of the project?

3.1.3 Has the project successfully implemented measures to reduce greenhouse gas emissions[42] compared with global norms?

3.1.4 Has the annual energy consumption of the project, per unit of output/service, been calculated?

3.1.5 Has the project developed a plan/identified strategies to improve the energy efficiency/reduce energy consumption of the project?

3.1.6 Has the project successfully implemented measures to reduce energy consumption per unit of output/service compared to national norms?

3.1.7 Has the project improved the Energy Performance Index (EPI), the Energy Use Index (EUI) or met the EU Energy performance of buildings directive (EPBD) of any facilities and/or buildings included in the project, as measured by the total energy consumed in a building/facility over a year divided by the total built-up area compared to national norms?

3.2 Reduce waste and restore degraded land:

3.2.1 Has the project investigated the potential to incorporate circular economy processes?[43]

3.2.2 Does the project include one or more circular economy processes by utilising unwanted waste and/or excess resources from another local project[44] or by finding local destinations for the beneficial use/reuse of its unwanted waste and/or excess resources?[45]

3.2.3 Has the material input per unit of service (MIPS) for the project been calculated, and has the project reduced the raw material intensity of materials compared to national norms?

3.2.4 Has the project prepared an operational waste management plan, which addresses the reduction of waste[46] (including hazardous waste) over the life of the project?

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[42] Measures to reduce greenhouse gas emissions may include but are not limited to planting trees to absorb CO2 equivalent emissions and/or implementing technologies or materials capable of capturing CO2 equivalent emissions generated by the project; replacing fossil fuels with renewable energy; using more energy efficient processes, technologies, and equipment, etc.

[43] In the context of this indicator, circular economy processes include the beneficial use/reuse of "unwanted waste" or "excess resources". Unwanted waste or excess resources include waste or excess materials, energy/heat, gas emissions, and/or effluent (and could also be expanded to consider excess service capacity, workforce/management capacity, financial capacity, and land area/space capacity). A circular economy can be achieved, at least in part, by finding a beneficial use/reuse for the project's waste or excess resources and/or the project's beneficial use/reuse of external waste or excess resources (that is, from another project operating in the same (local) service area).

[44] For example, within the project's service area.

[45] Projects whereby all or the majority of unwanted waste and/or excess resources are beneficially used/reused (for example, a fully integrated closed-loop organics waste management system that processes unwanted garden/yard and home/industrial kitchen waste from a city into biomethane gas which is then used to fuel the city's fleet of service and waste collection vehicles, and a compost product suitable for agricultural and/or landscaping purposes) would be considered true "circular economy" projects, compared with projects that contribute to a circular economy through the short-term or one-time use of unwanted "waste" materials, (for example, a project that incorporates fly ash from a nearby coal-fired plant into concrete used during its construction).

[46] That is, the reduction of solid waste generation and disposal on land, the reduction of particle and evaporated waste generation and disposal in air, and the reduction of liquid waste generation and disposal in water. In all instances, "waste" refers to both hazardous and non-hazardous waste.

3.2.5 Has the project reduced waste generation (including hazardous waste) per unit of output or service per year compared to the national industry norm?

3.2.6 For any waste generated by the project (after reduction measures have been incorporated), has the project reduced the diversion of waste (including hazardous waste) to a landfill per unit of output or service per year compared to the national industry norm?

3.2.7 Is the project located on previously developed land or barren or degraded land unfit as farmland?

3.2.8 Has the project restored (compensated)[47] equivalent degraded land in the project footprint at a location outside the project boundary, but within the impact area of the project?

3.3 Water consumption and wastewater discharge:

3.3.1 Have strategies to reduce freshwater consumption during the life of the project been identified and evaluated?

3.3.2 Does the project meet the statutory wastewater discharge norms after treatment and include features to minimise the negative impacts of water usage, and/or watershed-scale issues?

3.3.3 Has the project reduced the amount of freshwater consumed/used by the project per unit of output/service compared to national norms?

3.3.4 Does the project have a net-zero impact on the quantity and availability of fresh surface water and groundwater supplies?

3.4 Protect biodiversity:

3.4.1 Has the project conducted an environmental impact assessment (EIA)?[48]

3.4.2 Has the project developed and implemented an environmental management plan (EMP) to avoid, mitigate impacts to, or restore the impact area[49]?

3.4.3 Has the project preserved and/or improved the functionality of habitats (terrestrial and/or aquatic)[50] in partnership with local authorities[51] (for example, local conservation authorities)?

3.5 Assess risk and resilience for disaster management:

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[47] The project restores degraded land within the project area (could be outside the project footprint but within the project impact area) to a condition that supports natural open space, habitat, or natural hydrology and/or the project reclaims brownfields (based on national classifications of brownfields) through passive and/or active remediation.

[48] An EIA requires an evaluation of the likely environmental impacts of a project, taking into account interrelated socio-economic, cultural and human-health impacts. An EIA is relevant for all environmental benchmarks in this evaluation methodology. In the context of this benchmark, it must include inter alia an examination of the potential project impacts on biodiversity.

[49] Environmental Management Plans detail mitigation measures, monitoring and reporting requirements, procedures, and other best management practices to ensure the project is developed in an environmentally responsible manner. EMPs are relevant for all environmental benchmarks in this evaluation methodology. In the context of this benchmark, an EMP must include inter alia the identification and quantification (where possible) of the biodiversity in the project impact area (typically a radius of 10-25 kilometres depending of the nature of the project or defined by the local/national authorities) and include mitigation measures to protect this biodiversity.

[50] Improving the functionality of habitats can be measured in a number of ways, including improving or preserving the quality of existing habitats, improving or preserving the quantity of available habitats and/or improving or protecting the connectivity of habitat. This can be done for projects located in or near environmentally protected areas (for example, land-based or marine parks), biodiversity hotspots, or anywhere were habitat has the potential to be protected or improved.

[51] Local authorities may include formally established or informally recognised local conservation authorities, or other governmental or non-governmental organizations working to protect, preserve, or improve habitat.

3.5.1 Has disaster preparedness been completed for the project?

3.5.2 Has the project developed a well-articulated risk reduction and mitigation strategy for the project and the host and the affected communities?

3.5.3 Has a response and recovery coordination mechanism been put in place with stakeholders and stakeholders from the host and affected communities?

3.5.4 Has a disaster financial inclusiveness strategy been prepared for financing disaster response and recovery/reconstruction measures for the project?

3.5.5 Were local community stakeholders (external to the project) involved in the disaster preparedness process and planning of the response and recovery coordination mechanisms?

3.6 Allocate funds for resilience and disaster management:

3.6.1 Has the project identified funds from different sources and provided a budget for asset losses?

3.6.2 Has the project identified funds from different sources and provided a budget for wellbeing losses?

3.6.3 Has the project allocated funds to support research, innovation, capacity building and/or awareness programmes?

3.7 Advance community-driven development:

3.7.1 Is there a defined community driven development (CDD) programme in place that has identified preventive measures and preparatory actions before, emergency actions during, and recovery and resilience actions after natural and human induced disasters?

3.7.2 Has the project developed a plan to assess poverty related measures to support the development of the CDD programme?

3.7.3 Has the project developed a community socio-economic resilience indicator to support the development of the CDD programme?

3.7.4 Is the project aligned with the Disaster Mitigation Law with respect to CDD programme targets, opportunities, standards, and best practices, with appropriate institutional set-up and financial instrument readiness?

4. Replicability

Definition

Success in achieving the SDGs through implementing the Guiding Principles will come by scaling up programmes and projects. This will require a huge number of People-first PPPs. Such scalability can be achieved if the project is replicable. Replicability is the way in which the project can lead to the development of further projects. This can be done by the project itself training local staff and public administrations. At the same time, such scalability cannot come at the expense of higher social or environmental costs.

The training provided by the private partner contributes to the better development of the project itself as enhanced local skills lead to a higher quality of project in so far as the staff is better qualified. The training provided by the private firm also enhances global partnerships (SDG target 16.16 "enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge expertise and technology and financial resources, to support the achievements of the SDGs in all countries, particularly developing countries") and promotes regional cooperation (SDG target 17.6 "enhance North South, South-South and triangular regional and international cooperation on and access to science and technology and innovation to enhance knowledge sharing").

In addition, the training might be dedicated towards local personnel, which represents an increase in their capabilities to do similar projects themselves leading to scalability from the project itself. This is furthermore related to SDG target 4.7 "by 2030, ensure that all learners acquire the knowledge needed to promote sustainable development, including among others through education for sustainable development".

Benchmarks

The following three benchmarks have been identified to assess project performance against the Replicability People-first PPP outcome:

4.1   Encourage replicability and scalability;

4.2   Enhance government, industry and community capacity; and

4.3   Support innovation and technology transfer.

Indicators

A total of 12 indicators were developed to accompany the three benchmarks and these are listed below under each benchmark:

4.1   Encourage replicability and scalability:

    4.1.1   Has the PPP assessed opportunities for replicability and/or scalability?

    4.1.2   Is the project replicable and/or scalable, allowing for potential economies of scale and affording wider benefits across the economy?

    4.1.3   Have the potential environmental impacts associated with project replicability and/or scalability been assessed?

    4.1.4   Have the potential social impacts associated with project replicability and/or scalability been assessed?

    4.1.5   Does the project increase revenue and/or reduce costs over its lifecycle through optimised design, resource efficiency, appropriate commercialisation and/or an innovative business model?

4.2   Enhance government, industry and community capacity:

    4.2.1   Have opportunities for the transfer of knowledge/know-how, technologies and skills from the private party to the public party and/or local community stakeholders[52] been assessed and/or successfully implemented?

    4.2.2   Does the PPP increase government capacity[53] and/or project/industry capacity?[54]

    4.2.3   Does the PPP increase local community capacity?[55]

4.3   Support innovation and technology transfer:

    4.3.1   Does the project implement one or more innovative methods, technologies, or processes that eliminate or substantially reduce significant problems, barriers or limitations, and/or create scalable and transferrable solutions?

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[52] For example, local private sector businesses and industry groups, women, marginalized and vulnerable groups, local non-profit and/or non-governmental organisations, formal and informal community associations, etc.

[53] For example, enhancing institutional efficiency and government effectiveness and/or regulatory quality.

[54] For example, enhancing project or efficiency, regulatory quality, transparency, and the removal of regulatory, policy, or other barriers that have the potential to inhibit the project and/or industry to thrive.

[55] For example, local community capacity in terms of improved transparency, public participation, equality, regulatory quality, human rights, etc.

4.3.2   Does the PPP include a transfer of technology that contributes to inclusive growth, sustainability and replicability?

4.3.3   Has the project pursued or intends to pursue recognition[56] that resulted or will result in the project being recognised[57] for its contributions to sustainability and resiliency?

4.3.4   Have other opportunities arising from the PPP[58] to enhance the capacity, efficiency and effectiveness of public and private sector and/or the local community been initiated or implemented?

5.   Stakeholder engagement

Definition

Effective and inclusive stakeholder engagement and public participation in decision-making processes and throughout the life of the PPP is arguably the most important ingredient for successful project delivery, and yet is often regarded as a fringe activity or one that can be outsourced to business-as-usual functions. "Public participation" is an inclusive concept that covers all stakeholders, including natural or legal persons who are interested or potentially interested in the project and its outcomes, non-governmental organisations (NGOs), local communities, women, vulnerable people, and others.

Project managers depend on people to respond to the outputs and benefits that they deliver. People will only respond if they are engaged. Thus, best practice in stakeholder engagement and public participation is typically about how the government and private sector reach out to all stakeholders (including the public) to make them feel part of the project.

Stakeholder engagement and public participation in People-first PPPs is widely considered to be more than this. It means creating the right incentives for stakeholder engagement and public participation and encouraging investors to recognise the value of effective and inclusive stakeholder engagement and public participation. A more significant form of stakeholder engagement and public participation that is more in tune with the ethos of "People-first" is to engage directly with the communities affected by the projects and mobilise them through a collective body. The latter can be a conduit for the community's views on the project and these views can then be addressed by the sponsor in open and transparent dialogues.

The UNECE has negotiated the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention[59]) and its Protocol on Pollutant Release and Transfer Registers (Kyiv Protocol[60]), which empower people with the rights to access information, participate in decision-making in environmental matters and to seek justice.

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[56] That is, through a credible, globally and/or industry recognised organisation that provides a project verification and/or certification programme, such as the Recognition Scheme of the UNECE, and other organisations with comprehensive frameworks, rating systems, and/or third-party evaluation methodologies that have been used to validate or verify the sustainability and resiliency of infrastructure and/or buildings (material specific or process based certifications do not qualify).

[57] That is, a formal "award", "certification", "verification" of equivalent designation.

[58] "Other opportunities" include those that may have been previously unforeseen or unanticipated during project identification but become apparent later on during project development and/or implementation. For example, using a PPP to initiate whole sector transformations such as new or improved customer service or service delivery standards; new or improved health care standards and/or regulations; new or improved worker/labour, social protection, equality, women empowerment, and/or public safety standards and/or regulations; implementing broad policy changes; and/or incorporating People-first PPP outcomes into PPP legislation.

[59] UNECE's *Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters*, June 1998, available online: https://www.unece.org/fileadmin/DAM/env/pp/documents/cep43e.pdf

[60] UNECE's *Kyiv Protocol on Pollutant Release and Transfer Registers*, October 2009, available online: https://www.unece.org/env/pp/prtr.html

Benchmarks

The following four benchmarks have been identified to assess project performance against the Stakeholder Engagement People-first PPP outcome:

5.1   Plan for stakeholder engagement and public participation;

5.2   Maximise stakeholder engagement and public participation;

5.3   Provide transparent and quality project information; and

5.4   Manage public grievances and end user feedback.

Indicators

A total of 15 indicators were developed to accompany the four benchmarks and these are listed below under each benchmark:

5.1   Plan for stakeholder engagement and public participation:

    5.1.1   Has the PPP undertaken a stakeholder mapping exercise to determine all stakeholders[61] directly and indirectly affected by and/or interested in the project?

    5.1.2   Has a stakeholder engagement plan (including public participation) been developed for the PPP, that takes into account the specific needs of each stakeholder,[62] and considers the broad range of project issues that need to be addressed?[63]

    5.1.3   Have stakeholder engagement and public participation metrics[64] been established to measure the effectiveness and inclusiveness of the stakeholder engagement and public participation process, and to measure the specific outcomes achieved as a result of the process?

    5.1.4   Has the PPP established an independent oversight committee responsible for overseeing and monitoring the effectiveness of the stakeholder engagement and public participation process, and the publication and dissemination of project information?

5.2   Maximise stakeholder engagement and public participation:

    5.2.1   Has the PPP implemented the stakeholder engagement and public participation plan(s)[65] throughout the project's lifecycle, in an effective, timely and inclusive fashion?

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[61] In the context of this indicator, stakeholder identification must be as inclusive as possible. Stakeholders should include end users/direct customers of the PPP; lenders, equity investors, other shareholders; technical, legal, financial, and other advisors; local business and community stakeholders; other private parties and government agencies involved in or affected by the project (for example, operations and maintenance contractors, construction contractors); non-governmental organisations; formal and informal community-based associations (for example, neighbourhood associations, local conservation authorities, others); media and the general public; indigenous peoples; people from marginalized and vulnerable groups, including women.

[62] This indicator builds on 5.1.1. All stakeholders (including the public) identified in 5.1.1 must be accounted for within the stakeholder engagement and public participation plan.

[63] Project issues to be accounted for include social, cultural, economic, environmental and all other issues related to the People-first PPP outcomes.

[64] For example, number of women/women's groups and people from marginalised communities to be included in project decision-making processes; number of meetings and attendees each month; number of survey responses obtained; response times for follow up tasks and assignments; satisfaction rating from stakeholders (including the public) involved in the project; social, cultural, economic, environmental outcomes achieved as a direct of stakeholder and public feedback.

[65] The development of a stakeholder engagement (including public participation) plan was addressed in benchmark 5.1 Plan for Stakeholder Engagement and Public Participation. This indicator builds on benchmark 5.1 as it is focused on the implementation of the plan.

5.2.2   Are members of the public, including environmental defenders, able to express their views and participate freely without fear of being penalized, persecuted or harassed for their involvement?

5.2.3   Has stakeholder feedback been incorporated[66] into project plans, designs, processes and/or influenced decision-making, and has stakeholder feedback been treated fairly and equitably, and according to the principles of social and environmental justice?

5.2.4   Have social, cultural, economic and/or environmental benefits[67] been put back into the community as a result of the PPP and the stakeholder engagement and public participation process?

5.2.5   Has feedback from been sought from stakeholders as to their satisfaction with the engagement and public participation process(es)[68] and the resulting decisions made based on their feedback?

5.3   Provide transparent and quality project information:

5.3.1   Is quality and pertinent information about the project relative to the People-first outcomes readily available to all stakeholders, including members of the public, and provided in a transparent, timely, understandable and accessible fashion?

5.3.2   Have regular reports on the outcomes of stakeholder engagement meetings been published and are they accessible to all stakeholders, including members of the public?

5.3.3   Has an independent source verified the authenticity, accuracy and reliability of the facts and information provided by the PPP?

5.4   Manage public grievances and end user feedback:

5.4.1   Has the PPP developed a process and mechanisms to manage public grievances and end-user/customer feedback?

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[66] The focus of this indicator is to ascertain whether or not the stakeholder engagement process(es) actually resulted in any changes to the project and/or influenced decision-making. In some cases, demonstrating that stakeholder feedback changed one or more aspects of the project may not be possible as there are some situations where feedback from stakeholders cannot be incorporated for technical or other valid reasons, or stakeholder feedback suggests alignment with project plans, designs, processes.

[67] Examples of social, cultural, economic and environmental benefits that could arise from the PPP and the stakeholder engagement and public participation process include:
- Social: for example, emergency support is provided to local communities to mitigate the impact of epidemics/pandemics, such as COVID-19; robust measures are put in place to protect the safety of construction workers and operations personnel;
- Cultural: for example, support is provided for local cultural activities/events; public art is installed as part of the project; indigenous or other important cultural artefacts are preserved and protected by the project; support is provided for local educational programmes; local cultural sensitivities are taken into account with respect to the project's appearance, design, location, views, amenities, language(s) (for example, for public notices, service delivery);
- Economic: for example, local suppliers and women-owned businesses are used by the project; investments are made in local training facilities; special courses are developed for prospective employees; and
- Environmental: for example, environmental features (lakes, streams, rivers, beaches, forests, etc.) important to the community are protected or restored by the project; investments are made in local environmental conservation groups/authorities.

[68] Engaging stakeholders and encouraging public participation is a critical aspect of People-first PPPs and the stakeholder engagement and public participation process(es) should also include mechanisms to actively seek feedback from stakeholders (including the public) on the engagement/public participation process(es) themselves, and whether or not stakeholders felt they were being treated fairly and equitably. This is an important aspect of continuous learning – learning how to improve future stakeholder engagement and public participation processes by making them more effective, meaningful, fair, inclusive and equitable.

5.4.2   Has the PPP successfully addressed and/or resolved public grievances and end-user/customer feedback?

5.4.3   Are public grievances and end-user/customer feedback readily and transparently available, including outcomes?

V.   Weighting and scoring

Weighting and ranking of the People-first PPP outcomes

Points are assigned to each outcome in proportion to the number of benchmarks, with each of the latter carrying the same weight and the score is expressed as a percentage.

Scoring of the benchmarks

Each benchmark is scored against three performance levels (from good practice, to better practice, to best practice) based on the compliance with the indicators. This provides users with clear guidance on how to improve performance for each benchmark, and more broadly for each People-first PPP outcome. Each performance level has been designed to build on the one previous. Points for each performance level are assigned in a linear fashion.[69] This scoring method is standard practice in most sustainability methodologies and reflects the demand from potential users in low and middle-income countries during the consultation and initial testing phase of the Evaluation Methodology to apply a simple scoring structure for the tool.

Other issues that should be scored

There are three factors that affect projects which the Project Team agreed that should also be part of the project evaluation and scoring structure, namely:

(a)   *Statement of intent*: This would involve the parties (individually or jointly) structuring the project stating explicitly their intention to generate positive social and environmental impacts from the project. This could also be achieved by reference in the statement to the SDGs and/or the People-first PPP model;

(b)   *Verifiable and measurable data*: Project data that could be verified by an independent source would get additional points in the Self-Assessment Tool. This means establishing proof that the invested capital itself is positively correlated with the intended outcome. Documented data are a key requirement for the Recognition Scheme, and this is further explained below; and

(c)   *Location of the project*: People-first PPP projects will be implemented across a wide range of countries and regions. This will include particularly challenging countries and regions where poverty is pervasive, where infrastructure is lacking and where legal and regulatory frameworks are still at an emerging stage. When applying the Evaluation Methodology, consideration should be given to such different circumstances, among others, by reflecting this in the way that scoring is applied in.

Other points about presenting the project

The Evaluation Methodology is part of a programme to sensitize the international community on the value of taking a new approach to PPPs that is more compliant with the SDGs. Many of the benchmarks can be statistically shown and can use certain scoring mechanisms to demonstrate compliance. But often people are moved less by statistics than by actual personal "stories" about a project changing ordinary people's lives.

To this end, it is proposed that in the Evaluation Methodology a space would be found for a reply from the project's sponsors that demonstrates how the project can change peoples' lives

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[69] The linear approach used in the Evaluation Methodology allocates 7 points for the "good practice" performance level, 14 points for the "better practice" performance level, and 21 points for the "best practice" performance level. The score structure is further explained in the Self-Assessment Tool described below.

for the better: the more personal and direct, the better will be the message. Such a short paragraph about the project can also be used to illustrate the People-first PPP approach in a database and website.

VI. Implementation

The benchmarks and the indicators provide a foundation to develop two distinct elements, namely:

1. A Self-Assessment Tool; and

2. A Recognition Scheme.

Self-Assessment Tool

The Self-Assessment Tool:

- Offers a mechanism for implementation. The Tool offers applicants to get a <u>score</u> (expressed as a percentage) and <u>qualitative comments</u> on their infrastructure projects by completing an online questionnaire based on the benchmarks and indicators. This Tool was initially developed as an Excel platform for testing purposes and is being integrated into the SOURCE platform operated by the Sustainable Infrastructure Foundation (SIF);[70] (see "next steps" below for information on the formal launching of the Tool)

- Is provided free of charge as an international public good;

- Went through initial testing with over 30 projects from the UNECE database of case studies used to fine tune the Tool. The feedback received from the proponents of these projects was crucial to ensure that the Tool is applicable to actual projects, irrespective of their size, sector or location. The testing will continue until the Tool is formally launched; and

- Was showcased to over 300 PPP experts in five webinars organised by the secretariat. The overall feedback on the Tool was very positive, and 30 countries and over 50 companies have informed the secretariat of their intention to use the Tool to evaluate and score their projects.

Recognition Scheme

The Evaluation Methodology, as presented in this Bureau submission, also envisages a Recognition Scheme with a robust validation process, which provides an opportunity for recognition of projects in various stages of development to receive the People-first PPP designation.

The Scheme will comply with the United Nations rules and regulations and its implementation depends on the availability of funding and resources. The Scheme will be based on similar existing schemes and will include a series of checks and balances to ensure the Scheme is credible, reliable, and accessible without excessive bureaucracy. Its exact set-up and design are yet to be determined.

The Scheme will assess the compliance of projects with the People-first PPP outcomes and SDGs. To get a People-first PPP designation, applicants (government entities, the private sector, lenders, civil society organisations) will need to demonstrate that the infrastructure project complies with the Evaluation Methodology.

Projects seeking formal recognition through the Scheme will be required to provide actual project documentation to substantiate responses to the indicators. For instance, if an applicant responds "yes" to the question *"Has the project clearly identified the affordability needs of the communities the project is intended to serve, such that the service provided by the project*

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[70] At the request of the member States (paragraph 24, ECE/CECI/WP/PPP/2019/2), the UNECE secretariat is collaborating with the Sustainable Infrastructure Foundation (SIF) and its SOURCE software in the implementation of this methodology. SIF is not-for-profit entity funded by the Multilateral Development Banks and provides practical guidance to countries in project development.

is easily affordable for all users, including those most vulnerable and disadvantaged", documented evidence of achieving this indicator must be provided. Guidelines with suggestions on the type(s) of documents that could be provided to satisfy each requirement will be prepared. The guidelines will provide additional information on what such documentation must include (for example, preliminary estimates, calculations, meeting minutes, design specifications, etc.).

VII. Next steps

A Self-Assessment Tool

The Self-Assessment Tool will be formally launched at the Working Party session in December 2020.

A Recognition Scheme

The Recognition Scheme will be rolled out in the near future. There will be different options for rolling it out, depending on the nature of the People-first PPP project in question and the overall context (for example, a specific extrabudgetary-financed technical assistance project undertaken by the secretariat). The Working Party will be kept abreast of options, developments and activities in this regard.

Annex   [English only]

Members[71] of the Project Team

The Project Team was divided into five sub-groups headed by a leadership team.

Leadership team (in alphabetical order):

- Ms. Tetiana BESSARAB (Ukraine)
- Ms. Doris CHEVALIER (France)
- Mr. Anand CHIPLUNKAR (India)
- Ms. Amanda LOEFFEN (United Kingdom)
- Mr. Jean-Patrick MARQUET (France)
- Mr. Pedro NEVES (Portugal)
- Ms. Melissa PENEYCAD (Canada)
- Mr. Joan Enric RICART (Spain)
- Mr. Pierre SARRAT (Sustainable Infrastructure Foundation (SIF))
- Mr. James STEWART (United Kingdom)

Access and Equity

Sub-group leader: Ms. Doris CHEVALIER (France)

Name	Country
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Mr. Luiz Eduardo JUNQUEIRA	Brazil
Mr. David MATÉ SANZ	Spain
Mr. Arvind MAYARAM	India
Ms. Ntoetse MOFOKA	Lesotho
Mr. Thibaut MOURGUES	France
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Ms. Oshani PERERA	Switzerland
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[71] Members of the Project Team are acknowledged by their geographical designation rather than their official representation.

Environmental Sustainability and Resilience

Sub-group leader: Mr. Anand CHIPLUNKAR (India)

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Mr. Pierre-Alix BINET	France
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Mr. Laurent CRÉMOUX	France
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Ms. Lira KASYMBEKOVA	Kyrgyzstan
Mr. George KATAPODIS	Greece
Mr. Arnaud KPONDJO	Benin
Ms. Aikaterini KYRIAZI	Greece
Mr. Alan LAU	Singapore
Mr. Alfredo LUCENTE	Italy
Mr. Djamel MEDJAHED	Switzerland
Mr. Bulat YESSEKIN	Kazakhstan

Economic Effectiveness and Fiscal Sustainability

Sub-group leader: Mr. Jean-Patrick MARQUET (France)

Name	Country
Ms. Eunice AJAMBO	Ethiopia
Mr. Athanasios BOURTSALAS	Greece
Mr. Ray BROWN	United Kingdom
Mr. Alena DADZERKINA	Belarus
Mr. Fuad HUSEYNOV	Uzbekistan
Mr. Mukhitdin ISHANKHODJAEV	Uzbekistan
Mr. Christian KINGOMBE	Denmark
Ms. Anna KOWALEWSKA	Poland
Mr. Michel LEONARD	Switzerland
Mr. Francesco MICCI	Italy
Mr. Gavin MUNRO	South Africa
Ms. Yu NAMBA	Japan
Mr. Rafael PÉREZ FEITO	Spain
Mr. Vincent PIRON	France
Ms. Fatoumata SANYANG	Gambia
Mr. Sharafjon SHERALIEV	Tajikistan
Ms. Sanja SOVRAN	United States of America
Mr. Stefan STARTZEL	United Kingdom
Mr. Dietrich STILLER	Germany
Mr. Mehmet UZUNKAYA	Turkey
Mr. Steffen WARMBOLD	Germany
Mr. Erik WEHL	Denmark
Mr. Lars D. WELLEJUS	Germany
Ms. Yanzhen WENG	China
Ms. Sedef YAVUZ NOYAN	Turkey
Mr. Ahmad Matin ZAHID	Afghanistan

Replicability

Sub-group leader: Ms. Tetiana BESSARAB (Ukraine)

Name	Country
Ms. Gavkhar ASHIROVA	Kyrgyzstan
Mr. Jan G. JANSSENS	Switzerland
Ms. Svetlana MASLOVA	Russian Federation
Mr. Dragutin NENEZIC	Serbia
Mr. Olaniyi OLANIYAN	Nigeria
Ms. Natalia OVSYANKO	Belarus
Mr. Manuel PROTÁSIO	Portugal
Mr. Peter ROWAN	United Kingdom
Ms. Malike SAGYNDYKOVA	Kazakhstan
Mr. Pierre SARRAT	Switzerland
Mr. Ivan VUYTSIK	Russian Federation
Mr. Agha WAQAR JAVED	Pakistan

Stakeholder Engagement

Sub-group leader: Ms. Amanda LOEFFEN (United Kingdom)

Name	Country
Mr. Fred AMONYA	United Kingdom
Mr. Pandala ANILKUMAR	India
Ms. Eleni BAKOULA	Greece
Ms. Nadia BALGOBIN	Switzerland
Mr. Sergio FERNÁNDEZ DE CÓRDOVA	Spain
Mr. Muhammad Sarfraz KHAN	Pakistan
Mr. Azlan MORAD	Germany
Mr. Cristobal POLLMAN	Chile
Mr. Míquel RODRÍGUEZ	Spain
Mr. Raymond SANER	Switzerland
Mr. Prashant SHARMA	India
Ms. Irina TSAY	Republic of Korea
Mr. Steven VAN GARSSE	Belgium
Ms. Lichia YIU	Switzerland