Guidance has so far been prepared for the project identification stage, and guidance on the project development and the project implementation stages is under preparation.
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Introduction

The Self-Assessment Tool is an easy-to-use Excel-based tool\(^2\) that presents the People-first PPP Evaluation Methodology in a simplified format. The Self-Assessment Tool provides an indicative People-first score as well as qualitative feedback to assist projects improve People-first outcomes. The qualitative feedback is generated by the tool based on responses provided in the Self-Assessment Tool.

Where does the People-first PPP Evaluation Methodology apply?

The People-first PPP Evaluation Methodology applies to all types, sizes, and PPP models\(^3\), anywhere around the world, in any sector.

Example PPPs include:

- Economic infrastructure\(^4\) such as transportation facilities and utility networks (e.g., water, sewage, communications, electricity)
- Social infrastructure such as schools, hospitals, libraries, parks and other amenities, public housing
- Green infrastructure / community-based public-private partnerships

Who should use the People-first PPP Evaluation Methodology?

This methodology is intended to provide a common language for or basis of understanding People-first PPPs. It is intended to be used by governments, the private sector, civil society organisations, academia and international organisations who work together to achieve People-first PPPs.

When to use the People-first PPP Evaluation Methodology?

The People-first PPP 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 People-first PPP 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.

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\(^{2}\) This Tool is also being integrated into the SOURCE platform operated by the Sustainable Infrastructure Foundation (SIF).

\(^{3}\) For example, traditional PPPs, operations and maintenance PPPs, Design-Build (DB) PPPs, Design-Build-Operate (BDO) PPPs, Design-Build-Finance-Operate (DBFO) PPPs, Build-Transfer-Operate PPPs, Design-Build-Finance-Operate-Maintain (DBFOM) PPPs.

\(^{4}\) 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.
Features and characteristics of the People-first PPP Evaluation Methodology

There are many features and characteristics of the People-first PPP 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 consistent way in which to evaluate PPPs for their contributions to People-first PPP outcomes.

Project information: initial questions

For projects choosing to use the Self-Assessment Tool, the following questions must be answered at the start of the process:

**Location of investment**

**Question:** Please indicate the country in which the project is located.

Select the country in which the project is located from the drop-down menu.

---

5 The list of countries in the dropdown menu is the UN Member States. If the country where the project is located is not listed, please choose “Other”.
Environmental setting

**Question:** Please indicate the environmental setting in which the project is located.

The user must specify the project’s environmental setting from one of the following three options:

- Environmentally protected area
- Biodiversity hotspot
- All other environmentally unspecified areas

Project stage

**Question:** Please indicate the stage of the project.

The user must specify the stage of the project. Three options are provided:

- Project identification
- Project development
- Project implementation

(Definitions for each of the above project stages are provided in the section entitled *When to use the People-first PPP Evaluation Methodology*.)

Verifiable and measurable data

**Question:** Is the data and information you are providing verifiable and measurable? (Y/N)

This question is asked to enquire if the answers provided to specific questions would be supported by documented evidence that is verifiable and measurable. The user needs to answer ‘yes’ if documented evidence is available (no documented is being required for the Self-Assessment Tool but this could be the case for the Recognition Scheme that the UNECE secretariat is rolling out).

Statement of intent

**Question:** Has the project published a Statement of Intent? (Y/N)

A Statement of Intent 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. The Statement of Intent can take many forms: it could take the form of a press release, a statement on the website, an annex to a project.

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6 Often referred to as a “functional ecosystem” (a habitat capable of supporting the needs/requirements of the species that depend on it during all stages of their lifecycle) or “environmentally sensitive area”. Environmentally protected areas are areas which are protected, usually by government, such as reserved forests and national parks (including marine parks).

7 A region that is considered to be both biologically rich and threatened. Biodiversity hotspots – of which there are 36 around the world – share two common criteria: they must have at least 1,500 vascular plants as endemics, and 30% or less of its original natural vegetation remains. For more information, see the following resources:

8 The vast majority of projects are currently in this category.

9 For more information on the Recognition Scheme, please see document ECE/CECI/WP/PPP/2020/3.
To answer “yes”, there should be a commitment by the user in the Statement of Intent to the People-first PPP outcomes and the SDGs and a desire in principle to submit the project to be certified through a reputable third party recognition scheme, such as that the UNECE Recognition Scheme.

To achieve “yes (good practice)” the parties (individually or jointly) need to publicly commit (e.g., on a website) that the project will generate positive social, environmental, and economic impacts.

To achieve “yes (better practice)” the parties (individually or jointly) need to meet the requirements for “good practice” and also explicitly reference the SDGs and commit to the People-first PPP model (e.g., through inclusion in legislation/legal provisions, regulations, guidelines and recommendations for civil servants, etc.).

To achieve “yes (best practice)” the parties (individually or jointly) need to first meet the requirements for both “good practice” and “better practice”. In addition, the parties (individually or jointly) must explicitly commit to pursuing third-party project recognition such as the UNECE Recognition Scheme. This commitment could be included in the statement on a website, and/or included in the PPP development strategy, concept document, prefeasibility study (if the project is in the identification stage) or it could be included in the project feasibility study, tender documents, legal provisions or equivalent documentation (if the project is in the development stage) or included in the PPP contract documents (if the project is in the implementation stage).
At-a-glance: People-first PPP benchmarks

<table>
<thead>
<tr>
<th>Access and Equity</th>
<th>AE1</th>
<th>PROVIDE ESSENTIAL SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AE2</td>
<td>ADVANCE AFFORDABILITY AND UNIVERSAL ACCESS</td>
</tr>
<tr>
<td></td>
<td>AE3</td>
<td>IMPROVE EQUITY AND SOCIAL JUSTICE</td>
</tr>
<tr>
<td></td>
<td>AE4</td>
<td>PLAN FOR LONG-TERM ACCESS AND EQUITY</td>
</tr>
<tr>
<td>Economic Effectiveness and Fiscal Sustainability</td>
<td>EE1</td>
<td>AVOID CORRUPTION AND ENCOURAGE TRANSPARENT PROCUREMENT</td>
</tr>
<tr>
<td></td>
<td>EE2</td>
<td>MAXIMISE ECONOMIC VIABILITY AND FISCAL SUSTAINABILITY</td>
</tr>
<tr>
<td></td>
<td>EE3</td>
<td>MAXIMISE LONG-TERM FINANCIAL VIABILITY</td>
</tr>
<tr>
<td></td>
<td>EE4</td>
<td>ENHANCE EMPLOYMENT AND ECONOMIC OPPORTUNITIES</td>
</tr>
<tr>
<td>Environmental Sustainability and Resilience</td>
<td>ES1</td>
<td>REDUCE GHG EMISSIONS AND IMPROVE ENERGY EFFICIENCY</td>
</tr>
<tr>
<td></td>
<td>ES2</td>
<td>REDUCE WASTE AND RESTORE DEGRADED LAND</td>
</tr>
<tr>
<td></td>
<td>ES3</td>
<td>REDUCE WATER CONSUMPTION AND WASTEWATER DISCHARGE</td>
</tr>
<tr>
<td></td>
<td>ES4</td>
<td>PROTECT BIODIVERSITY</td>
</tr>
<tr>
<td></td>
<td>ES5</td>
<td>ASSESS RISK AND RESILIENCE FOR DISASTER MANAGEMENT</td>
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<tr>
<td></td>
<td>ES6</td>
<td>ALLOCATE FUNDS FOR RESILIENCE AND DISASTER MANAGEMENT</td>
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<td></td>
<td>ES7</td>
<td>ADVANCE COMMUNITY-DRIVEN DEVELOPMENT</td>
</tr>
<tr>
<td>Replicability</td>
<td>RE1</td>
<td>ENCOURAGE REPLICABILITY AND SCALABILITY</td>
</tr>
<tr>
<td></td>
<td>RE2</td>
<td>ENHANCE GOVERNMENT, INDUSTRY AND COMMUNITY CAPACITY</td>
</tr>
<tr>
<td></td>
<td>RE3</td>
<td>SUPPORT INNOVATION AND TECHNOLOGY TRANSFER</td>
</tr>
<tr>
<td>Stakeholder Engagement</td>
<td>SE1</td>
<td>PLAN FOR STAKEHOLDER ENGAGEMENT AND PUBLIC PARTICIPATION</td>
</tr>
<tr>
<td></td>
<td>SE2</td>
<td>MAXIMISE STAKEHOLDER ENGAGEMENT AND PUBLIC PARTICIPATION</td>
</tr>
<tr>
<td></td>
<td>SE3</td>
<td>PROVIDE TRANSPARENT AND QUALITY PROJECT INFORMATION</td>
</tr>
<tr>
<td></td>
<td>SE4</td>
<td>MANAGE PUBLIC GRIEVANCES AND END USER FEEDBACK</td>
</tr>
</tbody>
</table>
Components of the benchmarks

Each benchmark within the People-first PPP contains the same set of components, which are described below.

<table>
<thead>
<tr>
<th>Benchmark title</th>
<th>Title of the benchmark.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benchmark identifier</td>
<td>Two-letter code identifying the People-first outcome and a number identifying the specific benchmark. Examples: AE1 denotes the first benchmark within Access and Equity; EE2 denotes the second benchmark within Economic Effectiveness and Fiscal Sustainability.</td>
</tr>
<tr>
<td>Intent</td>
<td>Explains the overall purpose of the benchmark in one short statement.</td>
</tr>
<tr>
<td>Metric</td>
<td>Articulates how the benchmark is measured. Indicates whether the benchmark is measured qualitatively, quantitatively, or both.</td>
</tr>
<tr>
<td>Description</td>
<td>Explains the specific issue(s) or topic(s) being addressed by the benchmark and its importance/significance to public-private partnerships. The description section for many benchmarks also include definitions and helpful external resources.</td>
</tr>
<tr>
<td>Applicability</td>
<td>Provides guidance on determining the applicability of the benchmark and/or determining the applicability of one or more indicators within the benchmark.</td>
</tr>
<tr>
<td>Indicators</td>
<td>The set of questions the project needs to address in order to meet the requirements of the benchmark. In some cases, indicators are considered mandatory. Such indicators are denoted with an asterisk (*). Each indicator is denoted with the benchmark identifier, followed by another number. Examples: RE1.1 denotes the first indicator within the first Replicability benchmark; SE2.1 denotes the first indicator within the second Stakeholder Engagement benchmark.</td>
</tr>
<tr>
<td>Guidance to users when replying to the indicator depending on the stage of the project</td>
<td>The purpose of this guidance is to provide users of the Self-Assessment Tool with as much information as possible to understand the question posed and that factors that need to be considered when selecting a response. The guidance is tailored depending on the stage of the project (i.e., identification, development, implementation).</td>
</tr>
<tr>
<td>Performance levels</td>
<td>Provides a brief description of the requirements necessary to achieve each performance level. Each benchmark has up to three performance levels: good practice, better practice, and best practice.</td>
</tr>
</tbody>
</table>
Access and Equity (AE)

The SDGs are first and foremost concerned with improving access to critical services 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.

Four benchmarks and 18 related indicators are used to assess project performance against the Access and Equity People-first outcome:

<table>
<thead>
<tr>
<th>Access and Equity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AE1</td>
<td>PROVIDE ESSENTIAL SERVICES</td>
</tr>
<tr>
<td>AE2</td>
<td>ADVANCE AFFORDABILITY AND UNIVERSAL ACCESS</td>
</tr>
<tr>
<td>AE3</td>
<td>IMPROVE EQUITY AND SOCIAL JUSTICE</td>
</tr>
<tr>
<td>AE4</td>
<td>PLAN FOR LONG-TERM ACCESS AND EQUITY</td>
</tr>
</tbody>
</table>
AE1 PROVIDE ESSENTIAL SERVICES
Includes mandatory indicators

Rationale

Intent
Provide new or improved access to essential services to people who did not previously have access to such services (or who did not have adequate access to such services).

Metric
The extent to which the project provides new or improved access to essential services.

Description
The SDGs are first and foremost concerned with improving access to essential services for social economic and environmental development and poverty eradication, recognizing that lacking access to such services can have enormous negative impacts on people’s livelihoods and wellbeing. In the context of this benchmark, essential services include telecommunications and the Internet, education, energy, healthcare, transport (of goods and people), waste, and water.

This benchmark encourages projects to articulate and quantify the provision of essential services to people who did not previously have access to such services (or who did not have adequate access to such services), and to determine direct and indirect impacts to existing essential services that may result from the implementation of the project. Where there is potential for the project to negatively impact the provision of existing essential services in terms of access, affordability and/or quality, measures to eliminate/avoid, mitigate and/or offset such impacts are encouraged.

The provision of essential services should be aligned with city, regional and/or community development plans, and should take into account community needs, goals, and issues for the host and affected communities (i.e., the project service area). Where formal community planning documents do not exist, the project should undertake its own analyses of community needs, goals, and issues – for example, this could be done through a stakeholder engagement and public participation process where stakeholders (including the public) identify and prioritise their needs, goals and issues for the project to address.

Applicability
This benchmark is applicable to all projects that provide one or more essential services and/or have the potential to directly or indirectly impact the provision of one or more existing essential services. As a result, it would be difficult to demonstrate that this benchmark is not relevant or applicable to a project seeking to be recognised as a People-first PPP. Therefore, projects seeking to be recognised as People-first PPPs are required to address the mandatory indicators (marked with *) which are required to meet the “good practice” performance level, and are strongly encouraged to address all indicators included in this benchmark, moving towards the “better practice” and “best practice” performance levels where possible.

Performance Levels

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>AE1.1 identify and take into account the needs, goals, and issues of the communities the project intends to serve</td>
<td>AE1.1 identify and take into account the needs, goals, and issues of the communities the project intends to serve</td>
<td>AE1.1 identify and take into account the needs, goals, and issues of the communities the project intends to serve</td>
</tr>
<tr>
<td>AE1.2 provide essential services, either directly or indirectly, to people who did not previously have access to such services</td>
<td>AE1.2 provide essential services, either directly or indirectly, to people who did not previously have access to such services</td>
<td>AE1.2 provide essential services, either directly or indirectly, to people who did not previously have access to such services</td>
</tr>
<tr>
<td>AE1.3 assess impacts to existing essential services as a result of the project</td>
<td></td>
<td>AE1.3 assess impacts to existing essential services as a result of the project</td>
</tr>
</tbody>
</table>
**Indicators and guidance**

**AE1.1 Has the project identified and taken into account the needs, goals, and issues of the communities it intends to serve? * (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
<th>Development stage</th>
<th>Implementation stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>To answer “yes” to this question, a preliminary analysis of community needs, goals and issues needs to be done, and how the project intends to address them. There are a number of ways to determine community needs, goals and issues. For example, this could be done by reviewing the most recent city, regional and/or community development plans or other related reports/plans/studies (e.g., from governmental or non-governmental organisations operating in the area); and/or through a stakeholder engagement and public participation process where stakeholders (including the public) identify and prioritise their needs, goals and issues. Compile any reference or source documents used. This information should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent.</td>
<td>Guidance currently under preparation.</td>
<td>Guidance currently under preparation.</td>
</tr>
</tbody>
</table>

**AE1.2 Does the project directly or indirectly provide essential services \(^1\) to people who did not previously have access to such services and/or directly or indirectly improve or maintain access to essential services? * (Y/N)**

\(^1\) essential services include telecommunications and internet, education, energy, healthcare, transport (of goods and people), waste, and water

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
<th>Development stage</th>
<th>Implementation stage</th>
</tr>
</thead>
</table>
| To answer “yes” to this question, the project needs to estimate the following:  
1. The number of people who will have *new* access to one or more essential services as a *direct* result of the project who previously had *no access* to the project or the service(s) it provides.  
2. The number of people who will have *improved* access to one or more essential services as a *direct* result of the project who previously had *unsatisfactory access* to the project or the service(s) it provides.  
3. The number of people who will have *new* access to one or more essential services as an *indirect* result of the project who previously had *no access* to these service(s).  
4. The number of people who will have *improved access* to one or more essential services as an *indirect* result of the project who previously had *unsatisfactory access* to these service(s).  
For estimates 1 through 4 above, the project should take care to document all assumptions and the methodology(ies) used to calculate each and compile any reference or source documents used. The estimates should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent. | Guidance currently under preparation. | Guidance currently under preparation. |

**AE1.3 Have impacts \(^1\) to existing essential services as a result of the project been assessed? (Y/N)**

\(^1\) temporary and permanent impacts related to access, affordability, and quality
Guidance to users when replying to the indicator depending on the stage of the project

<table>
<thead>
<tr>
<th>Identification stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>To answer “yes” to this question, the user needs to understand the essential services that presently exist within the host and affected communities (i.e., the project service area) and determine any potential temporary and permanent impacts to these existing essential services that could arise as a result of the project. This question is primarily concerned with impacts related to access, affordability, and quality. For example, a new road may temporarily or even permanently impact the community’s ability to access existing means of transportation. Understanding and assessing the potential temporary and permanent impacts to existing essential services is important as it enables the PPP to then determine ways in which such impacts could be avoided/eliminated, or where avoidance may not be possible, to determine ways to mitigate or offset these impacts. The assessment of impacts to existing essential services could be based on a review of existing community planning or other related documentation, and/or through a stakeholder engagement and public participation process. The user should compile any reference or source documents used to complete this assessment, and the assessment should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development stage</th>
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<tbody>
<tr>
<td>Guidance currently under preparation.</td>
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<table>
<thead>
<tr>
<th>Implementation stage</th>
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</thead>
<tbody>
<tr>
<td>Guidance currently under preparation.</td>
</tr>
</tbody>
</table>

AE1.4 Has the project avoided/eliminated, mitigated, and/or offset impacts to existing essential services? (Y/N/NA)

Applicability: If there is no potential for the project to impact the provision of existing essential services per AE1.3, ‘not applicable’ (NA) may be selected as the response to this question.

Guidance to users when replying to the indicator depending on the stage of the project

<table>
<thead>
<tr>
<th>Identification stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>To answer “yes” to this question, well-being indicators that could be used to measure whether or not stakeholder/people’s lives are transformed as a result of the project providing new or improved access to essential services need to be defined. Such indicators will be refined throughout project development (and likely in consultation with the private party or consortium involved in the project and/or with community stakeholders), but initial or draft well-being indicators should be prepared during the project identification stage and included in the project PPP development strategy, concept document, prefeasibility study or equivalent document. Also, any assumptions, methodologies, and research used to develop these initial well-being indicators should be compiled by the user.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development stage</th>
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</thead>
<tbody>
<tr>
<td>Guidance currently under preparation.</td>
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</table>

<table>
<thead>
<tr>
<th>Implementation stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guidance currently under preparation.</td>
</tr>
</tbody>
</table>

AE1.5 Is there evidence that stakeholder lives have been transformed as a result of the project providing new or improved access to essential services? (Y/N)

Guidance to users when replying to the indicator depending on the stage of the project

<table>
<thead>
<tr>
<th>Identification stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>To answer “yes” to this question, the user needs to first address the requirements for AE1.3 (i.e., undertake a preliminary assessment of potential temporary and permanent impacts to existing essential services as a result of the project). Then, the user needs to determine (e.g., through research, stakeholder engagement, or another means) how such impacts could be avoided/eliminated. For impacts that cannot be completely avoided or eliminated, the project needs to determine how they could be mitigated or offset. Potential strategies to avoid/eliminate, mitigate and/or offset impacts should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation. The user should take care to compile any reference or source documents used to develop these potential strategies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development stage</th>
</tr>
</thead>
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Guidance currently under preparation.
AE2  ADVANCE AFFORDABILITY AND UNIVERSAL ACCESS
Includes mandatory indicators

**Rationale**

**Intent**
Ensure the service(s) provided by the project are affordable and accessible to all people within the communities it is intended to serve.

**Metric**
The extent to which the project provides affordable and accessible service(s) to all people within the communities it is intended to serve.

**Description**
This benchmark focuses on two key aspects of PPP service delivery: affordability and accessibility.

It is not sufficient for a project to simply provide a service. The service needs to work (i.e., without unexpected interruption) on a daily basis and over the life of the project, and end users/customers need to be able to both afford and access it. If they cannot afford it, or if features of the project such as its design, location, or quality prevent its use, end users/customers are not benefiting from the service.

Nominal access is a term used to describe whether or not a household is connected to a service (e.g., water, electricity) but it does not account for whether or not this service can be effectively used. It is therefore important not only to measure nominal access, but also effective access which accounts for whether the service works as intended and whether or not it is affordable and able to be used by those it is intended to serve.

Examples illustrating the difference between nominal and effective access:

- Number of people with access to running water (nominal access) compared with the number of people with access to the project but who lack the ability to afford the service (effective access).

- Number of people in close proximity to transit (nominal access) compared with the number of people with proximity to the project but who are unable to use the project due to its design or timing of service delivery (effective access).

Often there is a significant gap between those with nominal access compared with those with effective access.

The following resource pertaining to nominal and effective access may be useful:

(i) Sumila Gulyani’s article *Are you being served? The gap between effective and nominal access to infrastructure services*, September 2016, available here: https://blogs.worldbank.org/sustainablecities/are-you-being-served-gap-between-effective-and-nominal-access-infrastructure-services

This benchmark encourages projects to consider both affordability and accessibility of the service(s) it provides to the greatest number of people and to explore ways in which to ensure services are affordable and accessible to all people, including those most isolated, disadvantaged and vulnerable, and to close the gap between nominal and effective access.

Affordability analyses, social impact assessments, needs assessments and/or poverty impact assessments are useful approaches to determining user affordability. The following resources pertaining to both affordability analyses and poverty impact assessments may be useful:

(i) The European PPP Expertise Centre’s *Guidance on Affordability*, 2015, available here: https://www.eib.org/epec/g2g/i-project-identification/12/121/index.htm


There are many ways to address the issues of affordability and access, both through social policies and/or through the PPP pricing framework, i.e., implementing inclusive, tiered, or income-based pricing structures, and/or through government subsidies. To improve access, PPPs could consider implementing versatile payment options, the timing and flexibility of service delivery, as well as physical design considerations.

**Applicability**

Aspects of this benchmark are likely applicable to all PPP projects; as such, it would be difficult to demonstrate this entire benchmark is not applicable to a PPP seeking to be recognised as a People-first PPP. However, there may be some circumstances where there are no affordability and/or accessibility concerns whatsoever for any stakeholder that needs to be addressed. In those rare circumstances, projects may respond to the indicators as being not applicable. All projects are required to address the mandatory indicators (marked with *) which are required to meet the “good practice” performance level, and are strongly encouraged to address all indicators included in this benchmark, moving towards the “better practice” and “best practice” performance levels where possible (unless all indicators included in this benchmark are determined to be not applicable).

**Performance Levels**

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<tr>
<th>Good Practice</th>
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<tr>
<td>AE2.1 identify and address 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</td>
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<tr>
<td>AE2.2 identify and address 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</td>
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<tr>
<td>AE2.3 indicators and targets for both nominal and effective access have been established for the project</td>
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<td>AE2.4 plans are in place to monitor the ongoing effectiveness of the affordability and/or accessibility measures put in place by the project</td>
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**Indicators and Guidance to users when replying to the indicator depending on the stage of the project**

**AE2.1** *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?* *(Y/N/NA)*

Applicability: Projects for which there are no affordability concerns whatsoever may select ‘not applicable’ (NA) as the response to this question.
**Guidance to users when replying to the indicator depending on the stage of the project**

### Identification stage

To answer “yes” to this question, it is first important for the project to understand the concepts of nominal and effective access. Per the description of this benchmark, it is not sufficient for a project to simply provide a service. The service needs to work, and end users/customers need to be able to both afford and access it.

“Nominal access” describes whether or not a household is connected to a service (e.g., water, electricity) but it does not account for whether or not this service can be effectively used. It is therefore important not only to measure “nominal access”, but also “effective access” which accounts for whether the service works as intended and whether or not it is affordable and able to be used by those it is intended to serve.

Since this question is concerned with **affordability**, the user needs to do the following:

1. Undertake a preliminary assessment to understand the affordability issues facing the community so that the project can be structured and implemented in such a way as to be affordable for all, including those who need it the most (i.e., the most vulnerable, marginalised and economically disadvantaged groups). This could be done in a number of ways. For example, affordability issues could be assessed in a “Poverty Impact Assessment” “Affordability Analysis”, “Stakeholder Needs Assessment” or “Environmental Impact Assessment” that includes social considerations (as many do, depending on the jurisdiction), or “Social Impact Assessment”. The focus should not be on the title of the report or assessment, rather, the focus should be on its content, which is understanding the socio-economic factors of the host and affected communities, and how the project could impact these factors either positively or negatively. Socio-economic factors that should be considered include inter alia: the number of people who are living in poverty; those most at risk in terms of not being able to afford the service(s) the PPP will provide; and the impact(s) the PPP could have on poverty levels.

2. Develop draft or preliminary strategies, plans, measures or policies could be implemented to address poverty and the affordability needs of the community. Examples include inter alia inclusive, tiered, or income-based pricing structures, as well as government subsidies.

A few resources were provided in the description section of this benchmark which may be helpful when undertaking such an assessment:

(i) The European PPP Expertise Centre’s Guidance on Affordability, 2015, available here: [https://www.eib.org/epec/g2g/i-project-identification/12/121/index.htm](https://www.eib.org/epec/g2g/i-project-identification/12/121/index.htm)


This preliminary assessment and draft strategies/plans/measures/policies should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.

### Development stage

**Guidance currently under preparation.**

### Implementation stage

**Guidance currently under preparation.**

**AE2.2 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? *(Y/N/NA)*

Applicability: Projects for which there are no accessibility concerns whatsoever may select ‘not applicable’ (NA) as the response to this question.
Guidance to users when replying to the indicator depending on the stage of the project

**Guidance to users**

When replying to the indicator depending on the stage of the project, it is important to first understand the concepts of nominal and effective access. Per the description of this benchmark, it is not sufficient for a project to simply provide a service. The service needs to work, and end users/customers need to be able to both afford and access it.

**Nominal access** describes whether or not a household is connected to a service (e.g., water, electricity) but it does not account for whether or not this service can be effectively used. It is therefore important not only to measure “nominal access”, but also “effective access” which accounts for whether the service works as intended and whether or not it is affordable and able to be used by those it is intended to serve. Since this question is concerned with accessibility, the user needs to do the following:

1. Undertake a preliminary assessment to understand the accessibility needs and issues facing the community so that the project can be structured and implemented in such a way as to be accessible to all, including the most vulnerable, marginalised, and disadvantaged groups. This could be done in a number of ways. For example, accessibility needs could be ascertained through a “Stakeholder Needs Assessment” or “Environmental Impact Assessment” that includes social considerations (as many do, depending on the jurisdiction), or “Social Impact Assessment”.

2. Develop draft or preliminary strategies, plans, measures or policies could be implemented to address the accessibility needs of the community. Examples include inter alia versatile payment options, the timing and flexibility of service delivery, as well as physical design considerations (e.g., to ensure elderly people, disabled people, and women are able to access the project as easily and effectively as younger people, able-bodied people, and men).

A few resources were provided in the description section of this benchmark which may be helpful when undertaking such an assessment:

(i) The European PPP Expertise Centre’s Guidance on Affordability, 2015, available here: [https://www.eib.org/epec/g2g/i-project-identification/12/121/index.htm](https://www.eib.org/epec/g2g/i-project-identification/12/121/index.htm)


This preliminary assessment and draft strategies/plans/measures/policies should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

AE2.3 Have indicators and targets for both nominal and effective access been established for the project? (Y/N/NA)

Applicability: Projects for which there are no affordability or accessibility concerns whatsoever per AE2.1 and AE2.2 may select ‘not applicable’ (NA) as the response to this question.

Guidance to users when replying to the indicator depending on the stage of the project

**Guidance to users**

This question builds on the previous two indicators (AE2.1 and AE2.2). As with the previous two indicators, it is important to first understand the concepts of nominal and effective access (see the benchmark description or the
guidance for AE2.1 and AE2.2). Below are examples illustrating the difference between nominal and effective access:

- Number of people with access to running water (nominal access) compared with the number of people with access to the project but who lack the ability to afford the service (effective access).
- Number of people in close proximity to transit (nominal access) compared with the number of people with proximity to the project but who are unable to use the project due to its design or timing of service delivery (effective access).

Often there is a significant gap between those with nominal access compared with those with effective access.

The following resource, pertaining to nominal and effective access, was provided in the description section of this benchmark and is included again here for reference:

(i) Sumila Gulyani’s article Are you being served? The gap between effective and nominal access to infrastructure services, September 2016, available here: https://blogs.worldbank.org/sustainablecities/are-you-being-served-gap-between-effective-and-nominal-access-infrastructure-services

To answer “yes” to this question, provisional indicators and targets for both nominal and effective access need to be developed based on the assessments conducted for AE2.1 and AE2.2. Any assumptions, methodologies, and research used to establish the indicators and targets should be compiled by the user. Provisional indicators and targets, as well as draft strategies the project could implement to close the gap between nominal and effective access should be identified.

This information should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.

| Development stage | Guidance currently under preparation. |
| Implementation stage | Guidance currently under preparation. |

AE2.4 Are there plans to monitor the ongoing effectiveness of the affordability and/or accessibility measures put in place by the project [1]? (Y/N/NA)

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

Applicability: Projects for which there are no affordability or accessibility concerns whatsoever per AE2.1 and AE2.2 and are able to demonstrate there are no expected/anticipated future concerns regarding affordability and accessibility (i.e., due to the nature/type of the project or other factors) may select ‘not applicable’ (NA) as the response to this question.

**Guidance to users when replying to the indicator depending on the stage of the project**

| Identification stage | To answer “yes” to this question, clear commitments need to be made to monitor the ongoing effectiveness of the affordability and accessibility measures that will be put in place for the project (e.g., the measures to ensure users are able to continue to afford and access the service(s) provided throughout the life of the project, based on the analyses undertaken for AE2.1 and AE2.2, and based on the provisional indicators and targets established for AE2.3). Please note, PPPs are not required to monitor the effectiveness of any social policies that would be put in place by the government to help ensure affordability, rather, they would be required to monitor the effectiveness of the pricing framework put in place by the PPP. Such commitments should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation. |
| Development stage | Guidance currently under preparation. |
| Implementation stage | Guidance currently under preparation. |
**Rationale**

**Intent**
Ensure equity and social justice considerations are included within project processes and decision making.

**Metric**
The extent to which equity and justice considerations are included in project processes and decision making throughout project identification, development and implementation.

**Description**
Equity and social justice considerations include ensuring civil and human rights are respected, preserved, and protected and all persons are treated equally and without prejudice regardless of income, race, religion, gender, gender expression, sexual orientation, age, disability, marital status, etc. Such issues are important in the context of PPPs and infrastructure as projects often involve the provision of service(s), and may also deliver impacts (e.g., cost, pollution, consummation of resources, temporary or permanent disruptions).

Inequality in decision making and the distribution of service(s) and impact(s) can cause conflict, affect a project’s social license to operate, and cause projects to fail. Equitable and socially just PPPs (i.e., PPPs that do not create or increase social disparities) are opportunities to enhance social cohesion which can lead to improved community resilience.

This benchmark expands on AE2 Advance Affordability and Universal Access as it goes beyond affordability and access considerations to include a thorough examination of the historic context of equity, social justice and environmental justice, and how this context informs project identification, development, and implementation, including stakeholder engagement processes. This benchmark encourages projects to explore equity and social justice issues on a long-term basis throughout the project lifecycle, and work towards correcting any historical injustices or imbalances within the host and affected communities.

The term “affected community” refers to the local communities that are directly affected by the project, whereas the term “host community” refers to the specific community or communities in which the project resides. Together, “host and affected communities” refers to the project’s service area.

Projects that impact or have the potential to impact sovereign or self-governing peoples, need to pay special attention to how impacts might affect their autonomy, authority, and rights.

**Applicability**
This benchmark is applicable to all projects. Therefore, projects seeking to be recognised as People-first PPPs are required to address the mandatory indicators (marked with *) which are required to meet the “good practice” performance level, and are strongly encouraged to address all indicators included in this benchmark, moving towards the “better practice” and “best practice” performance levels where possible.

**Performance Levels**

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<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
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<tr>
<td>AE3.1 the project takes into account the historic context of equity and social justice during project identification, development, and implementation</td>
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<td>AE3.1 the project takes into account the historic context of equity and social justice during project identification, development, and implementation</td>
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<tr>
<td>AE3.2 the project has assessed the range of direct and indirect social impacts it will have on host and affected communities</td>
<td>AE3.2 the project has assessed the range of direct and indirect social impacts it will have on host and affected communities</td>
<td>AE3.2 the project has assessed the range of direct and indirect social impacts it will have on host and affected communities</td>
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</table>
AE3.3 the project has explicitly addressed the direct and indirect social impacts it will have on host and affected communities

AE3.4 project impacts and benefits are equitably distributed across stakeholders/throughout affected communities

AE3.5 (if applicable) the project corrects an existing or historic injustice or imbalance

AE3.6 the public and/or private-sector organisations involved in the PPP have made specific commitments to equity and social justice within their organisations

**Indicators and Guidance to users when replying to the indicator depending on the stage of the project**

**AE3.1 Has the historic context of equity and social justice been taken into account during project identification, development and implementation? * (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tr>
<td>To answer “yes” to this question, the user needs to undertake a preliminary assessment of the historic context of equity and social justice within the project’s host and affected communities (i.e., the project’s service area), with special consideration being given to the needs and issues of sovereign peoples, especially indigenous peoples (if applicable).</td>
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This assessment goes beyond the assessments conducted with respect to affordability and access per benchmark AE2 Advance Affordability and Universal Access. This benchmark requires the team to consider the historic context of social equity and justice which needs to take into account a wide range of demographic data, gender equality, health data, income rate, education, level of historic infrastructure investment and any other relevant factors. To undertake such an assessment, formal community planning documents, and/or other socio-economic and demographic information/data or other related reports (such as those produced by governmental and/or non-governmental organisations) could be reviewed and analysed. In the absence of the availability of existing documentation, the user could undertake this assessment on their own for the project, in consultation with stakeholders (including the public). Such an assessment of social equity and justice considerations could be done as part of a larger “Stakeholder Needs Assessment” or “Environmental Impact Assessment” that includes social considerations (as many do, depending on the jurisdiction), or “Social Impact Assessment”. The focus should not be on the title of the report or assessment, rather, the focus should be on its content, which is understanding the historic context of equity and social justice in the project service area to avoid exacerbating equity and social justice concerns and to identify any potential opportunities to rectify historical injustices.

This preliminary assessment should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation. The user should take care to compile any source documents or other reference materials used to undertake this assessment.

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**AE3.2 Has the project assessed the range of direct and indirect social impacts [1] it will have on host and affected communities? * (Y/N)**
[1] e.g., direct impacts on cultural, historical, recreational, or other resources and services resulting from the project and associated activities (e.g., staging, construction, operation, maintenance); impacts from independent secondary development or actions that may occur as a result of the project (e.g., 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.

**Guidance to users when replying to the indicator depending on the stage of the project**

### Identification stage

This question builds on the previous indicator, AE3.1. To answer “yes” to this question, the user needs to undertake a preliminary assessment of the range of potential direct and indirect social impacts the project could have on host and affected communities (i.e., the project service area). This assessment could be done in conjunction with a “Stakeholder Needs Assessment” or “Environmental Impact Assessment” that includes social considerations (as many do, depending on the jurisdiction), or “Social Impact Assessment.”

Direct and indirect social impacts include *inter alia*:

- direct impacts on cultural, historical, recreational, or other resources and services resulting from the project and associated activities (e.g., staging, construction, operation, maintenance);
- impacts from independent secondary development or actions that may occur as a result of the project (e.g., 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.

The scope and level of effort of the assessment should take into account the type, scale, and location of the project and should be forward-looking to anticipate potential impacts associated with project activities such as staging, construction, operational and maintenance activities. Ideally the assessment will be developed based on a review of existing documents/resources available for the community and through a stakeholder engagement and public participation process.

The assessment should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation. The user should take care to compile any source documents or other reference materials used to undertake this assessment.

### Development stage

- Guidance currently under preparation.

### Implementation stage

- Guidance currently under preparation.

**AE3.3 Has the project explicitly addressed the direct and indirect social impacts it will have on host and affected communities? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

### Identification stage

To answer “yes” to this question, the user needs to develop a draft or preliminary list of potential strategies, options, policies, or other measures that could be implemented as part of the project to explicitly address the direct and indirect social impacts the project will or could have on host and affected communities (i.e., the project’s service area).

Such strategies, options, policies or other measures identified at this stage of the project will be refined and further developed during the project development stage; however, an initial understanding of the ways in which the project could address direct and indirect social impacts is important during the project identification stage, and should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.

### Development stage

- Guidance currently under preparation.
AE3.4 Are project impacts and benefits equitably distributed across stakeholders/throughout the host and affected communities? (Y/N)

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tr>
<td>To answer “yes” to this question, the user needs to make clear commitments to not overly burden one or more communities (or stakeholders) with risk or negative impacts while other communities (or stakeholders) receive the majority of project benefits.</td>
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<tr>
<td>For example: it would be inequitable to build a highway to provide wealthier people with improved access to their workplaces and businesses downtown that would destroy the homes of vulnerable and marginalised people and make no provisions for assisting these people in finding new lodgings, just as it would be inequitable to build a hydro-electric dam on a river to provide electricity to people in an upstream metropolitan area that would impact people reliant on the river for their livelihoods and make no compensations for such impacts.</td>
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<td>The user could rely on maps, reports, or other documentation containing key demographic data to ensure the equitable distribution of project impacts and benefits.</td>
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<tr>
<td>Commitments and any preparatory work undertaken to ensure the equitable distribution of project impacts and benefits should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.</td>
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AE3.5 Does the project correct an existing or historic injustice or imbalance \(^{[1]}\)? (Y/N/NA)

[1] examples of a project correcting an 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 inequality where one community or stakeholder 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 (i.e., ensuring women are in positions of authority where they historically would have been excluded).

Applicability: Not all projects may have the potential to correct an existing or historic injustice or imbalance. If no such opportunities exist for the project, ‘not applicable’ (NA) may be selected as the response to this question.

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tr>
<td>If the analyses completed for the previous indicators in this benchmark reveal an opportunity to correct an existing historic injustice or imbalance within the host and affected communities (i.e., the project service area), the team could respond “yes” to this question, provided the project makes clear, written commitments to explicitly correct this historic injustice or imbalance as part of the project.</td>
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<tr>
<td>For example, if the assessments undertaken for the previous indicators in this benchmark reveal that a community has been historically underserved and the aim or purpose of the project is to rectify that imbalance by providing new or improved access to one or more essential services for this historically underserved community, that would be an example of satisfying this indicator.</td>
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Commitments to correct an existing historic injustice or imbalance should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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**AE3.6** Have the public- and/or private-sector entities involved in the PPP made specific commitments to equity and social justice within their organisations [1]? (Y/N)

[1] e.g., policies and/or public commitments concerning nondiscrimination, diversity and inclusion, pay equity

*Guidance to users when replying to the indicator depending on the stage of the project*

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| To answer “yes” to this question, organisational policies and/or public commitments (e.g., on a website, or in publicly available documentation) concerning nondiscrimination, diversity and inclusion, and pay equity need to be in place by the public party and/or the project needs to commit to developing such policies/commitments.

In addition, during the project identification stage, the public party needs to commit to requesting/obtaining similar commitments (i.e., pertaining to nondiscrimination, diversity and inclusion, pay equity) from the private party/consortium that will be brought on board during later project stages (i.e., during project development).

Policies and/or public commitments pertaining to nondiscrimination, diversity and inclusion, and pay equity, along with commitments to require this information from the private party/consortium should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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AE4 PLAN FOR LONG-TERM ACCESS AND EQUITY
Includes mandatory indicators

Rationale

Intent
Ensure access and equity is maintained throughout the project lifecycle.

Metric
The extent to which risks to access and equity are evaluated and addressed throughout project identification, development, and implementation.

Description
Many projects are planned to deliver services in an affordable, accessible, and equitable fashion but end up failing or falling short of achieving performance goals due to a lack of flexibility and adaptability in project development and implementation to respond to emerging trends, events, and changing socio-economic conditions.

Flexibility and adaptability are critical to a project’s long-term success and ability to continue to deliver affordable, accessible, and equitable service over the life of the project. Flexibility and adaptability should be encouraged early on in project identification, and throughout development and implementation. Flexibility and adaptability should be included in project design, operations, and maintenance processes, and risks that could impact project performance in terms of affordability, accessibility, and equity should be periodically reviewed and re-evaluated with the intention that the project is useful to successive generations of people.

In the context of this benchmark, the terms flexibility and adaptability imply a diversity of potential solutions and the operational capacity and capability to adjust or change from one potential solution or response to another acceptable state in reaction to emerging trends, events, and changes in socio-economic conditions.

People-first PPPs need to anticipate how risks, including changes to socio-economic conditions, could impact project performance in terms of affordability, accessibility, and equity. It is therefore important that People-first PPPs be structured and contracted in such a way to allow for sufficient flexibility and adaptability to respond to changing conditions such that project performance is not diminished over time.

Applicability
This benchmark is applicable to all projects seeking to be recognised as a People-first PPP; therefore, all projects are required to address the mandatory indicators included in this benchmark (marked with *) which are required to meet the “good practice” requirements and are strongly encouraged to address all remaining indicators included in this benchmark, moving towards the “better practice” and “best practice” performance levels where possible.

Performance Levels

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
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<tbody>
<tr>
<td>AE4.1 potential risks to project performance in terms of affordability, accessibility, and equitability have been evaluated at a basic level</td>
<td>AE4.1 potential risks to project performance in terms of affordability, accessibility, and equitability have been thoroughly and comprehensively evaluated</td>
<td>AE4.1 potential risks to project performance in terms of affordability, accessibility, and equitability have been thoroughly and comprehensively evaluated</td>
</tr>
<tr>
<td>AE4.2 the project has been designed and structured in such a way to be able to continue to anticipate and respond to risks to project performance in terms of affordability, accessibility, and equitability over the life of the project</td>
<td>AE4.2 the project has been designed and structured in such a way to be able to continue to anticipate and respond to risks to project performance in terms of affordability, accessibility, and equitability over the life of the project</td>
<td>AE4.2 the project has been designed and structured in such a way to be able to continue to anticipate and respond to risks to project performance in terms of affordability, accessibility, and equitability over the life of the project</td>
</tr>
<tr>
<td>AE4.3 monitoring mechanisms are in place to ensure continued service delivery at acceptable performance levels over the life of the project</td>
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Indicators and Guidance to users when replying to the indicator depending on the stage of the project

AE4.1 Have potential risks to project performance in terms of affordability, accessibility, and equitability been evaluated? *(Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

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<th>Identification stage</th>
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| To answer “yes” to this question, the user needs to prepare a preliminary “Risk Assessment” for the project that specifically identifies and examines potential risks to project performance in terms of affordability, accessibility, and equitability. Previous assessments/analyses prepared for benchmarks AE1, AE2 and AE3 (e.g., “Poverty Impact Assessment” “Affordability Analysis”, “Stakeholder Needs Assessment” or “Environmental Impact Assessment” that includes social considerations, and/or “Social Impact Assessment”) could be relied upon to inform the preparation of this preliminary “Risk Assessment”.

The project needs to consider the range of potential impacts to affordability, accessibility and equitability over the life of the project, and needs to develop a preliminary set of options, strategies, policies or other measures that could be put in place to eliminate, mitigate, or offset these risks. This “Risk Assessment” will be refined during the project development stage; however, it is important that a preliminary “Risk Assessment” be conducted as early on in the project identification stage as possible to gain an understanding of the potential issues that could arise over the life of the project from an affordability, accessibility and equitability perspective.

A thorough and comprehensive risk assessment is required for “better practice” and “best practice”, whereas a risk assessment conducted at a more basic level is required for the “good practice” performance level.

This “Risk Assessment” of the findings contained therein should be included in the project prefeasibility study, PPP development strategy, concept document, or equivalent documentation.

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<tr>
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<td>Guidance currently under preparation.</td>
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</table>

AE4.2 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? *(Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

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</table>
| This indicator builds on AE4.1, where the range of potential risks to project performance in terms of affordability, accessibility and equitability were identified. To answer “yes” to this question, the project needs to commit to designing, structuring, developing, managing or contracting the project 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. Such commitments need to be made as the potential exists for risks to change over time, or for new risks to materialise that were not previously foreseen.

In addition, the project needs to identify, at least at a preliminary level, ways in which the project could be designed, structured, developed, managed or contracted to be able to continue to anticipate risks to project performance in terms of affordability, accessibility, and equitability over the life of the project.

Such commitments and preparatory work to identify ways in which the project could be designed, structured, etc. to anticipate risks should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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</table>
AE4.3  Are monitoring mechanisms in place to ensure continued service delivery at acceptable performance levels over the life of the project? (Y/N)

Guidance to users when replying to the indicator depending on the stage of the project

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<tr>
<td>To answer “yes” to this question, the project needs to commit to including monitoring mechanisms as part of the project to ensure continued service delivery at acceptable performance levels over the life of the project.</td>
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</table>

In addition, the project needs to identify potential ways in which the project could continue to monitor project performance in terms of affordability, access, and equitability over its life or contract duration. In order to monitor whether or not the project is continuing to perform at acceptable levels (in terms of affordability, accessibility, and equitability), the project needs to draft a preliminary set of KPIs (key performance indicators) with respect to project performance. These KPIs and associated monitoring mechanisms will likely be further refined in later stages of the project (i.e., during project development) but it is important for the project to draft potential KPIs and performance monitoring mechanisms as early on in project identification as possible, to ensure this is accounted for during project development and implementation. This information should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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Economic Effectiveness and Fiscal Sustainability (EE)

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.

Four benchmarks and 21 related indicators are used to assess project performance against the Economic Effectiveness and Fiscal Sustainability People-first outcome:

<table>
<thead>
<tr>
<th>Economic Effectiveness and Fiscal Sustainability</th>
<th>EE1 AVOID CORRUPTION AND ENCOURAGE TRANSPARENT PROCUREMENT</th>
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<tbody>
<tr>
<td></td>
<td>EE2 MAXIMISE ECONOMIC VIABILITY AND FISCAL SUSTAINABILITY</td>
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<td>EE3 MAXIMISE LONG-TERM FINANCIAL VIABILITY</td>
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<td></td>
<td>EE4 ENHANCE EMPLOYMENT AND ECONOMIC OPPORTUNITIES</td>
</tr>
</tbody>
</table>
EE1  AVOID CORRUPTION AND ENCOURAGE TRANSPARENT PROCUREMENT
Includes mandatory indicators

Rationale
Intent
Prevent corruption and encourage open and transparent procurement processes.

Metric
The extent to which procedures and processes are put in place to lower the risk of corruption and encourage open and transparent procurement.

Description
Corruption and closed, non-transparent procurement processes present significant challenges to achieving People-first PPPs. The United Nations Economic Commission for Europe has developed a standard called UNECE Standard on a Zero Tolerance Approach to Corruption in PPP Procurement (ZTC) which contains a set of anti-corruption principles and recommendations specifically targeted towards PPPs. The ZTC can be accessed online here: https://wiki.unece.org/display/pppp/Zero+Tolerance+Approach+to+Corruption+in+PPP+Procurement

According to the research presented in the ZTC, massive savings can be achieved by fighting corruption in public procurement processes. Each year, approximately USD 1 trillion is paid in bribes, and corruption in construction can add as much as 50 per cent to the total cost of a project.

Corruption disproportionately impacts the most impoverished and vulnerable people, undermines growth and prosperity, and affects the ability to achieve the SDGs. Therefore, it is imperative that People-first PPPs protect against corruption and advance open and fair procurement throughout PPP project procurement.

There are three stages to PPP project procurement, and there are corruption risks across all three stages which must be addressed by People-first PPPs.

Stage 1 broadly refers to the project identification stage (i.e., early stage in the project definition up to prefeasibility), where the public entity identifies the infrastructure problem to be resolved and determines what needs to be done to address it.

Stage 2 broadly refers to the project development stage (i.e., from feasibility study and tendering to signing and financial close) where the project is put out to tender and private partners have the opportunity to bid on the project.

Stage 3 broadly refers to the project implementation stage (i.e., construction, operations, and contract management over the project lifespan), where the project design and contractual commitments are crystallised, and long-term performance under the contract commences with ongoing contract management including potential penalties and remedies.

Applicability
This benchmark is applicable to all PPP projects. Any project seeking to be recognised as a People-first PPP must address the mandatory indicators included in this benchmark (marked with *) which are required to meet the “good practice” performance level, and projects are strongly encouraged to address all indicators included in this benchmark, moving towards “better practice” and “best practice” performance where possible. People-first PPPs are encouraged to formally adopt the ZTC. While strict adherence to the ZTC is not required to achieve compliance, the principles contained therein must be generally followed.

Performance Levels

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<tbody>
<tr>
<td>EE1.1</td>
<td>EE1.1 the project has generally followed the ZTC or the principles contained therein</td>
<td>EE1.1 the project has generally followed the ZTC or the principles contained therein</td>
<td>EE1.1 the project has strictly followed or formally adopted the ZTC</td>
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</table>
## Indicators and Guidance to users when replying to the indicator depending on the stage of the project

**EE1.1 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? * (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tr>
<td>To answer “yes” to this question, a local legal regime that is substantially or fully aligned with the principles of the ZTC need to be in place. If such a legal regime is not presently in place, the public party needs to commit to adhering to the principles of the ZTC for project development and implementation.</td>
</tr>
<tr>
<td>Commitments to adhere to the ZTC should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.</td>
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<tr>
<td>To meet “good practice” and “better practice”, the project must generally follow the ZTC or the principles contained therein and to meet “best practice” the project must strictly follow or formally adopt the ZTC.</td>
</tr>
<tr>
<td>The ZTC can be accessed online here: <a href="https://wiki.unece.org/display/pppp/Zero+Tolerance+Approach+to+Corruption+in+PPP+Procurement">https://wiki.unece.org/display/pppp/Zero+Tolerance+Approach+to+Corruption+in+PPP+Procurement</a></td>
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**EE1.2 Have approvals of the project, PPP contract and private sponsor/shareholder been processed according to law[^1] and in full transparency? (Y/N)**

[^1]: e.g., government approval under a proven legal framework, or special law enacted by parliament for a one-off project

**Guidance to users when replying to the indicator depending on the stage of the project**

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[^1]
To answer “yes” to this question, the private party needs to commit to processing approvals of the project, PPP contract, and private/sponsor shareholder according to law (e.g., government approval under a proven legal framework or special law enacted by parliament for a one-off project). Such commitments could be included in a written PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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**EE1.3**  *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? (Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tbody>
<tr>
<td>To answer “yes” to this question, a PPP awards process needs to be in place that follows the safeguards stipulated in the ZTC or the principles contained therein. If such a process is not already in place, the project needs to commit to establishing one.</td>
</tr>
</tbody>
</table>

Such a process should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

The ZTC can be accessed online here: [https://wiki.unece.org/display/pppp/Zero+Tolerance+Approach+to+Corruption+in+PPP+Procurement](https://wiki.unece.org/display/pppp/Zero+Tolerance+Approach+to+Corruption+in+PPP+Procurement)

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**EE1.4**  *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? (Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to commit to following a PPP procurement process through identification, development and implementation that is free from corruption and undue influence and needs to commit to include protections for whistle-blowers.</td>
</tr>
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</table>

Such commitments should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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</table>

**EE1.5**  *Was the PPP the result of a structured process [*1*] resulting in a balanced contract [*2*]? (Y/N)*

[1] e.g., involving experienced advisors

[2] e.g., ensuring tariff affordability and appropriate risk allocation

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tr>
<td>To answer “yes” to this question, the project needs to commit to following a structured process to ensure the PPP results in a balanced contract. The use of experienced advisors is one way to ensure a structured process;</td>
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</table>
however, it is not mandatory to use experienced advisors for this purpose, provided the outcome is the same. A “balanced contract” means *inter alia*, tariff affordability, and appropriate risk allocation between the public and private parties.

Such commitments should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent documentation.

**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

**EE1.6 Are project costs and, where applicable, obligatory upfront payments to the public authority strictly related to the implementation of the PPP? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the project needs to commit to ensuring project costs, including (where applicable) any obligatory upfront payments to the public authority are strictly related to the implementation of the PPP.

Such commitments could be included in a PPP development strategy, concept document, prefeasibility study or equivalent documentation.

**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.
EE2 MAXIMISE ECONOMIC VIABILITY AND FISCAL SUSTAINABILITY
Includes mandatory indicators

Rationale

Intent Ensuring an appropriate balance between economic growth and effective budget/debt management for the public party.

Metric Value-for-money (VfM) assessments for the project and cost-benefit analysis for the public party.

Description People-first PPPs need to be able to sustain the complex relationship between the public and private parties during the long-term contractual relationship.

In the context of this benchmark, sustainability is a function of how balanced this public-private relationship is, ensuring an equitable allocation of costs/risks and rewards.

This benchmark emphasizes the need for the public party to derive economic benefits (including any increased tax collection induced by the project) that offset any budgetary burden, over and above what a publicly procured project would afford.

Together with Benchmark EE3 Maximise Long-term Financial Viability, this benchmark represents a “suitability test” of the PPP mode of procurement. Should the evaluation not produce a positive outcome under both EE2 and EE3, the project should be adjusted to make it more suitable for PPP, or it should be executed under a classic public procurement.

For additional information and guidance on VfM and cost-benefit analyses, the following references may be useful:

(i) PPP Knowledge Lab’s Assessing Value for Money of the PPP, available here: https://pppknowledgelab.org/guide/sections/54-assessing-value-for-money-of-the-ppp


Women’s empowerment is another key concept included in this benchmark. People-first PPPs should adhere to the following principles of women’s empowerment throughout PPP identification, development and implementation:

- **project procurement** by *inter alia* giving preference to bidders who in their corporate policies and employment practices, promote gender equality and women’s empowerment both inside and outside the enterprise;
- **project decision-making** by *inter alia* enhancing the role of women at senior decision-making levels inside companies that are undertaking PPPs as well as within the PPPs themselves;
- **entrepreneurship support and capacity building** by *inter alia* supporting women-led companies in the supply chain compete in tenders for projects;
- **occupational training and support** by *inter alia* providing skills development and training programmes to women, including young women, to become the business leaders of the future;
- **work flexibility** by *inter alia* offering women in their jobs flexible working practices such as telecommuting, part-time and/or flexible working hours to empower women to continue their jobs while having sufficient flexibility to attend to a range of other matters they are often required to attend to; and
• equal pay for equal work by paying women and men fairly and equally for the work they do.

Applicability

This benchmark is applicable to all PPP projects. Any project seeking to be recognised as a People-first PPP must address the mandatory indicators (marked with *) included in this benchmark which are required to meet the “good practice” performance level, and are strongly encouraged to address all indicators included in this benchmark, moving toward “better practice” and “best practice” performance levels, where possible.

Performance Levels

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>EE2.1 the project delivers net tangible and intangible benefits to society by providing services to a consistently and verifiably higher standard over the life of the project</td>
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<td>EE2.1 the project delivers net tangible and intangible benefits to society by providing services to a consistently and verifiably higher standard over the life of the project</td>
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<tr>
<td>EE2.2 the project generates positive value-for-money compared with a public procurement model</td>
<td>EE2.2 the project generates positive value-for-money compared with a public procurement model</td>
<td>EE2.2 the project generates positive value-for-money compared with a public procurement model</td>
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<tr>
<td>EE2.3 the project generates positive cost/benefits to the public party</td>
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<td>EE2.3 the project generates positive cost/benefits to the public party</td>
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<tr>
<td>EE2.4 the fiscal sustainability of the PPP contract and creditworthiness of the public authority has been positively assessed and openly disclosed to interested parties including the burden of any direct payment, the fiscal return to the public authority and the potential burden of the debt</td>
<td>EE2.4 the fiscal sustainability of the PPP contract and creditworthiness of the public authority has been positively assessed and openly disclosed to interested parties including the burden of any direct payment, the fiscal return to the public authority and the potential burden of the debt</td>
<td>EE2.4 the fiscal sustainability of the PPP contract and creditworthiness of the public authority has been positively assessed and openly disclosed to interested parties including the burden of any direct payment, the fiscal return to the public authority and the potential burden of the debt</td>
</tr>
<tr>
<td>EE2.5 the project is designed to maximise socio-economic impact by facilitating women’s empowerment</td>
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<td>EE2.5 the project is designed to maximise socio-economic impact by facilitating women’s empowerment</td>
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Indicators and Guidance to users when replying to the indicator depending on the stage of the project

EE2.1 Does the project deliver net tangible and intangible benefits to society by providing services to a consistently and verifiably higher standard [1] over the life of the project in line with national strategy and programmes? * (Y/N)

[1] 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.

Guidance to users when replying to the indicator depending on the stage of the project

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<tr>
<td>To answer “yes” to this question, the project needs to include specific objectives and/or commitments related to the provision of tangible and intangible benefits to society, i.e., through the provision of objectively and verifiably high-quality service delivered consistently throughout the life of the contract.</td>
</tr>
<tr>
<td>In addition, initial or preliminary metrics that will be used to evaluate the quality of the service over the life of the contract need to be developed, noting that such metrics will likely be further refined during the project</td>
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</table>
development stage. When developing objectives/commitments related to the provision of tangible and intangible benefits to society through the provision of high-quality service, consider these examples: school infrastructure that leads to improved educational outcomes, hospital infrastructure and ongoing maintenance that leads to lower in-hospital infection rates, etc.

Objectives/commitments need to be specific to the project, and should be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.

**Development stage**
- Guidance currently under preparation.

**Implementation stage**
- Guidance currently under preparation.

**EE2.2 Does the project generate positive value-for-money [1] by comparing the costs [2] and benefits [3] of the PPP model vs. a public procurement model? (Y/N)**

[1] applying an appropriate discount rate for the country, sector and nature of the project, e.g., green infrastructure
[2] e.g., higher cost of funds and other externalities
[3] e.g., fixed price certainty, shorter implementation period, higher design and technical standards applied, consistent maintenance, whole life costing of the project

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**
To answer “yes” to this question, the project needs to conduct a value-for-money (VfM) analysis or, if such an analysis is unable to be completed during project implementation, the project must then make an explicit commitment to subject the project to a value-for-money (VfM) analysis. For more information on VfM and cost-benefit analyses, consult the references included in the description section of the benchmark (also included below for ease of reference):

(i) PPP Knowledge Lab’s Assessing Value for Money of the PPP, available here: [https://pppknowledgelab.org/guide/sections/54-assessing-value-for-money-of-the-ppp](https://pppknowledgelab.org/guide/sections/54-assessing-value-for-money-of-the-ppp)

The completed value-for-money analysis and/or a commitment to subject the project to a value-for-money (VfM) analysis should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

**Development stage**
- Guidance currently under preparation.

**Implementation stage**
- Guidance currently under preparation.

**EE2.3 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? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**
To answer “yes” to this question, the project needs to conduct a cost-benefit analysis for the public party, which must include a comparison of the amount of taxpayer 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. If such an analysis is unable to be completed during project implementation, the project must then make an explicit
commitment to subject the project to a cost-benefit analysis. For more information on VfM and cost-benefit analyses, consult the references included in the description section of the benchmark (also included below for ease of reference):

(i) PPP Knowledge Lab’s Assessing Value for Money of the PPP, available here: https://pppknowledgelab.org/guide/sections/54-assessing-value-for-money-of-the-ppp


The completed cost-benefit analysis and/or a commitment to subject the project to a cost-benefit analysis should be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.

**Development stage**
- Guidance currently under preparation.

**Implementation stage**
- Guidance currently under preparation.

**EE2.4** 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 \(^1\), the fiscal return to the public authority \(^2\) and the potential burden of the debt \(^3\) from contingent liabilities? (Y/N)

1. availability payment or otherwise
2. e.g., from upfront and annual fees from the project as well as taxes accrued directly or indirectly from the project
3. contingent liabilities are usually involved in the case of sovereign guarantees and PPP contract clauses, such as clauses related to revenue thresholds or termination

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**
- To answer “yes” to this question, the project needs to commit to:
  a) Transparently reflecting any budgetary costs in public accounts;
  b) Assessing the fiscal sustainability of the PPP contract; and
  c) Assessing the creditworthiness of the public authority and openly disclosing this information to interested parties, including the burden of any direct payment (i.e., the availability payment), the fiscal return to the public authority (e.g., returns from taxes accrued directly or indirectly from the project) and the potential burden of the debt where contingent liabilities are involved in the event of PPP contract termination.

Such commitments should be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.

**Development stage**
- Guidance currently under preparation.

**Implementation stage**
- Guidance currently under preparation.

**EE2.5** Is the project designed to maximise socio-economic impact by facilitating women’s empowerment? (Y/N)

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**
-
To answer “yes” to this question, the project needs to explicitly commit to maximising the socio-economic impact of the project by specifically facilitating women’s empowerment throughout the stages of the PPP (identification, development, and implementation). When developing such commitments, the following principles of women’s empowerment need to be considered:

- **project procurement** by *inter alia* giving preference to bidders who in their corporate policies and employment practices, promote gender quality and women’s empowerment both inside and outside the enterprise;
- **project decision-making** by *inter alia* enhancing the role of women at senior decision-making levels inside companies that are undertaking PPPs as well as within the PPPs themselves;
- **entrepreneurship support and capacity building** by *inter alia* supporting women-led companies in the supply chain compete in tenders for projects;
- **occupational training and support** by *inter alia* providing skills development and training programmes to women, including young women, to become the business leaders of the future;
- **work flexibility** by *inter alia* offering women in their jobs flexible working practices such as telecommuting, part-time and/or flexible working hours to empower women to continue their jobs while having sufficient flexibility to attend to a range of other matters they are often required to attend to; and
- **equal pay for equal work** by paying women and men fairly and equally for the work they do.

In addition to making explicit commitments to women’s empowerment, the project needs to draft project objectives specifically related to maximising women’s empowerment, noting that such objectives will likely be further refined during project development.

Also, the project needs to prepare a preliminary set of metrics that could be used to measure or evaluate the socio-economic impact of the project through women’s empowerment, again noting such metrics will likely be further refined through project development.

Commitments, draft project objectives, and preliminary metrics relating to maximising the socio-economic impact of the project through women’s empowerment should be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.

<table>
<thead>
<tr>
<th>Development stage</th>
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<tr>
<td>Implementation stage</td>
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EE3 MAXIMISE LONG-TERM FINANCIAL VIABILITY

Includes mandatory indicators

Rationale

Intent Ensuring the financial viability of the project, including its profitability, over the life of the project for the private party.

Metric Risk-reward analysis for the private party.

Description People-first PPPs need to be able to sustain the inherent tensions between the public and private parties over the course of their long-term contractual relationship. In the context of this benchmark, sustainability is a function of how balanced this public-private relationship is, ensuring an equitable allocation of costs/risk and rewards.

This benchmark emphasizes the need for the private party to receive adequate remuneration for its knowledge and capital (including both debt and equity invested) while assuming commensurate operational and investment risks. There are many types of risks that should be considered in the context of PPPs, many of which may be deemed material risks to the project, including:

- Construction risks (e.g., construction cost overruns)
- Operations and maintenance risks (e.g., higher than expected operations and maintenance costs)
- Demand risks (e.g., the risk that the project will not be used by those it is intended to serve to the extent required)
- Collection risks (e.g., the risk that the project’s end users or beneficiaries will not pay or will not be able to pay for the service)
- Inflation, currency, and exchange risks
- Security or other in-country risks that could impact the successful implementation of the project.

In PPPs, risks are either retained by the public party, transferred to the private party, or shared between the two parties. PPPs, especially People-first PPPs, need to appropriately allocate risks between public and private partners. An appropriate risk allocation is when the party (public or private) that is more able to control a specific risk actually bears that risk in the contractual arrangement.

A PPP can also face a number of execution risks during project development and implementation. It is therefore important for a PPP to limit such execution risks by implementing design risk mitigation measures and/or mitigating risks through proper project phasing.

With respect to design risk measures, PPPs can mitigate design risks by specifying clear design requirements during the tender process to ensure the final design of the project meets the expectations of the public party, vs. outlining project objectives in tender documents and allowing the private party to develop a turnkey product at the end of the design process that may or may not be the solution the public party expected or intended.

With respect to mitigating execution risks through project phasing, PPPs can mitigate risks by taking a phased approach to the project where possible, i.e., “starting small” and scaling up capacity as demand increases over time. This is an approach that could work well for some projects like wastewater treatment facilities, food distribution programmes, etc. but would not work for other types of projects such as a tunnel.

Applicability This benchmark is applicable to all PPP projects. Any project seeking to be recognised as a People-first PPP must address the mandatory indicators (marked with *) included in this benchmark and which are required to satisfy the “good practice” performance level, and are strongly encouraged to address all indicators included in this benchmark, moving towards the “better practice” and “best practice” performance levels where possible.
### Performance Levels

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<thead>
<tr>
<th>Good Practice</th>
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<td>EE3.1 The project’s private sponsor/shareholder is of adequate technical,</td>
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<td>resources to fulfil its contractual obligations.</td>
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<td>EE3.2 the revenues under the PPP contract enable the project to cover</td>
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<td>between public and private parties.</td>
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<td>between public and private parties.</td>
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<tr>
<td>EE3.4 the project has limited execution risks by implementing risk mitigation</td>
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<td>measures during project development.</td>
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<td>measures during project development.</td>
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### Indicators and Guidance to users when replying to the indicator depending on the stage of the project

**EE3.1** *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?* *(Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the project needs to explicitly commit to ensuring the project’s private sponsor/shareholder will be 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.

In addition, the project must also prepare a draft outline of qualification criteria.

Commitments and draft qualification criteria should be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.

**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

**EE3.2** *Will the revenues under the PPP contract [*1] enable the project to cover operating and maintenance costs and repay the capital invested [*2] ?* *(Y/N)*

[*1]* e.g., from tariffs, availability payments, or other sources

[*2]* debt and equity, including interest and shareholder return as applicable

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the project needs to commit to ensuring the revenues under the PPP contract (e.g., from tariffs, availability payments, or other sources) will enable the project to cover operating and
maintenance costs and repay the capital invested (debt and equity, including interest and shareholder return as applicable to the project).

In addition, the project needs to identify potential sources of revenue for the project and the legal framework in which they will be handled. Examples include tariffs that are secured by an acceptable/credible regulatory regime; payments made by the public authority are committed or guaranteed by an acceptable/credible counterpart such as a sovereign, special fund, or budget.

Commitments, and the identification of potential sources of revenue, and the legal framework in which they will be handled, should be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.

Development stage
Guidance currently under preparation.

Implementation stage
Guidance currently under preparation.

EE3.3 Have material risks \(^1\) to the PPP been identified and appropriately allocated? \(^2\) (Y/N)

[1] material risks may include (but are not necessarily limited to):
- Construction risks (e.g., construction cost overruns)
- Operations and maintenance risks (e.g., higher than expected operations and maintenance costs)
- Demand risks (e.g., the risk that the project will not be used by those it is intended to serve to the extent required)
- Collection risks (e.g., the risk that the project’s end users or beneficiaries will not pay or will not be able to pay for the service)
- Inflation, currency, and exchange risks
- Security or other in-country risks that could impact the successful implementation of the project.

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

Guidance to users when replying to the indicator depending on the stage of the project

Identification stage
To answer “yes” to this question, the project first needs to identify potential material risks to the project. Material risks may include inter alia construction risks (e.g., construction cost overruns); operations and maintenance risks (e.g., higher than expected operations and maintenance costs); demand risks (e.g., the risk that the project will not be used by those it is intended to serve to the extent required); collection risks (e.g., the risk that the project’s end users or beneficiaries will not pay or will not be able to pay for the service); inflation, currency, and exchange risks; security or other in-country risks that could impact the successful implementation of the project.

Once material risks have been identified, the project then needs to appropriately allocate the risks. In PPPs, risks are either retained by the public party, transferred to the private party, or shared between the two parties. PPPs, especially People-first PPPs, need to appropriately allocate risks between public and private partners. An appropriate risk allocation is when the party (public or private) that is more able to control a specific risk actually bears that risk in the contractual arrangement. When allocating risks, it is important for the project to understand the rationale for each risk allocation.

Material risks, and how they are allocated, i.e., between the public party, private party (including the engineering, procurement and construction contractor(s)), the project sponsors and lenders (including rationale for each risk allocation) should be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.

Development stage
Guidance currently under preparation.

Implementation stage
Guidance currently under preparation.

EE3.4 Has the PPP limited execution risks by implementing risk mitigation measures \(^1\) during project development? (Y/N)
[1] execution risks could be mitigated with clear design specifications, and/or implementing a phased approach to development, for example

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td>This indicator builds on ES3.3 which requires identifying material risks to the project and properly allocating them. To answer “yes” to this question, the project needs to develop draft or preliminary strategies to limit execution risks during project development. Execution risks could be limited through, <em>inter alia</em>, the implementation of design risk mitigation measures (i.e., developing clear design specifications) and/or through the implementation of a phased approach to development (i.e., developing the project in smaller more manageable phases, rather than developing the entire project as part of a single larger phase of work). Preliminary strategies to limit execution risks should be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.</td>
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**Rationale**

**Intent**
Support economic prosperity, including job creation and capacity building for as many local people as possible, including men and women, and in particular the poor and vulnerable.

**Metric**
The extent of job creation, capacity building, workforce diversity, and quality employment opportunities for local people.

**Description**
People-first PPPs need to go beyond value-for-money (VfM); they need to include value-for-people (VfP), guaranteeing that benefits are locally accrued and widely shared amongst the local population, not only from a quantitative perspective (e.g., number of direct and indirect jobs created as a result of the project) but also from a qualitative perspective (e.g., capacity building, quality employment opportunities, workforce diversity).

A key characteristic that distinguishes People-first PPPs from traditional PPPs is their ability to deliver VfP in addition to VfM.

This benchmark addresses the degree to which the PPP expands employment opportunities; contributes to the knowledge, skills and capacity of the local workforce; improves the diversification of the workforce; and protects workers’ rights.

Many concepts are introduced in this benchmark which are briefly explored next.

Direct employment refers to jobs created directly by the PPP. This includes all workers directly recruited by the public and private entities to deliver and operate the project.

Indirect employment refers to jobs created throughout the supply chain, e.g., the suppliers of materials, technologies, equipment, tools, etc. to be used on the project.

Induced employment refers to jobs created in the economy as a result of the consumption effects on goods and services generated by households who are benefitting from direct and indirect employment as well as employment created by the economic activity induced by the project’s implementation. They spend some of their income on goods and services in the economy, leading to induced economic effects.

Typically, direct, indirect, and induced employment is calculated in **Full-Time Equivalent (FTE)** or **Whole Time Equivalent (WTE)** years per million US dollars. FTE (or WTE) is a unit of measure that indicates the workload of a person. In some countries or regions, employees who are scheduled to work 40 hours per week are considered 1.0 FTEs, though the number of hours per week an employee is expected to work to be considered 1.0 FTEs can vary by country or region.

For additional information and guidance on direct, indirect, and induced employment, and how to calculate each, the following references may be useful:


For this benchmark, quality jobs are jobs that are in line with the International Labour Office (ILO) Decent Work Indicators, a set of indicators that summarize the aspirations of people in their working lives, such as opportunities for productive work for which workers earn a fair
income, workplace security and social protection, personal development opportunities, freedom to organise and participate in decisions that affect their work, freedom to express concerns, and equal opportunity and treatment for both men and women.

For more information on the decent work indicators that provide a measure for quality jobs, refer to:


Promoting diversity and inclusion in the workplace has been shown to have a strong impact on a project’s (or organisation’s) financial performance. Many studies have been undertaken, and reports and guides produced, to demonstrate the importance of diversity and inclusion in the workforce and in PPPs specifically, and how diversity and inclusion can be achieved. The following resources may be useful:


(ii) The World Bank’s primer on Gender Equality, Infrastructure and PPPs, 2019, available here: https://library.pppknowledgelab.org/documents/5720/download


**Applicability**

This benchmark is applicable to all PPP projects. While there are no mandatory indicators associated with this benchmark, projects should strive to meet the requirements for the “good practice” performance level, and are encouraged to address all or as many indicators as possible included in this benchmark, moving towards “better practice” and “best practice” performance levels where possible.

**Performance Levels**

<table>
<thead>
<tr>
<th>Good Practice</th>
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<tr>
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<td>EE4.3 the project has identified skill or capability gaps in the local workforce and targeted training and capacity building programmes to address them</td>
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Indicators and Guidance to users when replying to the indicator depending on the stage of the project

EE4.1 *Does the project create a significant[^1] number of new local jobs[^2] during project identification, development, and implementation? (Y/N)*

[^1]: 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.)

[^2]: 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

Guidance to users when replying to the indicator depending on the stage of the project

**Identification stage**

To answer “yes” to this question, the project needs to identify the potential for job creation throughout the life of the project. Employment objectives need to be established for the project, as well as “local content requirements” (i.e., the number or percentage of jobs that have to be created locally, noting the definition of “local” depends on the project type, size and scale.) “Local jobs” could mean jobs created at the “state / provincial / territorial” or even “national” level for large or very large projects or “local jobs” could mean jobs created within the host and affected communities (i.e., the project service area) for smaller projects.

Job estimates need to be prepared and should include:
- The number and type(s) of jobs the project expects to create at during each stage of the project (identification, development, implementation)
- Whether the jobs that will be created are considered “local” (based on the definition of “local” for the project) and provide a percentage (for example, of the 100 full-time that will be created during project development, 40 (or 40%) will be created locally)
- Whether the jobs are expected to be created directly or indirectly by the project, or whether they will be induced by the project. (In other words, the project needs to have an understanding of how jobs created will benefit the local economy, and to what extent.)

Key to undertaking this analysis is an understanding of the following terms:

**Direct employment** refers to jobs created directly by the PPP. This includes all workers directly recruited by the public and private entities to deliver and operate the project.

**Indirect employment** refers to jobs created throughout the supply chain, e.g., the suppliers of materials, technologies, equipment, tools, etc. to be used on the project.

**Induced employment** refers to jobs created in the economy as a result of the consumption effects on goods and services generated by households who are benefitting from direct and indirect employment as well as...
employment created by the economic activity induced by the project’s implementation. They spend some of their income on goods and services in the economy, leading to induced economic effects.

When estimating the number of jobs the project will create, it is also important to only count jobs that are considered “Full-Time Equivalent” or “Whole-Time Equivalent”. FTE (or WTE) is a unit of measure that indicates the workload of a person. In some countries or regions, employees who are scheduled to work 40 hours per week are considered 1.0 FTEs, though the number of hours per week an employee is expected to work to be considered 1.0 FTEs can vary by country or region.

For additional information and guidance on direct, indirect, and induced employment, and how to calculate each, references were included in the description section for this benchmark, and have been included again here for ease of reference:


Preliminary job estimates and their potential to impact the economy should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation. The project should take care to compile any source documents or reference materials used when preparing these estimates, and should also document any assumptions that were used when preparing the estimates.

**Development stage**
Guidance currently under preparation.

**Implementation stage**
Guidance currently under preparation.

**EE4.2 Are quality jobs created by the PPP that are in line with the ILO Decent Work Indicators? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**
To answer “yes” to this question, the PPP needs to commit to creating quality jobs that are in line with the ILO Decent Work Indicators.

In addition, the PPP needs to prepare potential strategies to achieve the Decent Work Indicators. Such commitments and strategies should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

For more information on the decent work indicators that provide a measure for quality jobs, refer to the following resource:


**Development stage**
Guidance currently under preparation.

**Implementation stage**
Guidance currently under preparation.

**EE4.3 Has the project identified skill or capability gaps in the local workforce and targeted training and capacity building programmes to address them? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**
To answer “yes” to this question, the project needs to do the following:
**EE4.4** Are training, education, or skill development programmes specifically targeted towards groups [1] that face barriers to employment and upward mobility in the workplace? (Y/N)

[1] 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

*Guidance to users when replying to the indicator depending on the stage of the project*

**Identification stage**
Based on the preliminary analysis of the skill or capability gaps within the local workforce and the identification of potential training programmes as required for EE4.3, to answer “yes” to this question, the project needs to explicitly commit to providing training, education, or skill development programmes that are specifically targeted towards economically depressed; underemployed or disadvantaged communities, including women, ethnic and racial minorities and other vulnerable groups that face barriers to employment and upward mobility.

In addition to making such commitments, the project should begin identifying strategies, plans, policies or other measures that could be implemented to ensure such groups receive training, education or skill development programmes. Preliminary targets should be established by the project as well during the project identification stage (e.g., the project estimates 100 women will participate in training, education or skill development programmes; the project will conduct 10 outreach events targeted towards underemployed persons in the host and affected communities to offer them an opportunity to participate in training, education or skill development programmes).

Commitments; strategies, plans, policies or other measures that could be implemented; and preliminary targets should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation. The project should take care to document any assumptions that were made, and compile any source documents or reference materials used.

**Development stage**
*Guidance currently under preparation.*

**Implementation stage**
*Guidance currently under preparation.*

**EE4.5** Are there plans and programmes, including key performance indicators (KPIs), in place to ensure diversity and inclusion in the workforce? (Y/N)

*Guidance to users when replying to the indicator depending on the stage of the project*
### Identification stage

To answer “yes” to this question, the project needs to commit to subjecting the PPP contract to worker’s rights protections (aligned with ILO guidance). “Worker’s rights” must include all of the following:

- women’s rights;
- nondiscrimination and the prevention of violence and harassment in the workplace;
- equal pay for equal work; and
- access to education and other essential services.

ILO guidance on this subject is available here:  

Such commitments should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

### Development stage

Guidance currently under preparation.

### Implementation stage

Guidance currently under preparation.

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**EE4.6 Are there commitments for the protection of workers’ rights that include women’s rights, nondiscrimination and the prevention of violence and harassment in the workplace; equal pay for equal work; and access to education and other essential services? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

### Identification stage

To answer “yes” to this question, the project needs to commit to subjecting the PPP contract to diversity requirements. Draft key performance indicators (KPIs) to measure diversity and inclusion in the workforce also need to be prepared, noting such KPIs will likely be further refined during project development. Commitments and diversity and inclusion KPIs should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

To better understand/apppreciate diversity and inclusion, and the impact promoting diversity and inclusion can have on a project’s (or organisation’s) financial performance, the following resources may be useful:

(i) International Labour Organisation’s *Promoting diversity and inclusion through workplace adjustments: A practical guide*, November 2016, available here:  

(ii) The World Bank’s primer on *Gender Equality, Infrastructure and PPPs*, 2019, available here:  
https://library.pppknowledgelab.org/documents/5720/download

(iii) McKinsey & Company’s *Why diversity matters* article, January 2015, available here:  
https://www.mckinsey.com/business-functions/organisati...n/why-diversity-matters

(iv) McKinsey & Company’s *Delivering through diversity* report, January 2018, available here:  
https://www.mckinsey.com/business-functions/organisati...n/delivering-through-diversity#

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**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.
Environmental Sustainability and Resilience (ES)

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).

The UNECE has negotiated five environmental conventions, also known as Multilateral Environmental Agreements (MEAs). 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.

Seven benchmarks and 34 related indicators are used to assess project performance against the Environmental Sustainability and Resilience People-first outcome area:

<table>
<thead>
<tr>
<th>Environmental Sustainability and Resilience</th>
<th>7 benchmarks</th>
<th>34 indicators</th>
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</thead>
<tbody>
<tr>
<td>ES1 REDUCE GHG EMISSIONS AND IMPROVE ENERGY EFFICIENCY</td>
<td></td>
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<tr>
<td>ES2 REDUCE WASTE AND RESTORE DEGRADED LAND</td>
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<tr>
<td>ES3 REDUCE WATER CONSUMPTION AND WASTEWATER DISCHARGE</td>
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<td>ES4 PROTECT BIODIVERSITY</td>
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<tr>
<td>ES5 ASSESS RISK AND RESILIENCE FOR DISASTER MANAGEMENT</td>
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<tr>
<td>ES6 ALLOCATE FUNDS FOR RESILIENCE AND DISASTER MANAGEMENT</td>
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<tr>
<td>ES7 ADVANCE COMMUNITY-DRIVEN DEVELOPMENT</td>
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10 The Organization is now called the United Nations Disaster Risk Reduction (UNDRR).
11 For more information, visit [https://www.unece.org/env/treaties/welcome.html](https://www.unece.org/env/treaties/welcome.html)
ES1 REDUCE GHG EMISSIONS AND IMPROVE ENERGY EFFICIENCY
Includes mandatory indicators

<table>
<thead>
<tr>
<th>Rationale</th>
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<tbody>
<tr>
<td><strong>Intent</strong></td>
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<td><strong>Metric</strong></td>
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<tr>
<td><strong>Description</strong></td>
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**Greenhouse Gas Emissions**

Some 70 per cent of global GHG emissions come from infrastructure construction and operations such as energy plants (e.g., flaring gas without energy recovery) or the use of fuels in transport or wastewater treatment plants, solid waste dumps, and buildings. The increased release of CO₂ and other GHGs from these and other sources has caused a significant increase in the concentration of CO₂ in the atmosphere which enhances the greenhouse effect. Subsequent increases in the average temperature of the earth’s surface causes a number of cascading effects, including (but not limited to) the loss of arctic sea ice and melting glaciers, sea level rise, increased ocean temperatures and acidification, changing vegetation patterns, desertification, changing precipitation patterns, more intense and frequent storms including flooding, and an increase in the range of disease vectors that have the potential to cause localized epidemics and global pandemics. Therefore, reducing GHGs is paramount to achieving the SDGs, and ensuring quality of life for generations to come. This benchmark encourages PPPs to implement strategies and practices to avoid or reduce greenhouse gas emissions (GHGs) as measured in tonnes of carbon dioxide equivalent (tCO₂e) emissions. In the context of this benchmark, GHG emissions include:

- anthropogenic sources of CO₂ emissions such as burning fossil fuels, land use changes via agriculture and livestock, use of aerosols, the production of certain materials used in construction such as cement, etc.;
- methane (CH₄); and
- other GHGs and gases with high global warming potential such as nitrous oxide (N₂O), fluorinated gases (e.g., hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride) and ozone-depleting substances such as chlorofluorocarbons, hydrochlorofluorocarbons, and halons.

There are many ways to reduce GHG emissions, including but not limited to:

- developing low carbon infrastructure;
- the use of clean fuels;
- the use of renewable energy; and
- increasing the energy efficiency of all equipment used in the development and implementation of PPPs, as well as facilities (including buildings).

People-first PPPs are required to measure reductions in GHG emissions (measured in tCO₂e) by comparing emissions to the global industry norm. To achieve a reduction in GHG emissions, PPPs should set targets to reduce the use of energy (or fuel) for the same level of output or service at a project level through higher energy...
efficiency of equipment and facilities. At a country level, energy intensity measured in terms of primary energy and gross domestic product (GDP) is a good measure.

To further reduce GHG emissions (e.g., unavoidable emissions from the project), projects are encouraged to incorporate a range of mitigation measures such as planting trees or using technologies/products capable of capturing GHG emissions generated by the project. The goal for People-first PPPs is to close the gap as significantly as possible (e.g., getting as close to zero as possible) between the generation of GHG emissions and their capture.

For more information on climate change, analyses of impacts and future risks, options for adaptation and mitigation, and resources on how to calculate GHG emissions, the following resources may be useful:

(i) WRI and WBCSD’s GHG Protocol for Project Accounting (Project Protocol), 2004, available here: [https://ghgprotocol.org/standards/project-protocol](https://ghgprotocol.org/standards/project-protocol)


**Energy Efficiency**

For facilities (including buildings), the simplest and most relevant way to classify a facility as ‘energy efficient’, is using the Energy Performance Index (EPI) or Energy Use Index (EUI) which are prevalent worldwide, or by using the Energy Performance of Buildings Directive (EPBD) as adapted in the European Union to member state standards.

The EPBD is the total energy consumed in a building over a year divided by the total built-up area. It can be used as a better measure across similar classes of buildings, regardless of building size. This metric is preferred over other energy classifications for buildings (e.g., seven classes from A, B to G, with C representing a benchmark based on current construction practices in new buildings, A and B representing 50-75% improvement and the remaining classes D to G being used to measure the performance of ‘old’ buildings that are performing poorer than C. Due to the varying environmental conditions resulting in varying use of energy for building heating, water heating, ventilation, air conditioning and lighting, and the availability of building materials in different countries, national norms for assessing the energy efficiency of different building types should be used.
Please note, in the context of the energy efficient indicators in this benchmark, any one of these methods (EPI, EUI, EPBD) is acceptable. The method selected should be applicable/most commonly used in the country of the project location.

For more information on energy efficiency, and specifically EUI, EPI, and EPBD, the following resources may be useful:


Applicability
All PPPs would benefit from exploring ways in which to reduce GHG emissions and improve energy efficiency. It is unlikely that a PPP would have no impact on or opportunity to reduce GHG emissions from buildings and other facilities, emissions generated during construction and operations, and emissions from the transport of materials, goods and services. It is also unlikely that a PPP would have no impact on or opportunity to improve energy efficiency, whether through improving the energy efficiency of buildings and/or infrastructure such as airports, roads, railways, healthcare facilities, and water and wastewater treatment facilities. Therefore, projects seeking to be recognised as People-first PPPs are required to address the mandatory indicators included in this benchmark (marked with *) which are required to meet the “good practice” performance level, and are strongly encouraged to address all indicators included in this benchmark, moving toward “better practice” and “best practice” performance levels where possible.

Performance Levels

<table>
<thead>
<tr>
<th>Greenhouse Gas Emissions</th>
<th>Better Practice</th>
<th>Best Practice</th>
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<tbody>
<tr>
<td><strong>ES1.1</strong> annual GHG emissions over the life of the project have been calculated</td>
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<tr>
<td><strong>ES1.2</strong> a plan/strategies have been developed to reduce GHG emissions over the life of the project</td>
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<tr>
<td><strong>ES1.3</strong> the project has reduced GHG emissions up to 15% compared to the global norm</td>
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<td><strong>ES1.3</strong> the project has reduced GHG emissions by more than 15% compared to the global norm</td>
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Energy Efficiency

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
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<tbody>
<tr>
<td>ES1.4 annual energy consumption of the project, per unit of output/service has been calculated</td>
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<tr>
<td>ES1.5 a plan/strategies have been developed to improve the energy efficiency/reduce energy consumption of the project</td>
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</tr>
<tr>
<td>ES1.6 the project has reduced energy consumption per unit of output/service up to 15% compared to national norms</td>
<td>ES1.6 the project has reduced energy consumption per unit of output/service by more than 15% compared to national norms</td>
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<tr>
<td>AND/OR</td>
<td>AND/OR</td>
<td>AND/OR</td>
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<tr>
<td>ES1.7 the project has improved the EPI (or EUI or EPBD) of any facilities and/or buildings included in the project up to 15% compared to the national norm</td>
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**Indicators and Guidance to users when replying to the indicator depending on the stage of the project**

**Greenhouse Gas Emissions**

**ES1.1**  *Have the annual greenhouse gas emissions over the life of the project been calculated? * *(Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the PPP needs to explicitly commit to calculating annual greenhouse gas (GHG) emissions over the life of the project. The project should also begin to identify relevant methodologies and assumptions to be used when calculating GHG emissions. Such commitments and preparatory work should be included in the PPP development strategy, concept document or prefeasibility study.

For planning and preparatory purposes, the project needs to consider the full range of GHG emissions, including anthropogenic sources of CO₂ emissions such as burning fossil fuels, land use changes via agriculture and livestock, use of aerosols, the production of certain materials used in construction such as cement, etc.; methane (CH₄); and other GHGs and gases with high global warming potential such as nitrous oxide (N₂O), fluorinated gases (e.g., hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride) and ozone-depleting substances such as chlorofluorocarbons, hydrochlorofluorocarbons, and halons.

A plethora of resources exist to help projects calculate GHG emissions, including several that were presented in the description section of this benchmark and included below for ease of reference:

(i)  WRI and WBCSD’s *GHG Protocol for Project Accounting (Project Protocol)*, 2004, available here: https://ghgprotocol.org/standards/project-protocol


ES1.2 Has the project developed a plan/identified strategies to reduce GHG emissions over the life of the project? *(Y/N)*

Guidance to users when replying to the indicator depending on the stage of the project

**Development stage**
Guidance currently under preparation.

**Implementation stage**
Guidance currently under preparation.

A plethora of resources exist to help projects workers and maintenance personnel to reduce emissions from automobile travel; or capture them over the life of the project.

For example, the project could commit to using renewable energy (or increasing the percentage of renewable energy used on the project); planting trees that absorb and use carbon dioxide for their growth to offset emissions generated by the project; increasing the energy efficiency of any buildings/facilities as part of the project; adopting low-carbon purchasing policies that stipulate the use of recycled, reused, low-carbon, local materials; incentivising the use of public or mass transit options and/or carpooling and/or bicycle programmes for on-site workers and maintenance personnel to reduce emissions from automobile travel; etc.

A plethora of resources exist to help projects identify sector specific and general GHG emissions reductions strategies, including several that were presented in the description section of this benchmark and included below for ease of reference:

(i) WRI and WBCSD’s GHG Protocol for Project Accounting (Project Protocol), 2004, available here: [https://ghgprotocol.org/standards/project-protocol](https://ghgprotocol.org/standards/project-protocol)


Commitments to reduce GHG emissions and any preparatory work to identify potential areas/activities to reduce GHG emissions, or to capture them over the life of the project should be included in the PPP development strategy, concept document or prefeasibility study.

### Development stage

*Guidance currently under preparation.*

### Implementation stage

*Guidance currently under preparation.*

#### ES1.3 Has the project successfully implemented measures to reduce GHG emissions ([1](#)) compared with global norms? (Y/N)

[1] measures to reduce GHG 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.

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the PPP needs to have a preliminary understanding of potential areas/activities to reduce greenhouse gas (GHG) emissions on the project, or to capture GHG emissions from the project. Where possible, preparatory work should be undertaken to not only identify potential GHG reduction measures, but also estimate the reduction potential of each, with the goal being to focus efforts on the strategies that have the greatest potential to reduce emissions over the life of the project. The project must also have identified global norms (i.e., what are the global norms in terms of GHG emissions for the type, size and scale of project). These norms need to be investigated as they will be used as the “baseline” from which emissions on the project should be reduced.

Strategies that the project could commit to implementing to reduce GHG emissions include using renewable energy (or increasing the percentage of renewable energy used on the project); planting trees that absorb and use carbon dioxide for their growth to offset emissions generated by the project; increasing the energy efficiency of any buildings/facilities as part of the project; adopting low-carbon purchasing policies that stipulate the use of recycled, reused, low-carbon, local materials; incentivising the use of public or mass transit options and/or carpooling and/or bicycle programmes for on-site workers and maintenance personnel to reduce emissions from automobile travel; etc.

A plethora of resources exist to help projects identify sector specific and general GHG emissions reductions strategies, including several that were presented in the description section of this benchmark and included below for ease of reference:

| (i) | WR1 and WBCSD’s GHG Protocol for Project Accounting (Project Protocol), 2004, available here: [https://ghgprotocol.org/standards/project-protocol](https://ghgprotocol.org/standards/project-protocol) |
Commitments to reduce GHG emissions and any preparatory work to identify potential areas/activities to reduce GHG emissions, or to capture them over the life of the project should be included in the PPP development strategy, concept document or prefeasibility study.

**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

### Energy Efficiency

**ES1.4 Has the annual energy consumption of the project, per unit of output/service, been calculated? *(Y/N/NA)*

Applicability: Projects with no energy-consuming features (e.g., a park project with no lighting or other energy-consuming features) may select ‘not applicable’ (NA) as the response to this question.

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the PPP needs to explicitly commit to calculating the annual energy consumption of the project, per unit of output/service. The project should also begin to identify relevant methodologies and assumptions to be used when calculating annual energy consumption, noting that any calculations should be presented in total kBTU, GJ, or KwH per unit of output/service and units must remain consistent.</td>
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</table>

Commitments to calculate the annual energy consumption of the project, per unit of output/service and any preparatory work to identify relevant methodologies and assumptions to be used should be included in the PPP development strategy, concept document or prefeasibility study.

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<th>Development stage</th>
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<td>Guidance currently under preparation.</td>
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<th>Implementation stage</th>
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<tr>
<td>Guidance currently under preparation.</td>
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</table>

**ES1.5 Has the project developed a plan/identified strategies to improve the energy efficiency/reduce energy consumption of the project? *(Y/N/NA)*

Applicability: Projects with no energy-consuming features (e.g., a park project with no lighting or other energy-consuming features) may select ‘not applicable’ (NA) as the response to this question.

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the PPP needs to explicitly commit to developing a plan and identifying strategies to improve the energy efficiency/reduce energy consumption of the project. The project must also have a preliminary understanding of strategies to improve the energy efficiency and/or reduce the energy consumption of the project. Where possible, preparatory work should be undertaken to not only identify potential energy efficiency/energy reduction measures, but also to estimate the reduction/efficiency potential of each, with the goal being to focus efforts on the strategies that have the greatest potential to reduce the energy consumption of the project over its life, and/or those strategies that have the greatest potential to improve the energy efficiency of the project over its life.</td>
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<th>Implementation stage</th>
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<td>Guidance currently under preparation.</td>
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</table>
A plethora of resources are available that could help projects identify energy efficiency/energy reduction measures. Many were included in the description section of this benchmark, which have been included below for ease of reference:


Commitments to develop a plan and identify strategies to improve the energy efficiency/reduce energy consumption of the project and any preparatory work undertaken to identify potential energy efficiency/energy reduction strategies, along with their efficiency/reduction potential should be included in the PPP development strategy, concept document or prefeasibility study.

**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

**ES1.6 Has the project successfully implemented measures to reduce energy consumption per unit of output/service compared to national norms? (Y/N/NA)**

Applicability: Projects with no energy-consuming features (e.g., a park project with no lighting or other energy-consuming features) may select ‘not applicable’ (NA) as the response to this question.

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the project would first need to meet the requirements of indicators ES1.4 and ES1.5. In addition, the project needs to identify national norms (i.e., what are the national norms in terms of energy consumption per unit of output/service for the type, size and scale of project). These norms need to be investigated as they will be used as the “baseline” from which the project’s energy consumption per unit of output/service shall be compared. This information should be included in the PPP development strategy, concept document or prefeasibility study.

**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

**ES1.7 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? (Y/N/NA)**

Applicability: Projects that do not include any facilities and/or buildings (e.g., parks with no buildings/facilities, or extensions of underground water conveyance infrastructure) may select ‘not applicable’ (NA) as the response to this question.

**Guidance to users when replying to the indicator depending on the stage of the project**
Identification stage

To answer “yes” to this question, the project needs to do the following:

a) Commit to improving the Energy Performance Index (EPI), the Energy Use Index (EUI) or using the provisions in the EU Energy Performance of Buildings Directive (EPBD) to improve the energy performance of the buildings/facilities included in the project.

b) Undertake preparatory work to ascertain the most appropriate way to measure the energy efficiency of buildings/facilities on the project (i.e., EPI, EUI, EPBD), noting the method selected should be applicable/most commonly used in the country of the project location.

c) Identify the national norms to be used as the basis of comparison.

d) Undertake preparatory work to gain an understanding of some of the ways in which the project could improve the energy efficiency of buildings/facilities included in the project.

For more information on building/facility energy efficiency, several resources were included in the description section of this benchmark, which have been included below for ease of reference:


These commitments and preparatory work should be included in the PPP development strategy, concept document or prefeasibility study.

Development stage

Guidance currently under preparation.

Implementation stage

Guidance currently under preparation.
ES2 REDUCE WASTE AND RESTORE DEGRADED LAND
Includes mandatory indicators

Rationale

Intent
Make use of unwanted waste and/or excess resources to work towards achieving a circular economy; reduce waste generation and safely dispose of all waste generated; and promote the use of degraded land and land restoration.

Metric
Exploration and incorporation of one or more circular economy processes; the reduction and safe disposal of generated solid waste; and the restoration of land equivalent to that degraded by the project within the project boundary.

Description
This benchmark addresses the sustainable use of terrestrial (land) ecosystems and subterranean (below the surface of the earth) resources.

Three key concepts are explored in this benchmark:
(i) Circular economy processes (e.g., through the beneficial use/reuse of waste and excess resources);
(ii) Solid (including hazardous) waste generation and disposal (also related to achieving a circular economy); and
(iii) Degraded land restoration.

Circular Economy Processes

This benchmark encourages PPPs to critically reconsider whether unwanted waste or excess resources can be beneficially used/reused. Unwanted waste or excess resources could come in the form of waste materials, energy/heat, gas emissions, and/or effluent. (This concept could also be expanded to consider excess service capacity, workforce/management capacity, financial capacity, and land area/space capacity.)

Projects can work towards achieving a “circular economy” by inter alia:
• finding and implementing opportunities for unwanted waste or excess resources generated by the project to be beneficially used/reused by another project operating in the same (local) service area thereby reducing the quantity of waste disposed on land by the project; and/or
• finding and implementing opportunities to incorporate unwanted waste or excess resources produced by another project operating in the same (local) service area that could be beneficially used/reused by the project thereby reducing the first-use raw material inputs (material intensity) required by the project; and/or
• evaluating and reducing the material input per unit of service (MIPS) which can be used to measure the efficiency of materials of a product or service and can be applied to a single product to more complex systems.

Unwanted waste or excess resources is inherently inefficient. In a circular economy, everything has value; all excess resources are directed to local beneficial reuse. While true circular economies are very rare, every PPP has the potential to contribute towards the development and growth of circular economies by first investigating the potential for the beneficial reuse of unwanted waste and/or excess resources, and where such opportunities exist, taking advantage of them.

Part of achieving a circular economy is also evaluating the material intensity (MI) of a product or service, which is also referred to as material input per unit of service (MIPS).

The calculation of MIPS takes into account raw materials required to produce a product or provide a service over its whole lifecycle. It is measured in tons/person-kms for passenger transport or tons-kms as in freight transport by railways or roads, or tons/MWh electricity generation etc. This allows comparisons of resource consumption of different solutions to
produce the same output or service and helps to focus efforts on the most significant phases to reduce the environmental burden.

First-use raw material is a term that differentiates (and promotes) the use of recycled and reused materials, which are not considered first-use raw materials. The project’s contribution to a positive reduction in raw material intensity will achieve sustainable management and efficient use of natural resources in a country.

For more information on MI and MIPS, and sustainable consumption and production practices, the following resources may be useful:

(i) Dr. H. M. Fani Cahyandito’s paper The MIPS Concept (Material Input Per Unit of Service): A Measure for an Ecological Economy, January 2009, available here: https://www.researchgate.net/publication/242744964_The_MIPS_Concept_Material_Input_Per_Unit_of_Service_A_Measure_for_an_Ecological_Economy


Waste (including Hazardous Waste) Generation and Disposal

This benchmark encourages PPPs to identify waste streams or byproducts that will occur as a result of project operations and explore ways to first reduce the generation of such waste, and, for any waste that cannot be eliminated from project operations, work to divert it from landfill (or from disposal in water or air). Waste streams include solid waste (hazardous and non-hazardous), liquid waste (hazardous and non-hazardous) and particle and evaporated waste (hazardous and non-hazardous).

For solid waste, acceptable means of waste diversion include:

• Reducing the production of waste;
• Reusing or recycling materials on the project;
• Sending materials to recycling or reclamation facilities;
• Composting materials on site or sending materials to a composting facility;
• Applying biosolids on land (e.g., for agriculture); and
• Using materials, as appropriate, for infill.

Undesirable means of waste diversion include:

• Burning waste, unless it is sent to a reputable and certified high-efficiency waste-to-energy facility; and
• Burying waste in landfill.

Projects are first and foremost encouraged to reduce waste (including hazardous waste) generated per unit of output or service per year. For any waste that is generated, the PPP should
then look for ways to divert waste from landfill using one or more acceptable means of waste diversion as specified above.

Please note that many of the waste diversion measures listed above may also count as “circular economy” processes.

Disposing of waste through environmentally sound management practices throughout the project lifecycle, can prevent land degradation, leachate run off to underground freshwater aquifers, and solid waste reaching surface water bodies.

Degraded Land Restoration

Land acquisition is a major requirement for many PPPs, including infrastructure projects. Where possible, PPPs should be located on previously developed land, ideally on land that is significantly degraded or considered to be a “brownfield”. Greenfields (land not previously developed, or in their natural state) and areas of prime farmland should be avoided. This is because among other project activities, projects related to urbanisation and infrastructure development contribute to land degradation. This results in a decrease in the provision of terrestrial ecosystem services with far-reaching socioeconomic consequences, in terms of food and water insecurity and malnutrition. Therefore, to ensure food security and build resilience to drought and water stress, protection, restoration and sustainable management of land and soils is essential from a People-first perspective. SDG 15.3 focuses on the restoration of degraded land within the project area, therefore, for projects that have the opportunity to restore degraded lands, they should do so.

Two concepts are widely encouraged and adopted. The first is Land Degradation Neutrality (LDN) which refers to “a state whereby the amount and quality of land resources necessary to support ecosystem functions and services and enhance food security remain stable or increase within specified temporal and spatial scales and ecosystems”. The second relates to Forest Land Restoration (FLR) which is the process of regaining ecological functionality and enhancing human well-being across deforested or degraded landscapes.

For more information on LDN, FLR and brownfields, the following resource may be useful:


Applicability

All PPPs would benefit from exploring ways in which to beneficially reuse unwanted waste and/or excess resources, reduce solid waste generation and disposal, and utilise previously developed land (or barren or degraded land that is unfit as farmland). Therefore, projects seeking to be recognised as People-first PPPs are required to address the mandatory indicators (marked with *) which are required to achieve the “good practice” performance level for this benchmark and are strongly encouraged to address all indicators included in this benchmark, moving towards “better practice” and “best practice” performance levels where possible.

Performance Levels

Circular Economy Processes

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
</tr>
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<tbody>
<tr>
<td>ES2.1 the project has investigated the potential for circular economy processes at a basic or preliminary level</td>
<td>ES2.1 the project has comprehensively investigated the potential for circular economy processes</td>
<td>ES2.1 the project has comprehensively investigated the potential for circular economy processes</td>
</tr>
</tbody>
</table>
ES2.2 the project includes one or more circular economy processes by utilising unwanted waste and/or excess resources from another local project or by finding local destinations for the beneficial use/reuse of its unwanted waste and/or excess resources

**AND/OR**

ES2.3 the material input per unit of service (MIPS) has been calculated for the project

ES2.2 the project is a true circular economy project, whereby all or the majority of unwanted waste and/or excess resources are beneficially used/reused

**AND/OR**

ES2.3 the material input per unit of service (MIPS) has been calculated for the project and has reduced the raw material intensity of materials

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**Solid Waste Generation and Disposal**

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
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</thead>
</table>
| ES2.4 there is a basic operational waste management and reduction plan which addresses the reduction of waste (including hazardous waste) over the life of the project | ES2.4 there is a detailed/comprehensive operational waste management and reduction plan which addresses the reduction of waste (including hazardous waste) over the life of the project | ES2.4 there is a detailed/comprehensive operational waste management and reduction plan which addresses the reduction of waste (including hazardous waste) over the life of the project

**AND/OR**

ES2.5 the project is designed to reduce up to 15% of solid waste generated per unit of output or service per year compared to the national industry norm | ES2.5 the project is designed to reduce more than 15% of solid waste generated per unit of output or service per year compared to the national industry norm | ES2.5 the project is designed to reduce the diversion of waste (including hazardous) to a landfill per year by more than 15% compared to the national industry norm

**AND/OR**

ES2.6 the project is designed to reduce the diversion of waste (including hazardous waste) to a landfill per year by up to 15% compared to the national industry norm | ES2.6 after waste reduction measures have been accounted for, the project is designed to reduce the diversion of remaining waste (including hazardous) to a landfill per year by more than 15% compared to the national industry norm | ES2.6 after waste reduction measures have been accounted for, the project is designed to reduce the diversion of remaining waste (including hazardous) to a landfill per year by more than 15% compared to the national industry norm

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**Degraded Land Restoration**

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
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</table>
| ES2.7 all or a portion of the project is located on previously developed land or barren or degraded land unfit as farmland | ES2.7 all or a portion of the project is located on previously developed land or barren or degraded land unfit as farmland | ES2.7 all or a portion of the project is located on previously developed land or barren or degraded land unfit as farmland

ES2.8 the project restores (compensates) up to 50% of degraded land used in the project, at a location outside the project boundary, but within the impact area | ES2.8 the project restores (compensates) more than 50% and up to 100% of degraded land used in the project, at a location outside the project boundary, but within the impact area |

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**Indicators and Guidance to users when replying to the indicator depending on the stage of the project**

**Circular Economy Processes**

ES2.1 *Has the project investigated the potential to incorporate circular economy processes? [1]?* *(Y/N)*

[1] 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 (i.e., from another project operating in the same (local) service area).
**Guidance to users when replying to the indicator depending on the stage of the project**

### Identification stage

To answer “yes” to this question, the project needs to commit to investigating the potential for circular economy processes in the project. In addition, the project should begin to undertake preparatory work/analyses to begin identifying and investigating any potential opportunity for circular economy processes. In the context of this indicator, “circular economy processes” include the beneficial use/reuse of “unwanted waste” or “excess resources” which can include any or all of the following:

- waste or excess materials,
- waste or excess energy/heat,
- waste or excess gas emissions,
- waste or excess effluent,
- excess service capacity (i.e., within the project’s service area),
- excess workforce/management capacity (i.e., within the project’s service area)
- excess financial capacity, and
- excess land area/space capacity.

To distinguish “good practice” from “better practice or best practice” during the project identification stage may be difficult. However, projects wishing to achieve a higher performance level (i.e., “better practice” or “best practice”) need to ensure their commitments to investigating the potential for circular economy processes are strong enough to lead to a comprehensive investigation of circular economy processes, rather than basic or high-level or more general commitments that would lead to a more basic or preliminary investigation of circular economy processes which would result in a “good practice” performance level.

(A basic or preliminary investigation of circular economy processes might mean exploring only one or two options to include circular economy processes in the project and/or incorporating circular economy processes for a short period of time (e.g., using waste or excess materials during construction only). A more comprehensive investigation of circular economy processes might mean exploring a range of options (i.e., looking at the potential for using waste or excess materials, as well as exploring the potential to use excess service capacity, workforce and management capacity, financial capacity, etc.) and/or incorporating circular economy processes over the life of the project (i.e., waste from a nearby facility is used throughout project operations.)

Commitments to investigate the potential for circular economy processes in the project, as well as any initial explorations into the beneficial use/reuse of “unwanted waste” or “excess resources”, should be included in the PPP development strategy, concept document or prefeasibility study.

### Development stage

**Guidance currently under preparation.**

### Implementation stage

**Guidance currently under preparation.**

### ES2.2 Does the project include one or more circular economy processes by utilising unwanted waste and/or excess resources from another local [1] project or by finding local destinations for the beneficial use/reuse of its unwanted waste and/or excess resources [2]? (Y/N/NA)

[1] e.g., within the project’s service area
[2] projects whereby all or the majority of unwanted waste and/or excess resources are beneficially used/reused (e.g., 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, (e.g., a project that incorporates fly ash from a nearby coal-fired plant into concrete used during its construction).

Applicability: If there are no potential opportunities to incorporate circular economy processes as part of the project (per ES2.1), the project may select ‘not applicable’ (NA) as the response; however, a response of “NA” for this indicator is anticipated to be rare or extremely unlikely, given that most if
not all projects use materials/resources and produce waste, and could therefore benefit from circular economy processes.

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to have satisfied the requirements for ES2.1 (i.e., committing to investigate the potential for circular economy processes in the project and conducting preparatory work to begin identifying and investigating any potential opportunities to include circular economy processes in the project). Based on the work completed to satisfy ES2.1, if the project has been able to identify any specific circular economy processes that could be included in the project, a “yes” answer is appropriate at this stage. Otherwise, the project should respond “no”, recognizing the development and implementation stages are when circular economy processes have the greatest potential to be incorporated in the project.</td>
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</table>

To distinguish “good practice” from “better practice or best practice” during the project identification stage may be difficult. However, if preliminary investigations into circular economy processes indicate the potential for many such processes to be included in the project, the project is in a position to achieve the “better practice” performance level and should respond to this question accordingly. If the project is being conceived as a true circular economy project, whereby all or the majority of unwanted waste and/or excess resources shall be beneficially used/reused, the project is in a position to achieve the “best practice” performance level and should respond to this question accordingly.

Commitments to investigate the potential for circular economy processes in the project, as well as any initial explorations into the beneficial use/reuse of “unwanted waste” or “excess resources”, should be included in the PPP development strategy, concept document or prefeasibility study.

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<th>Development stage</th>
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<td>Guidance currently under preparation.</td>
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<tr>
<th>Implementation stage</th>
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<tr>
<td>Guidance currently under preparation.</td>
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</table>

**ES2.3 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? (Y/N/NA)**

Applicability: Healthcare projects are exempt from responding to this question and may therefore select ‘not applicable’ (NA) as the response. However, this indicator is applicable to all other projects that include buildings (e.g., offices, homes, schools, etc.) and/or infrastructure components (e.g., roads, railways, ports, water/wastewater treatment facilities, etc.)

**Guidance to users when replying to the indicator depending on the stage of the project**

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<th>Identification stage</th>
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<tr>
<td>To answer “yes” to this question, the project needs to commit to calculating the material input per unit of service (MIPS) for the project. Committing to undertaking this calculation is an important first step for the project to be able to reduce the raw material intensity of materials on the project compared to national norms. Committing to undertaking this calculation is commensurate with the “better practice” performance level. For most projects in the identification stage, “better practice” is likely the highest performance level possible, since “best practice” requires an actual reduction of the raw material intensity of materials on the project compared to national norms.</td>
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However, if the project is able to complete a preliminary calculation of MIPS for the project during the identification stage, and if it is able to identify opportunities to reduce the raw material intensity of materials on the project compared to national norms, then “best practice” can be achieved during this stage of the project and the project should respond to this question accordingly.

A number of resources pertaining to material intensity (MI) and material input per unit of service (MIPS) were included in the description section of this benchmark, and are included again here for ease of reference:

(i) Dr. H. M. Fani Cahyandito’s paper *The MIPS Concept (Material Input Per Unit of Service): A Measure for an Ecological Economy*, January 2009, available here:
Commitments to calculate MIPS and any work completed to calculate MIPS and reduce the raw material intensity of materials on the project should be included in the PPP development strategy, concept document or prefeasibility study.

Development stage
Guidance currently under preparation.

Implementation stage
Guidance currently under preparation.

Solid Waste Generation and Disposal

ES2.4 Has the project prepared an operational waste management and reduction plan \(^1\) which addresses the reduction of waste \(^2\) (including hazardous waste) over the life of the project? * (Y/N/NA)

\[^1\] compliant with the national environmental regulations
\[^2\] i.e., 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

Applicability: Projects that do not directly generate solid waste and/or hazardous waste during operations and maintenance may select ‘not applicable’ (NA) as the response to this question. Please note, this indicator is focused on operational and maintenance waste only

Guidance to users when replying to the indicator depending on the stage of the project

Identification stage
To answer “yes” to this question, the project needs to commit to developing an operational waste management and reduction plan which addresses the reduction of waste (including hazardous waste) over the life of the project.

When preparing commitments to develop such a plan, the project needs to consider the comprehensiveness of the plan it aims to develop and implement during the life of the project. The detail and comprehensiveness of the plan is what distinguishes “good practice” performance from “better practice” and “best practice” performance.

A detailed/comprehensive plan would, for instance, be at least compliant with the national environmental regulations but ideally go beyond such regulations, especially if national regulations are weak or not enforced as well as they could or should be. Furthermore, a detailed/comprehensive plan would also address the full range of waste streams generated by the project over its life (e.g., waste generated as a result of project operations and maintenance) such as:
- solid waste generation (including hazardous solid waste generation) and disposal on land,
- particle and evaporated waste generation (including hazardous particle and evaporated waste generation) and disposal in air, and
• liquid waste generation (including hazardous liquid waste generation) and disposal in water.

Such a plan would also articulate how such waste streams are to be reduced and should specifically address how any remaining waste will be captured and diverted from landfill and diverted from disposal in air and water. Waste reduction and diversion targets should also be included in such a plan, and ways in which such targets will be measured and evaluated over time would also be in a detailed/comprehensive plan.

A plan that falls short of addressing all of the above would be considered a more basic plan which is commensurate with a “good practice” performance level.

Commitments to develop an operational waste management and reduction plan which addresses the reduction of waste (including hazardous waste) over the life of the project should be included in the PPP development strategy, concept document or prefeasibility study.

| Development stage | Guidance currently under preparation. |
| Implementation stage | Guidance currently under preparation. |

**ES2.5 Has the project reduced waste generation (including hazardous waste) per unit of output or service per year compared to the national industry norm? (Y/N/NA)**

Applicability: Projects that do not directly generate solid waste and/or hazardous waste during operations and maintenance may select ‘not applicable’ (NA) as the response to this question. Please note, this indicator is focused on operational & maintenance waste only

**Guidance to users when replying to the indicator depending on the stage of the project**

| Identification stage |  |
| To answer “yes” to this question, the project would first need to meet the requirements for ES2.4 at the “better practice” or “best practice” performance level. In other words, if the project has committed to preparing a detailed/comprehensive operational waste management and reduction plan which addresses the reduction of waste (including hazardous waste) over the life of the project (and includes all of the other elements that would constitute a “better practice” or “best practice” plan as described in the guidance for ES2.4), the project should be well positioned to be able to reduce waste generation (including hazardous waste generation) per unit of output or service per year. |
| In addition to meeting the requirements for ES2.4, the project also needs to identify the national industry norm to be used as the basis of comparison. The project should take care to compile any source or reference documents used, and/or any assumptions made to arrive at the “national industry norm”. |
| Finally, during the identification stage, the project should begin to identify potential strategies to reduce solid and hazardous waste generation per unit of output or service per year and estimate the reduction potential for each (in tons per year). All assumptions used to arrive at the calculations should be compiled. |
| Commitments and preparatory work should be included in the PPP development strategy, concept document or prefeasibility study. |

| Development stage | Guidance currently under preparation. |
| Implementation stage | Guidance currently under preparation. |

**ES2.6 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? (Y/N/NA)**

Applicability: Projects that do not directly generate solid waste and/or hazardous waste during operations and maintenance may select ‘not applicable’ (NA) as the response to this question. Please note, this indicator is focused on operational and maintenance waste only

| Development stage | Guidance currently under preparation. |
| Implementation stage | Guidance currently under preparation. |
Guidance to users when replying to the indicator depending on the stage of the project

**Identification stage**

To answer “yes” to this question, the project would first need to:

- a) Meet the requirements for ES2.4 at the “better practice” or “best practice” performance level. In other words, if the project has committed to preparing a detailed/comprehensive operational waste management and reduction plan which addresses the reduction of waste (including hazardous waste) over the life of the project (and includes all of the other elements that would constitute a “better practice” or “best practice” plan as described in the guidance for ES2.4), the project should be well positioned to be able to reduce waste generation (including hazardous waste generation) per unit of output or service per year.

- b) Meet the additional requirements for ES2.5 (i.e., identify the national industry norm to be used as the basis of comparison and identify potential strategies to reduce solid and hazardous waste generation per unit of output or service per year and estimate the reduction potential for each (in tons per year).

In addition, the project needs to identify specific locations/facilities where any remaining solid waste (including hazardous waste) could be sent and/or identify other means in which to properly dispose of waste. For example:

- Reusing or recycling materials on the project
- Sending materials to recycling or reclamation facilities
- Composting materials on site or sending materials to a composting facility
- Applying biosolids on land (e.g., for agriculture)
- Using materials, as appropriate, for infill.

(Note: some of the above options could also qualify as circular economy processes per ES2.1 and ES2.2.)

Undesirable means of waste diversion include:

- Burning waste, unless it is sent to a reputable and certified high-efficiency waste-to-energy facility
- Burying waste in landfill

All of the above (commitments and preparatory work) should be included in the PPP development strategy, concept document or prefeasibility study.

**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

**Degraded Land Restoration**

**ES2.7 Is the project located on previously developed land or barren or degraded land unfit as farmland? (Y/N/NA)**

Applicability: Only projects for which no land acquisition whatsoever is involved may select ‘not applicable’ (NA) as the response to this question. For all other projects that do involve land acquisition, the inability to locate the project on previously developed land is not a justification for selecting not applicable for this indicator. All efforts should be made to locate projects on previously developed land or barren or degraded land unfit as farmland. Also, projects that have no opportunities to make siting decisions, or no reasonable opportunities to avoid development on previously developed land would not be able to select ‘not applicable’ (NA) as the response to this question.

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the project needs to commit to locating all or a portion of the project on previously developed land or barren or degraded land unfit as farmland. In addition, the project should identify specific locations for the project, and for each potential location, calculate the anticipated number of hectares/ acres of each type of land on which the project could be built (staging areas and any other land areas that could be impacted by the project need to be included in the calculations), as well as the total estimated land acquisition needed for the project.
Commitments to site the project on previously developed, barren or degraded land unfit as farmland; potential siting options; and land acquisition (in hectares or acres) should be included in the PPP development strategy, concept document or prefeasibility study.

### Development stage
Guidance currently under preparation.

### Implementation stage
Guidance currently under preparation.

**ES2.8 Has the project restored (compensated)\(^1\) equivalent degraded land in the project footprint at a location outside the project boundary, but within the impact area of the project? \(^1\) (Y/N/NA)**

\(^1\) 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.

Applicability: Only projects for which no land acquisition whatsoever is involved may select ‘not applicable’ (NA) as the response to this question. However, projects that do not require additional land but make efforts to restore degraded land may pursue this indicator and are encouraged to do so.

**Guidance to users when replying to the indicator depending on the stage of the project**

### Identification stage
To answer “yes” to this question, the project needs to first meet the requirements for ES2.7.

If there is potential to restore land as part of the project, the project also needs to explicitly commit to doing so.

In addition, the project needs to have a plan (at least a preliminary one) to restore degraded land based on sound environmental practices. “Better practice” requires the project commit to restoring (compensating) up to 50% of degraded land used in the project, at a location outside of the project boundary, but within the project impact area, and “best practice” requires the project commit to restoring (compensating) more than 50% up to 100% of degraded land used in the project, at a location outside of the project boundary, but within the project impact area.

Commitments to restore land and the preliminary plan on how land shall be restored (and how much) as part of this project should be included in the PPP development strategy, concept document or prefeasibility study.

### Development stage
Guidance currently under preparation.

### Implementation stage
Guidance currently under preparation.

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\(^1\) The restored degraded land could be located outside the project footprint but within the project impact area. This indicator assesses the commitment to restore degraded land outside the project boundary, which is crucial for environmental sustainability and compensating for the impact of the project. The commitment can be achieved through passive remediation, such as natural recovery, or active remediation, including reclamation of brownfields, which are sites contaminated by industrial activity. The guidance for users varies depending on the stage of the project, with specific requirements for commitments and planning to be included in the development strategy, concept document, or prefeasibility study.
ES3 REDUCE WATER CONSUMPTION AND WASTEWATER DISCHARGE

Includes mandatory indicators

Rationale

Intent
Reduce overall water consumption and protect the quantity and availability of fresh surface water and groundwater supplies.

Metric
Quantitative reductions in the use of freshwater per unit of output/service and strategies employed to minimise the negative impacts of water usage and/or watershed-scale issues.

Description
Globally, the demand for freshwater for agricultural, municipal and industrial uses is increasing exponentially and at an unsustainable pace. Water is at the core of sustainable development and is critical for socio-economic development, energy and food production, healthy ecosystems, and for human survival. SDG 6 focuses on ensuring availability and the sustainable management of water and sanitation for all.

To learn more about global water-related challenges and some of the work being undertaken to address water challenges globally, please refer to the following sources:


(ii) UNEP’s Fresh Water for the future: A synopsis of UNEP activities in water, June 2012, available here: https://wedocs.unep.org/bitstream/handle/20.500.11822/8096/-Fresh%20Water%20for%20the%20future%20-%20A%20synopsis%20of%20UNEP%20activities%20in%20water-20121114.pdf?sequence=3&isAllowed=y


This benchmark addresses two key aspects of water sustainability: reducing freshwater consumption/use by PPPs, and PPPs’ potential polluted wastewater discharge contributing to broader watershed-scale issues (i.e., the quantity and availability of fresh surface water and groundwater supplies). SDG 6 also talks about sanitation, and the inextricable link between water and sanitation. The provision of essential services, including sanitation, is addressed in the Access and Equity portion of the People-first PPP Evaluation Methodology.

The benchmark encourages PPPs to identify and evaluate strategies to reduce freshwater consumption, and ultimately to reduce the amount of freshwater used by the project throughout its life compared to national norms. This benchmark also recognises that even projects that do not directly consume freshwater can still have an impact by way of discharged polluted wastewater on the quantity and availability of fresh surface water and groundwater supplies, therefore, efforts should be taken to minimise the negative impacts of water usage and/or address watershed-scale issues.

Applicability
This benchmark is applicable to all PPPs that use or impact water resources. Therefore, projects seeking to be recognised as People-first PPPs are required to address the mandatory indicators (marked with *) which are required to meet the “good practice” performance level for this benchmark and are strongly encouraged to address all indicators included in this benchmark, moving towards “better practice” and “best practice” performance levels where possible.

Performance Levels

<table>
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<tr>
<th>Good Practice</th>
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<tbody>
<tr>
<td>ES3.1 the project has identified and evaluated strategies to reduce freshwater consumption</td>
<td>ES3.1 the project has identified and evaluated strategies to reduce freshwater consumption</td>
<td>ES3.1 the project has identified and evaluated strategies to reduce freshwater consumption</td>
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</tbody>
</table>
**ES3.2** the project meets the statutory wastewater discharge norms after treatment and includes features to minimise the negative impacts of water usage and watershed-scale issues

**ES3.2** the project meets the statutory wastewater discharge norms after treatment and includes features to minimise the negative impacts of water usage and watershed-scale issues

**ES3.2** the project meets the statutory wastewater discharge norms after treatment and includes features to minimise the negative impacts of water usage and watershed-scale issues

**ES3.3** the project has reduced the amount of freshwater consumed by the project per unit of output/service by at least 5% compared to national norms

**ES3.3** the project has reduced the amount of freshwater consumed by the project per unit of output/service by at least 15% or more compared to national norms

**ES3.4** the project has a net-zero impact on the quantity and availability of fresh surface water and groundwater supplies

### Indicators and Guidance to users when replying to the indicator depending on the stage of the project

**ES3.1** Have strategies to reduce freshwater consumption during the life of the project been identified and evaluated? * (Y/N/NA)

Applicability: Healthcare projects are exempt from responding to this indicator and may therefore select ‘not applicable’ (NA) as the response to this question. Projects that consume no water during operations and maintenance and contain no water consuming features may select ‘not applicable’ (NA) as the response to this question.

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the project needs to commit to reducing freshwater consumption during the life of the project. In addition, the project needs to identify – at least preliminarily – strategies to reduce freshwater consumption. In other words, it is not enough to commit to reducing freshwater consumption, the project also has to have a preliminary idea of how it could do so. The project should identify strategies and begin prioritising them in terms of their reduction potential. The project should take care to compile any source or reference documents used and assumptions made.

Projects should aim for as comprehensive an approach to identifying and evaluating strategies to reduce freshwater consumption as possible (i.e., exploring a wide range of both conventional and non-conventional approaches to reducing freshwater consumption, and exploring these options and their reduction potential thoroughly). Undertaking such a comprehensive assessment may not be possible for many projects during the identification stage; however, strong commitments to reducing freshwater consumption over the life of the project, coupled with at least a preliminary analysis of strategies to reduce consumption would help set the project up to achieve a higher level of performance during project development and implementation.

Commitments to reduce freshwater consumption over the life of the project, as well as potential strategies that could be implemented to reduce freshwater consumption, should be included in the PPP development strategy, concept document or prefeasibility study.

**Development**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

**ES3.2** 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? * (Y/N/NA)

Applicability: This indicator is applicable to all projects that consume water OR impact receiving waters. Projects that have no impacts whatsoever on water quantity or quality may select ‘not applicable’ (NA) as the response to this question.
**Guidance to users when replying to the indicator depending on the stage of the project**

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<tr>
<td><strong>ES3.3 Has the project reduced the amount of freshwater consumed/used by the project per unit of output/service compared to national norms? (Y/N/NA)</strong></td>
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</tr>
<tr>
<td><strong>Applicability:</strong> Projects that consume no water during operations and maintenance and contain no water consuming features may select ‘not applicable’ (NA) as the response to this question. Also, healthcare projects of the nature of outpatient departments or small hospitals, where reuse/recycle is impractical and may be impossible due to regulatory requirements, are exempt and may also select ‘not applicable’ (NA) as the response to this question.</td>
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<tr>
<td><strong>Guidance to users when replying to the indicator depending on the stage of the project</strong></td>
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<tr>
<td><strong>Identification stage</strong></td>
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<tr>
<td>To answer “yes” to this question, the project would first need to meet the requirements for ES3.1 at the “better practice” or “best practice” performance level. In other words, if the project has committed to reducing freshwater consumption, and has undertaken a comprehensive review and analysis of strategies to reduce the use of freshwater consumption on the project, the project should be well positioned to be able to reduce the amount of freshwater consumed/used by the project per unit of output/service compared to national norms.</td>
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</tr>
<tr>
<td>In addition to meeting the requirements for ES3.1, the project also needs to identify the national norm to be used as the basis of comparison. The project should take care to compile any source or reference documents used, and/or any assumptions made to arrive at the “national norm”.</td>
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</tr>
<tr>
<td>Finally, during the identification stage, the project should calculate the water reduction potential (in cubic meters or gallons per year, per freshwater reduction strategy and for the project as a whole) per unit of expected output/service. If these calculations result in the potential to reduce freshwater consumption by at least 5% up to 15% compared to national norms, this would be commensurate with a “better practice” performance level and the project should respond to this question accordingly. If these calculations result in the potential to reduce freshwater consumption by 15% or more compared to national norms, this would be commensurate with a “best practice” performance level.</td>
<td></td>
</tr>
<tr>
<td>Calculations, along with reference and source documents, the national norm as the basis of comparison and any other preparatory work undertaken for this indicator should be included in the PPP development strategy, concept document or prefeasibility study.</td>
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<tr>
<td><strong>Development stage</strong></td>
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<tr>
<td>Guidance currently under preparation.</td>
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<td><strong>Implementation stage</strong></td>
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<td>Guidance currently under preparation.</td>
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</table>

| **ES3.4 Does the project have a net-zero impact on the quantity and availability of fresh surface water and groundwater supplies? (Y/N)** |  |

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td><strong>ES3.4 Does the project have a net-zero impact on the quantity and availability of fresh surface water and groundwater supplies? (Y/N)</strong></td>
<td></td>
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<tr>
<td><strong>Guidance to users when replying to the indicator depending on the stage of the project</strong></td>
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</tr>
<tr>
<td><strong>Identification stage</strong></td>
<td></td>
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<tr>
<td>To answer “yes” to this question, the project needs to do the following:</td>
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</tr>
<tr>
<td>a) identify general wastewater characteristics and required treatment to meet the statutory wastewater discharge norms,</td>
<td></td>
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<tr>
<td>b) identify and analyse potential project features that could reduce the impacts of water usage and/or watershed-scale issues, and</td>
<td></td>
</tr>
<tr>
<td>c) consider the indirect ways the project might impact water resources from both a quality and quantity perspective</td>
<td></td>
</tr>
<tr>
<td>The above work should be included in the PPP development strategy, concept document or prefeasibility study.</td>
<td></td>
</tr>
<tr>
<td><strong>Development stage</strong></td>
<td></td>
</tr>
<tr>
<td>Guidance currently under preparation.</td>
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<tr>
<td><strong>Implementation stage</strong></td>
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<tr>
<td>Guidance currently under preparation.</td>
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</tbody>
</table>
### Identification stage

To answer “yes” to this question, the project would first need to meet the requirements for ES3.1 at the “better practice” or “best practice” performance level, and meet the requirements for ES3.2, and ES3.3.

The project’s preliminary calculations (for the aforementioned indicators) need to demonstrate that it will have no expected impact on the quantity and availability of fresh surface water and groundwater supplies.

Preparatory work undertaken for this indicator should be included in the PPP development strategy, concept document or prefeasibility study.

### Development stage

- Guidance currently under preparation.

### Implementation stage

- Guidance currently under preparation.
ES4  PROTECT BIODIVERSITY
Includes mandatory indicators

**Rationale**

**Intent**  
Halt biodiversity loss through conservation, environmental restoration and the use of sustainable management practices.

**Metric**  
The extent to which the project addresses biodiversity loss through conservation, restoration and/or the use of sustainable management practices.

**Description**  
This benchmark addresses biodiversity conservation. People-first PPPs in renewable energy, roads, railways and water (to name a few examples) have the potential to impact biodiversity (flora and fauna) in forests, wetlands, mountains and drylands, and terrestrial and inland freshwater ecosystems.

This benchmark encourages PPPs to first understand the potential environmental impacts they could have on local biodiversity. This is done through an Environmental Impact Assessment (EIA). 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.

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. A project may require multiple EMPs, each addressing a specific environmental issue, or a single, comprehensive EMP could be developed for the project. EMPs are relevant for all environmental benchmarks in this evaluation methodology. In the context of this benchmark, it 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.

EIAs are required for Category A projects (projects that are likely to have long-term significant adverse environmental impacts that are irreversible, diverse or unprecedented). Examples of Category A projects include polluting industries and infrastructure projects such as roads, water, and power. EIAs are not necessarily required for Category B and Category C projects, however these projects require different studies. Category B projects (projects that pose short-term moderate, site-specific risks of which few if any are irreversible) are required to provide an initial environmental examination (IEE), including an EMP. Category C projects (projects that are likely to have minimal or no adverse environmental impacts) are not required to prepare an EIA or IEE, but must provide a review of environmental implications.

For more information on EIA requirements and categories of projects, please refer to the following resources:


Functional ecosystems that needs to be protected is another key concept introduced in this benchmark. A functional ecosystem is, fundamentally, a habitat capable of supporting the needs/requirements of the species that depend on it during all stages of their lifecycle. Development often fragments and shrinks areas of habitat, leading to loss of biodiversity.
Preserving and ensuring sufficient linkages between habitats is important for many reasons, including preserving ecosystem functions, providing habitat for large-range species (species that require a lot of land on which to roam), and promoting genetic diversity required to maintain healthy populations of plants and animals. Preserving and protecting functional habitats can also add a lot of value to people, and communities and regions more broadly. Functional habitats make areas more desirable places to live, and visit, for example, and can support a range of activities important to humans, such as sustainable fisheries, and eco-tourism. Such functional ecosystems tend to be designated as environmentally protected areas e.g., reserved forests, national parks (including marine parks).

The last concept introduced in this benchmark is the concept of biodiversity hotspots. Avoiding development in and around such areas should always be prioritised; however, some projects may have the opportunity to permanently protect or restore such areas. When presented with this opportunity, People-first PPPs should endeavour to do so.

For more information on biodiversity hotspots and protected area management, how they are identified and where they are located, please refer to the following resources:


**Applicability**

It is likely that all PPPs have the potential to directly or indirectly impact biodiversity. Therefore, projects seeking to be recognised as People-first PPPs are required to address the mandatory indicators (marked with *) which are required to meet the “good practice” performance level for this benchmark and are strongly encouraged to address all indicators included in this benchmark, moving towards meeting the requirements for “better practice” and “best practice” where possible.

### Performance Levels

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
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</thead>
<tbody>
<tr>
<td>ES4.1 the project has conducted a basic EIA</td>
<td>ES4.1 the project has conducted a detailed EIA</td>
<td>ES4.1 the project has conducted a detailed EIA</td>
</tr>
<tr>
<td><strong>ES4.2</strong> the project—if located in or near (10-25 km radius) an area classified as an environmentally protected area or biodiversity hotspot—has developed a basic EMP identifying avoidance, mitigation or restoration measures to protect the area</td>
<td><strong>ES4.2</strong> the project—if located in or near (10-25 km radius) an area classified as an environmentally protected area or biodiversity hotspot—has developed a detailed EMP identifying avoidance, mitigation or restoration measures to protect the area</td>
<td><strong>ES4.3</strong> the project—if located in or near (10-25 km radius) an area classified as an environmentally protected area or biodiversity hotspot—has developed a detailed EMP identifying avoidance, mitigation or restoration measures to protect the area</td>
</tr>
<tr>
<td><strong>ES4.3</strong> the project has preserved and/or improved the functionality of terrestrial and/or aquatic habitats in partnership with local authorities</td>
<td><strong>ES4.3</strong> the project has preserved and/or improved the functionality of terrestrial and/or aquatic habitats in partnership with local authorities</td>
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</table>

### Indicators and Guidance to users when replying to the indicator depending on the stage of the project

**ES4.1 Has the project conducted an environmental impact assessment (EIA)** *[1][2]*? * (Y/N/NA)

[1] Category A projects are required to conduct an EIA. Category B projects may provide an IEE (initial environmental assessment). Category C projects may respond to this indicator as not applicable, if a review of environmental implications reveals there are none.

[2] 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.

Applicability: Category C projects may respond to this indicator as ‘not applicable’ (NA), provided a review of environmental implications reveal there are none.

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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</table>
| To answer “yes” to this question, the project needs to conduct an environmental impact assessment (EIA). The EIA process should be done as early on in project identification as possible, to ensure environmental issues are raised when a project is first being discussed or conceived. The EIA process will require further refinements as the project moves from the identification stage to development but it’s important the EIA be started during project identification.  

The EIA *must, inter alia*, include an examination of potential biodiversity impacts. (Please note, the EIA is an extremely useful assessment for many of the environmental indicators included in this evaluation methodology.)  

EIAs are a process involving multiple steps, from screening (a process which often results in the classification of a project – i.e., category A, B or C), to scoping (a process of determining the critical issues to study, which should involve community stakeholders), to conducting detailed prediction and mitigation studies to developing a plan for managing and monitoring environmental impacts throughout the life of the project. EIAs should also include periodic audits which serve as a feedback and learning function.  

The *comprehensiveness of the EIA* (taking into account the stage of the project) is what distinguishes “good practice” from “better practice” and “best practice”.  

The EIA conducted during the project identification stage should be included in the PPP development strategy, concept document or prefeasibility study. |

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<td>Guidance currently under preparation.</td>
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<tr>
<th>Implementation stage</th>
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<td>Guidance currently under preparation.</td>
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**ES4.2 Has the project developed and implemented an environmental management plan (EMP) to avoid, mitigate impacts to, or restore the impact area? [1] *(Y/N)*

[1] 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.  

**Guidance to users when replying to the indicator depending on the stage of the project**

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</table>
| To answer “yes” to this question, the project needs to first meet the requirements for ES4.1. Based on the environmental impact assessment developed for ES4.1, the project needs to prepare a draft/initial environmental management plan (EMP) which *must, inter alia*, include potential measures to protect the impact area (avoid the area, mitigate impacts to the area, restore the area).  

The *comprehensiveness of the EMP* (taking into account the stage of the project) is what distinguishes “good practice” from “better practice” and “best practice”.  

The EMP should be included in the PPP development strategy, concept document or prefeasibility study. |

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</table>
Implementation stage
Guidance currently under preparation.

ES4.3 Has the project preserved and/or improved the functionality of habitats (terrestrial and/or aquatic) \(^{[1]}\) in partnership with local authorities \(^{[2]}\) (e.g., local conservation authorities)? (Y/N)

[1] 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 (e.g., land-based or marine parks), biodiversity hotspots, or anywhere where habitat has the potential to be protected or improved.

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

Guidance to users when replying to the indicator depending on the stage of the project

Identification stage
To answer “yes” to this question, the project needs to identify potential strategies to preserve and/or improve the functionality of habitats (terrestrial and/or aquatic).

Improving the functionality of habitats can be achieved in many ways such as 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 (e.g., land-based or marine parks), biodiversity hotspots, or anywhere where habitat has the potential to be protected or improved.

Identifying potential strategies to preserve and/or improve the functionality of habitats could be done in conjunction with the development of the EIA and EMP per indicators ES4.1 and ES4.2.

In addition, the project needs to identify potential local authorities (i.e., authorities in the project’s impact area such as formally established or informally recognised local conservation authorities, or other governmental or non-governmental organisations working to protect, preserve, or improve habitat) with whom partnerships could potentially be established to ensure the ongoing protection and improvement of habitats.

Strategies and potential partner organisations should be included in the PPP development strategy, concept document or prefeasibility study.

Development stage
Guidance currently under preparation.

Implementation stage
Guidance currently under preparation.
ES5  ASSESS RISK AND RESILIENCE FOR DISASTER MANAGEMENT  
Includes mandatory indicators

Rationale

Intent  Conduct a multi-hazard risk and resilience evaluation, including climate change threats, acute shocks, and chronic stressors to inform the development of a Disaster Management Plan.

Metric  The scope and comprehensiveness of the multi-hazard risk and resilience evaluation, and the comprehensiveness of the resulting Disaster Management Plan.

Description  Understanding the range of potential risks to the project, system, and wider community is an important component of disaster management and recovery and overall resilience planning. Therefore, the project needs to have an understanding of the various facets of a disaster management plan, including the range of potential risks, and make suitable enabling provisions in the project which are complementary to those of the government. (The government plays a major – and crucial – role during disasters and epidemics.)

This benchmark encourages PPPs to explore multi-hazard risk scenarios to the project as well as assess the community resilience under these different risk scenarios. This is essential to be able to formulate a comprehensive Disaster Management Plan which addresses environmental, social, financial and legal responses, and includes effective community-level communications.

PPP should focus on the following aspects which are applicable before, during and after a disaster:

A.  Disaster Preparedness

Typically, acute (short-term) shocks are harder to predict than chronic (longer term) stressors and climate change threats, but all (acute shocks, chronic stressors and climate change threats) are important for PPPs to consider and evaluate.

Acute shocks include inter alia hurricanes, earthquakes, wildfires, heat waves, blizzards, health epidemics/pandemics, flooding, tornadoes, terrorism, chemical spills, infrastructure failure/collapse. Chronic stressors include inter alia aging, growing, or shrinking populations; global warming; environmental degradation and loss of species; food availability; inefficient, overtaxed infrastructure; droughts and water shortages; sea level rise; increased pollution. Climate change can affect the frequency, magnitude, and duration of many acute shocks and chronic stressors.

When examining potential acute shocks, chronic stressors and climate change threats, PPPs should, whenever possible, endeavour to expand the scope of the risk assessment beyond the boundaries of the project itself by also looking at the wider system and/or community in which it functions.

An assessment of possible chronic (longer term) stressors, as well as acute shocks and climate change threats that could impact the project should be undertaken as early on as possible (i.e., during the project identification stage) and periodically reassessed throughout the life of the project (i.e., during project development and implementation)

Thus, in degrees of increasingly better practices, disaster preparedness includes:

- Defining/gaining clarity on governmental responsibilities, inter-agency coordination, and the useful scope for involvement of the project;
- Assessing climate change impacts, acute shocks, and chronic stressors that could impact the project and its surroundings;
- Determining the availability of qualified staff;
- Predicting the of types and scale of different disasters using appropriate, up-to-date prediction models;
• Preparing risk maps for different scenarios;
• Assessing potential losses to property and ecosystem (assets) and potential losses to affected people’s wellbeing, especially the poor and vulnerable, due to loss of assets and means of livelihood under different scenarios;
• Preparing an evacuation plan;
• Developing an information management and database system;
• Providing access to basic services especially for the poor and vulnerable;
• Developing a potential disaster awareness and education programme, including emergency response training;
• Developing early warning systems for natural and severe climate change related disasters;
• Developing tools for the use of social media to gather, sort and display confirmed hazard information on real-time basis during emergency events; and
• Testing the sustainability and resilience quality assurance programme.

B. Risk Reduction and Mitigation

Risk reduction and mitigation includes:

• Identifying measures in the project design and surrounding areas (where possible) to reduce stressors, shocks, and exposure and vulnerability to disaster events such as severe winds, landslides, floods, volcanic eruptions and earthquakes and droughts;
• Integrating disaster and climate risk reduction and mitigation planning and strategies into public and private sector investment decisions;
• Strengthening project design and area planning, including support for research and innovation in design using the natural environment to mitigate the risks; and
• Encouraging/seeking political commitment from both the central and regional levels to recommend policies, regulations and action plans to reduce the impact of disasters on the economy and livelihoods.

C. Response and Recovery Coordination

Experiences show that the functions of local government are among the first to collapse due to unpreparedness and slow, uncoordinated emergency response. Preventive measures and the critical initial response in the first few hours when a disaster strikes is crucial in saving lives and preventing further asset losses. Political commitment to disaster response and recovery needs to be internalised from the central to the regional level with appropriate linkages to the project management. Coordination and integration need to be addressed all levels between stakeholders, civil society organisations, government leaders, relevant ministries/institutions, grassroots leaders, non-governmental organisations, multi-fund donors, and the private sector.

Disaster recovery requires prompt coordination, communication, and action plans through digital technology applications, legal, insurance and financial strategies, local government and community development programmes, and international support. Government-initiated Community Driven Development Programmes have proven to be effective in delivering reconstruction.

D. Disaster Financial Inclusiveness

The project needs to ascertain the potential sources of financing for disaster response and recovery/reconstruction measures. Disaster financial inclusiveness requires the provision of financial measures (e.g., emergency funds, disaster bonds, insurance etc.) for risk mitigation and ready access to such funds for different types and scales of disaster scenarios. The provision of funding is at two levels (a) Government Disaster Response to promote Economic Resilience; and (b) Public, Private and International Aid Agencies response to mitigate disaster risks.

E. Community Involvement:
Local stakeholders/communities are important to involve in the assessment of threats and risks, planning actions during the disaster and thereafter during the recovery and reconstruction period. Involving communities in this process can develop ownership of the actions, help strengthen community understanding of risk and resilience, enhance community preparedness, and can also lead to a more thorough understanding/analysis of risks and threats to the project. In the long term, community knowledge of how to face disasters is also strengthened.

Therefore, the project Disaster Management Plan should develop a community driven development programme, to plan and implement the disaster recovery and reconstruction actions.

In summary, understanding threats and risks is important, but People-first PPPs must also put strategies in place to address the range of climate change threats, acute shocks and chronic stressors that could impact the project, system, and wider community. To this end, projects must develop a Disaster Management Plan. Ideally, People-first PPP should strive to be a part of, or support, larger community resilience or climate change adaptation plans.

For more information on disaster management plans, the following resource may be useful:


**Performance Levels**

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
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<tbody>
<tr>
<td>ES5.1 disaster preparedness has been completed for the project</td>
<td>ES5.1 disaster preparedness has been completed for the project</td>
<td>ES5.1 disaster preparedness has been completed for the project</td>
</tr>
<tr>
<td>ES5.2 based on the disaster preparedness, the project has developed a risk reduction and mitigation strategy</td>
<td>ES5.2 based on the disaster preparedness, the project has developed a risk reduction and mitigation strategy</td>
<td>ES5.2 based on the disaster preparedness, the project has developed a risk reduction and mitigation strategy</td>
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<tr>
<td></td>
<td>ES5.3 a response and recovery coordination mechanism has been put in place with project stakeholders and stakeholders from the host and affected communities</td>
<td>ES5.3 a response and recovery coordination mechanism has been put in place with project stakeholders and stakeholders from the host and affected communities</td>
</tr>
<tr>
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<td>ES5.4 a disaster financial inclusiveness strategy been prepared for financing disaster response and recovery/reconstruction measures for the project</td>
<td>ES5.4 a disaster financial inclusiveness strategy been prepared for financing disaster response and recovery/reconstruction measures for the project</td>
</tr>
<tr>
<td></td>
<td>ES5.5 local community stakeholders (external to the project) were involved in the disaster preparedness process and planning of the response and recovery coordination mechanism</td>
<td>ES5.5 local community stakeholders (external to the project) were involved in the disaster preparedness process and planning of the response and recovery coordination mechanism</td>
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</table>

**Indicators and Guidance to users when replying to the indicator depending on the stage of the project**

**ES5.1** Has disaster preparedness been completed for the project? * (Y/N)
**Guidance to users when replying to the indicator depending on the stage of the project**

### Identification stage

To answer “yes” to this question, the project needs to undertake initial disaster preparedness for the project, which should involve as much of the following as possible (recognising disaster preparedness will be further refined during project development and implementation, and will be periodically revisited and refined throughout the life of the project):

- Defining/gaining clarity on governmental responsibilities, inter-agency coordination, and the useful scope for involvement of the project;
- Assessing climate change impacts, acute shocks, and chronic stressors that could impact the project and its surroundings;
- Determining the availability of qualified staff;
- Predicting the types and scale of different disasters using appropriate, up-to-date prediction models;
- Preparing risk maps for different scenarios;
- Assessing potential losses to property and ecosystem (assets) and potential losses to affected people’s wellbeing, especially the poor and vulnerable, due to loss of assets and means of livelihood under different scenarios;
- Preparing an evacuation plan;
- Developing an information management and database system;
- Providing access to basic services especially for the poor and vulnerable;
- Developing a potential disaster awareness and education programme, including emergency response training;
- Developing early warning systems for natural and severe climate change related disasters;
- Developing tools for the use of social media to gather, sort and display confirmed hazard information on real-time basis during emergency events; and
- Testing the sustainability and resilience quality assurance programme

Initial disaster preparedness should be included in the PPP development strategy, concept document or prefeasibility study. The user should take care to compile any source or reference documents used, and should document any assumptions made when undertaking the initial disaster preparedness for the project.

### Development stage

**Guidance currently under preparation.**

### Implementation stage

**Guidance currently under preparation.**

### ESS.2 Has the project developed a well-articulated risk reduction and mitigation strategy for the project and the host and affected communities? *(Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

### Identification stage

To answer “yes” to this question, the project needs to prepare an initial risk reduction and mitigation strategy, based on the assessment of risks conducted as part of the requirements for indicator ESS.1.

An initial risk reduction and mitigation strategy should include as much of the following as possible (recognising further refinements shall be made during project development and implementation):

- Identifying measures in the project design and surrounding areas (where possible) to reduce stressors, shocks, and exposure and vulnerability to disaster events such as severe winds, landslides, floods, volcanic eruptions and earthquakes and droughts;
- Integrating disaster and climate risk reduction and mitigation planning and strategies into public and private sector investment decisions;
- Strengthening project design and area planning, including support for research and innovation in design using the natural environment to mitigate the risks; and
- Encouraging/seeking political commitment from both the central and regional levels to recommend policies, regulations and action plans to reduce the impact of disasters on the economy and livelihoods.
An initial risk reduction and mitigation strategy should be included in the PPP development strategy, concept document or prefeasibility study. The user should take care to compile any source or reference documents used, and should document any assumptions made when developing this initial strategy for the project.

**Development stage**
Guidance currently under preparation.

**Implementation stage**
Guidance currently under preparation.

**ES5.3 Has a response and recovery coordination mechanism been put in place with project stakeholders, and stakeholders from the host and affected communities? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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</thead>
<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to develop an initial (or identify an existing) response and recovery coordination mechanism. Also, the project needs to identify potential stakeholders (including project stakeholders, and stakeholders from the project service area) to involve in the development and/or implementation of this mechanism.</td>
</tr>
</tbody>
</table>

More information about the need for such a response and recovery coordination mechanism is provided in the description section for this benchmark, but is included again here for ease of reference:

Experiences show that the functions of local government are among the first to collapse due to unpreparedness and slow, uncoordinated emergency response. Preventive measures and the critical initial response in the first few hours when a disaster strikes is crucial in saving lives and preventing further asset losses. Political commitment to disaster response and recovery needs to be internalised from the central to the regional level with appropriate linkages to the project management. Coordination and integration need to be addressed all levels between stakeholders, civil society organisations, government leaders, relevant ministries/institutions, grassroots leaders, non-governmental organisations, multi-fund donors, and the private sector.

Disaster recovery requires prompt coordination, communication, and action plans through digital technology applications, legal, insurance and financial strategies, local government and community development programmes, and international support. Government-initiated Community Driven Development Programmes have proven to be effective in delivering reconstruction.

The initial response and recovery mechanism for the project, as well as potential stakeholders to involve in the development and/or implementation of this mechanism, should be included in the PPP development strategy, concept document or prefeasibility study. The user should take care to compile any source or reference documents used, and should document any assumptions made when undertaking this work.

**Development stage**
Guidance currently under preparation.

**Implementation stage**
Guidance currently under preparation.

**ES5.4 Has a disaster financial inclusiveness strategy been prepared for financing disaster response and recovery/reconstruction measures for the project? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to develop an initial disaster financial inclusiveness strategy for financing disaster response and recovery/reconstruction measures for the project. The development of this strategy involves ascertaining potential sources of financing for disaster response and recovery/reconstruction measures. Disaster financial inclusiveness requires the provision of financial measures (e.g., emergency funds, disaster bonds, insurance etc.) for risk mitigation and ready access to such funds for different types and scales of disaster scenarios. The project needs to consider the provision of funding at two levels – government; and public, private and international aid agencies.</td>
</tr>
</tbody>
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The initial disaster financial inclusiveness strategy for financing disaster response and recovery/reconstruction measures for the project should be included in the PPP development strategy, concept document or prefeasibility study. The user should take care to compile any source or reference documents used when developing the initial disaster financial inclusiveness strategy for the project.

**Development stage**
- Guidance currently under preparation.

**Implementation stage**
- Guidance currently under preparation.

**ES5.5** Were local community stakeholders (external to the project) involved in the disaster preparedness process and planning of the response and recovery coordination mechanisms? (Y/N)

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to commit to involving stakeholders external to the project (i.e., from the project service area) in the disaster preparedness process (i.e., per indicator ES5.1) and the planning of the response and recovery coordination mechanisms (i.e., per indicator ES5.3)</td>
<td></td>
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</tbody>
</table>

In addition, the project needs to identify potential stakeholders that could be included in the disaster preparedness and process and the planning of the response and recovery coordination mechanisms. The user should take care to document not only the stakeholders who could be involved, but also how they could be involved, and why they were identified (i.e., the rationale for their potential involvement).

Local stakeholders/communities are important to involve in the assessment of threats and risks, planning actions during the disaster and thereafter during the recovery and reconstruction period. Involving communities in this process can develop ownership of the actions, help strengthen community understanding of risk and resilience, enhance community preparedness, and can also lead to a more thorough understanding/analysis of risks and threats to the project. In the long term, community knowledge of how to face disasters is also strengthened. Therefore, the project Disaster Management Plan should develop a community driven development programme, to plan and implement the disaster recovery and reconstruction actions.

Commitments to involve stakeholders, and the initial list of stakeholders that could be involved, should be included in the PPP development strategy, concept document or prefeasibility study.

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<th>Development stage</th>
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<th>Implementation stage</th>
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<td>Guidance currently under preparation.</td>
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ES6 ALLOCATE FUNDS FOR RESILIENCE AND DISASTER MANAGEMENT
Includes mandatory indicators

Rationale

Intent
Ensure sufficient funds are allocated for project and community-scale resilience and disaster management.

Metric
The extent to which funds are identified and allocated to support research, innovation, capacity building and awareness programmes to improve resilience and disaster management efforts.

Description
This benchmark builds on ES5 Assess Risk and Resilience for Disaster Management. While ES5 focused on the identification of risks and the importance of disaster management planning, this benchmark focuses on ensuring adequate funds are available so that the PPP is able to respond to risks, and to ensure broader community preparedness. People-first PPP should also allocate funds to support disaster research, innovation, capacity-building and community awareness programmes.

A number of concepts are introduced in this benchmark which are described next.

Asset Losses

Traditional risk assessments use asset losses (property and ecosystem restoration) as the main metric to measure the severity of a disaster. Identifying and securing funds from different sources is an important part of post-disaster recovery. Asset losses inevitably favour central business districts and other areas with a higher concentration of valuable assets and ecosystems such as tree plantations, gardens, water bodies, etc. leaving the most poor and vulnerable people in society to resort to humanitarian assistance when disasters inevitably occur. After most disasters, the poor and vulnerable are more likely to go without food, health, education and other essential services, and these groups take much longer to recover after a disaster.

Wellbeing Losses

Wellbeing losses is a measurement that offers a more equitable and balanced metric to measure the severity of a disaster. Wellbeing focused strategies utilise a wider set of available measures such as financial inclusion, private and public insurance, disaster-responsive social safety nets, macro fiscal policies, and disaster preparedness and contingency planning. Wellbeing losses facilitate a quantification of the benefits of intervention such as rapid post-disaster support by way of adaptive social protection systems, resulting in exposed and vulnerable populations being more able to cope with and recover from asset losses. This takes into account (i) their ability to maintain their consumption for the duration of their recovery; (ii) their ability to utilise public emergency grants or borrow to rebuild their assets; and (iii) decreasing returns in consumption, that is people who live on $2 per day are much more affected by a $1 loss than are better-off individuals.

Typically, the funds to be set up and accessed include:

- Emergency Funds: funds must be made available annually through the central and regional government budgets and National Disaster Mitigation Agency. Readiness of funds in emergencies in one of the main pillars of disaster finance. A roadmap for implementing disaster risk insurance and financing strategies such as the formation of natural disaster pooling funding or increasing insurance for state property in disaster prone areas needs to be in place.

- Disaster Financial Instruments: such instruments include insurance and catastrophic bonds which can facilitate the transfer of risks. Insurance coverage allows for standby funds to be available in emergencies and the project should be insured against natural disasters other shocks. Catastrophic Bonds allow the government to immediately
obtain funding in the event of disasters and the triggering event must be defined to ensure that money will be transferred to specific disaster budget escrow accounts.

**Allocation of funds to support research, innovation, capacity building and awareness**

Setting aside funds from the project to support research, innovation, capacity building and awareness programmes is a crucial component for ensuring the PPP is responsive to community needs, and able to adapt and respond to disasters as they inevitably occur.

Funds can be used to train and/or deploy qualified staff who are responsible for monitoring environmental sustainability and resilience indicators, the development and deployment of pre-disaster warning systems and sensors, developing technology-based solutions to involve local stakeholders/community groups to propagate confirmed hazard information on a real-time basis, e.g., through social media platforms. (Local people are often great sources of information and can help to predict threats and provide early warning signs of threats – particularly acute shocks – to the PPP.)

Funds can also be allocated to a range of design solutions such as sustainable construction methods and materials to address climate change threats and vulnerabilities such as floods and sea level rise. Often, research into innovative/unique technologies, processes, materials, and methods is required, and without adequate funding being allocated towards these activities, the PPP will likely miss out on excellent opportunities to improve resilience and overall environmental performance.

Funds can also be allocated towards community awareness programmes, and community capacity building programmes. PPPs that work with local communities earn a social license to operate, and can benefit tremendously from local knowledge, skills, and resources. PPPs should in turn work to build greater community awareness of disaster management and resilience planning and contribute to community capacity building to strengthen the community’s ability to respond, recover and adapt after a disaster.

For more information on innovative planning using natural-based solutions for disaster mitigation, the following resource may be useful:


**Applicability**

This benchmark is applicable to all PPPs. Projects seeking to be recognised as People-first PPPs are strongly encouraged to address all indicators included in this benchmark (marked with *), which are required to meet the “good practice” performance level, and are encouraged to increasingly move towards adopting “better practice” and “best practice” requirements by addressing all of the indicators included in this benchmark.

**Performance Levels**

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<th>Good Practice</th>
<th>Better Practice</th>
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### Indicators and Guidance to users when replying to the indicator depending on the stage of the project

**ES6.1** Has the project identified funds from different sources and provided a budget for asset losses? *(Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tr>
<th>Identification stage</th>
<th>Development stage</th>
<th>Implementation stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to identify potential funds from different sources and develop an initial complimentary budget for asset losses in the project, which also takes into account asset losses for the surrounding areas (if possible).</td>
<td>Guidance currently under preparation.</td>
<td>Guidance currently under preparation.</td>
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</table>

Traditional risk assessments use asset losses (property and ecosystem restoration) as the main metric to measure the severity of a disaster. Identifying and securing funds from different sources is an important part of post-disaster recovery. Asset losses inevitably favour central business districts and other areas with a higher concentration of valuable assets and ecosystems such as tree plantations, gardens, water bodies, etc. leaving the most poor and vulnerable people in society to resort to humanitarian assistance when disasters inevitably occur. After most disasters, the poor and vulnerable are more likely to go without food, health, education and other essential services, and these groups take much longer to recover after a disaster.

The identification of funds, sources of funds, and an initial complimentary budget for asset losses should be included in the PPP development strategy, concept document or prefeasibility study. The user should take care to compile any source or reference documents used and document any assumptions made.

**ES6.2** Has the project identified funds from different sources and provided a budget for wellbeing losses? *(Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tr>
<th>Identification stage</th>
<th>Development stage</th>
<th>Implementation stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to identify potential funds from different sources and develop an initial complimentary budget to mitigate wellbeing losses of people in the surrounding communities (i.e., the project service area).</td>
<td>Guidance currently under preparation.</td>
<td>Guidance currently under preparation.</td>
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</table>

“Wellbeing losses” is a measurement that offers a more equitable and balanced metric to measure the severity of a disaster. Wellbeing focused strategies utilise a wider set of available measures such as financial inclusion, private and public insurance, disaster-responsive social safety nets, macro fiscal policies, and disaster preparedness and contingency planning. Wellbeing losses facilitate a quantification of the benefits of intervention.
such as rapid post-disaster support by way of adaptive social protection systems, resulting in exposed and vulnerable populations being more able to cope with and recover from asset losses. This takes into account (i) their ability to maintain their consumption for the duration of their recovery; (ii) their ability to utilise public emergency grants or borrow to rebuild their assets; and (iii) decreasing returns in consumption, that is people who live on $2 per day are much more affected by a $1 loss than are better-off individuals.

Typically, the funds to be set up and accessed include:

- **Emergency Funds**: funds must be made available annually through the central and regional government budgets and National Disaster Mitigation Agency. Readiness of funds in emergencies in one of the main pillars of disaster finance. A roadmap for implementing disaster risk insurance and financing strategies such as the formation of natural disaster pooling funding or increasing insurance for state property in disaster prone areas needs to be in place.

- **Disaster Financial Instruments**: such instruments include insurance and catastrophic bonds which can facilitate the transfer of risks. Insurance coverage allows for standby funds to be available in emergencies and the project should be insured against natural disasters other shocks. Catastrophic Bonds allow the government to immediately obtain funding in the event of disasters and the triggering event must be defined to ensure that money will be transferred to specific disaster budget escrow accounts.

The identification of funds, sources of funds, and an initial complimentary budget to mitigate wellbeing losses of the people in the surrounding communities (i.e., the project service area) should be included in the PPP development strategy, concept document or prefeasibility study. The user should take care to compile any source or reference documents used and document any assumptions made.

### Development stage

*Guidance currently under preparation.*

### Implementation stage

*Guidance currently under preparation.*

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**ES6.3 Has the project allocated funds to support research, innovation, capacity building and/or awareness programmes? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

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<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to commit to allocating funds to support research, innovation, capacity building and/or awareness programmes. Commitments should include clearly defined targets.</td>
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</tbody>
</table>

Setting aside funds from the project to support research, innovation, capacity building and awareness programmes is a crucial component for ensuring the PPP is responsive to community needs, and able to adapt and respond to disasters as they inevitably occur.

Funds can be used to train and/or deploy qualified staff who are responsible for monitoring environmental sustainability and resilience indicators, the development and deployment of pre-disaster warning systems and sensors, developing technology-based solutions to involve local stakeholders/community groups to propagate confirmed hazard information on a real-time basis, e.g., through social media platforms. (Local people are often great sources of information and can help to predict threats and provide early warning signs of threats – particularly acute shocks – to the PPP.)

Funds can also be allocated to a range of design solutions such as sustainable construction methods and materials to address climate change threats and vulnerabilities such as floods and sea level rise. Often, research into innovative/unique technologies, processes, materials, and methods is required, and without adequate funding being allocated towards these activities, the PPP will likely miss out on excellent opportunities to improve resilience and overall environmental performance.

Funds can also be allocated towards community awareness programmes, and community capacity building programmes. PPPs that work with local communities earn a social license to operate, and can benefit tremendously from local knowledge, skills, and resources. PPPs should in turn work to build greater community
awareness of disaster management and resilience planning and contribute to community capacity building to strengthen the community’s ability to respond, recover and adapt after a disaster.

Commitments to allocating funds to support research, innovation, capacity building and/or awareness programmes, as well as clearly defined targets should be included in the PPP development strategy, concept document or prefeasibility study. The user should take care to compile any source or reference documents used and document any assumptions made.

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<td>Implementation stage</td>
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ES7 ADVANCE COMMUNITY-DRIVEN DEVELOPMENT

Includes mandatory indicators

**Rationale**

**Intent**
Develop a community-driven development programme.

**Metric**
The extent to which the PPP has developed a community-driven development programme aligned with the national disaster mitigation legal framework.

**Description**
Community-driven development (CDD) programmes implement disaster recovery and reconstruction actions, during and after a disaster. This is an essential component of People-first PPPs. Preferably, community-driven development programmes should be aligned with the national disaster mitigation legal framework and should be initiated by government under a Disaster Mitigation Law.

At the project level, the underlying national legal/policy framework under which either the project authorities can take action needs to be identified. However, in the absence of such a law, the project can take the recommended preparatory actions before a natural disaster, emergency actions during a disaster, and recovery and reconstruction actions after a disaster.

The benefits of a CDD programme are significant and include empowering the local communities with greater capacities to deliver quality reconstruction in a cost-effective, equitable, and sustainable manner for local level recovery.

In order to formulate an effective CDD programme, two metrics need to be established.

First, poverty related measures need to be assessed, such as poverty headcount and poverty gap which highlights the experience of the poor and near poor in a disaster. These form an input to financial inclusion, social protection, and support to affected households. Such support includes fund assistance, public and private insurance, and access to credit for the duration of the recovery and reconstruction period. Without timely assistance, chronic poverty will result due to impact disasters have on low income groups.

Second, socio-economic resilience needs to be assessed. This is an indicator that measures the ability of the population to cope with and recover from asset losses. This includes their ability to maintain their consumption for the duration of their recovery, their ability to utilise public emergency grants or borrow to rebuild their asset base recognizing the decreasing returns in consumption, i.e., people who live on $2 per day are more affected by a $1 loss than are better-off individuals.

A CDD programme should ideally be aligned with the national Disaster Mitigation Law, or legal framework which includes policies and regulations, and must include:

(a) Legal and financing provisions to improve effectiveness of emergency response. This requires a thorough examination of the institutional set-up and financial instrument readiness within existing framework of disaster mitigation. Provision for setting up a fund or recurring budget in the law for developing a national plan for warning and managing natural disasters is essential.

(b) A regulatory framework that can facilitate a community-driven development programme, set targets, identify opportunities, specify standards and best practices in order to enhance disaster mitigation, and response and recovery programmes. The effectiveness and accountability of disaster budget expenditures should be regulated to ensure prompt claim payments and sound data management and disbursement of emergency funds to designated disaster recovery accounts.
This Disaster Mitigation Law needs to define the role that the government should play, for example:

- coordinating closely with local key stakeholders, non-governmental organisations (NGOs), local community leaders, and residents;
- facilitating the role of local government to translate the national plan to local plans, focusing on people working together to implement disaster management plans; and
- promoting people-focused policies for a strong foundation on which residents are able to maintain cooperation in difficult times and also shape their perceptions of risk for better preparedness. Local residents after massive earthquakes and floods, for example, have benefitted from community closeness, or strong social capital, which has enabled the prompter and more efficient rebuilding of homes, and led to strong support networks in post disaster recovery and rehabilitation.

Some preliminary assessment is suggested before answering the indicators posed in this benchmark:

- Does planned action or policies benefit the community or affected citizens?
- Is the response effective? Does it expedite recovery from disaster events?
- Are Legal and Regulatory Acts or Decrees responsive enough for disbursement of emergency and/or insurance funds to affected areas to speed up post disaster recovery?
- Is disaster response sufficient and quick enough to save lives, build shelters, homes, restore electricity, and local infrastructure, to promote community resilience?
- Have national agencies and community assessed poverty-related measures and assessed socio-economic resilience indicators, and developed needed infrastructure and preventive measures for preparedness of future disaster events?

For more information on integrating the community in disaster management planning, the following resource may be useful:


### Applicability

This benchmark is applicable to all PPPs. All PPPs should have a community-driven development (CDD) programme in place, aligned with the national disaster mitigation legal framework, to facilitate swifter, more efficient, and better post-recovery rebuilding and rehabilitation. Therefore, projects seeking to be recognised as People-first PPPs are strongly encouraged to address all indicators included in this benchmark (marked with *), which are required to meet the “good practice” performance level, and are encouraged to increasingly move towards adopting “better practice” and “best practice” requirements by addressing all of the indicators included in this benchmark.

### Performance Levels

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
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<tbody>
<tr>
<td>ES7.1 there is 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</td>
<td>ES7.1 there is 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</td>
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</tr>
<tr>
<td>ES7.2 the project has a plan to assess poverty related measures in the community impacted under different disaster scenarios which support development of an effective CDD programme</td>
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<td>ES7.2 the project has a plan to assess poverty related measures in the community impacted under different disaster scenarios which support development of an effective CDD programme</td>
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</table>
ES7.3 The project has a plan to establish a community socio-economic resilience indicator under different disaster scenarios to support the development of an effective CDD programme.

ES7.4 The project is 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.

**Indicators and Guidance to users when replying to the indicator depending on the stage of the project**

**ES7.1** *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?* *(Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the project needs to commit to developing a community driven development (CDD) programme that identifies preparatory actions before, emergency actions during, and recovery and resilience actions after natural and human induced disasters.

For reference: CDD programmes implement disaster recovery and reconstruction actions, during and after a disaster. Such programmes should ideally be aligned with the national disaster mitigation legal framework and should be initiated by government under a Disaster Mitigation Law.

At the project level, the underlying national legal/policy framework under which either the project authorities can take action needs to be identified. However, in the absence of a such a law, the project can take the recommended preparatory actions before a natural disaster, emergency actions during a disaster, and recovery and reconstruction actions after a disaster.

The benefits of a CDD programme are significant and include empowering the local communities with greater capacities to deliver quality reconstruction in a cost-effective, equitable, and sustainable manner for local level recovery.

Commitments to develop a CDD programme should be included in the PPP development strategy, concept document or prefeasibility study.

**Development stage**

*Guidance currently under preparation.*

**Implementation stage**

*Guidance currently under preparation.*

**ES7.2** *Has the project developed a plan to assess poverty related measures to support the development of the CDD programme?* *(Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

This indicator builds on the one prior (ES7.1). To answer “yes” to this question, the project needs to commit to developing a plan to assess poverty related measures to support the development of the community driven development (CDD) programme.

As outlined in the description section for this benchmark (and again here for ease of reference), in order to formulate an effective CDD programme, two metrics need to be established: #1. Poverty related measures need to
be assessed (this is what this indicator is specifically referring to) and #2. Socio-economic resilience needs to be assessed (this is what indicator ES7.3 specifically refers to). Therefore, for this indicator which is related to #1: poverty related measures need to be assessed, such as poverty headcount and poverty gap which highlights the experience of the poor and near poor in a disaster. These form an input to financial inclusion, social protection, and support to affected households. Such support includes fund assistance, public and private insurance, and access to credit for the duration of the recovery and reconstruction period. Without timely assistance, chronic poverty will result due to impact disasters have on low income groups.

Commitments to develop a plan to assess poverty related measures to support the development of the CDD programme should be included in the PPP development strategy, concept document or prefeasibility study.

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ES7.3 *Has the project developed a community socio-economic resilience indicator to support the development of the CDD programme? (Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

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<th>Identification stage</th>
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<tbody>
<tr>
<td>This indicator builds on the two prior indicators (ES7.1 and ES7.2). To answer “yes” to this question, the project needs to commit to developing a community socio-economic resilience indicator to support the development of the driven development (CDD) programme. As outlined in the description section for this benchmark (and again here for ease of reference), in order to formulate an effective CDD programme, two metrics need to be established: #1. Poverty related measures need to be assessed (this is what indicator ES7.2 specifically refers to) and #2. Socio-economic resilience needs to be assessed (this is what this indicator is referring to). Therefore, for this indicator which is related to #2: socio-economic resilience needs to be assessed. This is an indicator that measures the ability of the population to cope with and recover from asset losses. This includes their ability to maintain their consumption for the duration of their recovery, their ability to utilise public emergency grants or borrow to rebuild their asset base recognizing the decreasing returns in consumption, i.e., people who live on $2 per day are more affected by a $1 loss than are better-off individuals. Commitments develop a community socio-economic resilience indicator to support the development of the CDD programme should be included in the PPP development strategy, concept document or prefeasibility study.</td>
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ES7.4 *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? (Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tbody>
<tr>
<td>This indicator builds on the two prior indicators (ES7.1 and ES7.2). To answer “yes” to this question, the project needs to commit to developing a community socio-economic resilience indicator to support the development of the driven development (CDD) programme. As outlined in the description section for this benchmark (and again here for ease of reference), in order to formulate an effective CDD programme, two metrics need to be established: #1. Poverty related measures need to be assessed (this is what indicator ES7.2 specifically refers to) and #2. Socio-economic resilience needs to be assessed (this is what this indicator is referring to). Therefore, for this indicator which is related to #2: socio-economic resilience needs to be assessed. This is an indicator that measures the ability of the population to cope with and recover from asset losses. This includes their ability to maintain their consumption for the duration of their recovery, their ability to utilise public emergency grants or borrow to rebuild their asset base recognizing the decreasing returns in consumption, i.e., people who live on $2 per day are more affected by a $1 loss than are better-off individuals. Commitments develop a community socio-economic resilience indicator to support the development of the CDD programme should be included in the PPP development strategy, concept document or prefeasibility study.</td>
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This indicator builds on the previous indicators (ES7.1 to ES7.3). To answer “yes” to this question, the project and its community driven development (CDD) programme and related targets, opportunities, standards, and best practices need to be aligned with the national Disaster Mitigation Law or another legal framework. Therefore, the project needs to identify the Disaster Mitigation Law or legal framework and develop clear commitments stating how the development of the CDD program shall be aligned with this legal framework.

As discussed in the description section for this benchmark and included again here for reference, a CDD programme should ideally be aligned with the national Disaster Mitigation Law or legal framework which includes policies and regulations, and must include:

(a) Legal and financing provisions to improve effectiveness of emergency response. This requires a thorough examination of the institutional set-up and financial instrument readiness within existing framework of disaster mitigation. Provision for setting up a fund or recurring budget in the law for developing a national plan for warning and managing natural disasters is essential.

(b) A regulatory framework that can facilitate a community-driven development programme, set targets, identify opportunities, specify standards and best practices in order to enhance disaster mitigation, and response and recovery programmes. The effectiveness and accountability of disaster budget expenditures should be regulated to ensure prompt claim payments and sound data management and disbursement of emergency funds to designated disaster recovery accounts.

This Disaster Mitigation Law needs to define the role that the government should play, for example:

- coordinating closely with local key stakeholders, non-governmental organisations (NGOs), local community leaders, and residents;
- facilitating the role of local government to translate the national plan to local plans, focusing on people working together to implement disaster management plans; and
- promoting people-focused policies for a strong foundation on which residents are able to maintain cooperation in difficult times and also shape their perceptions of risk for better preparedness. Local residents after massive earthquakes and floods, for example, have benefitted from community closeness, or strong social capital, which has enabled the prompter and more efficient rebuilding of homes, and led to strong support networks in post disaster recovery and rehabilitation.

The identification of the Disaster Mitigation Law or legal framework and the commitments stating how the development of the CDD program shall be aligned with this legal framework should be included in the PPP development strategy, concept document or prefeasibility study. The user should take care to compile any source or reference documents used, and note any assumptions made when undertaking this preparatory work.

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Replicability (RE)

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”.

Three benchmarks and 12 related indicators are used to assess project performance against the Replicability People-first outcome area:

<table>
<thead>
<tr>
<th>Replicability</th>
<th>RE1 ENCOURAGE REPLICABILITY AND SCALABILITY</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>RE2 ENHANCE GOVERNMENT, INDUSTRY AND COMMUNITY CAPACITY</td>
</tr>
<tr>
<td></td>
<td>RE3 SUPPORT INNOVATION AND TECHNOLOGY TRANSFER</td>
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<table>
<thead>
<tr>
<th>Replicability</th>
<th>3 benchmarks</th>
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<tr>
<td></td>
<td>12 indicators</td>
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</table>
RE1 ENCOURAGE REPLICABILITY AND SCALABILITY
Includes mandatory indicators

**Rationale**

**Intent**
Assess the replicability and scalability of the project to increase the number of people served, the number of successfully PPPs globally, and to improve economies of scale.

**Metric**
The extent to which the PPP can be scaled and/or replicated.

**Description**
Two main concepts are presented in this benchmark: replicability and scalability. In the context of this benchmark, both concepts go hand-in-hand.

**Replicability**
If a project has proven to work in one country, region, or sector, it is a potential candidate to be exported to other countries, regions, or sectors. While differences, often significant, between countries exist, and differences can and do exist between different parts of the same country, effective, proven PPPs will often be capable of being replicated elsewhere and could even be replicated in other sectors. Replicability is an important concept in PPPs as many pitfalls can be avoided, and many positive outcomes achieved, as a direct result of looking elsewhere to see if a solution to a particular problem has been successfully implemented elsewhere. Looking first to see if a solution exists that might be replicable in a given country, region, or sector can save time and money, and can help PPPs avoid problems in project development and implementation that have been solved elsewhere.

**Scalability**
Projects that impact a few thousand people are positive and should be encouraged; however, PPPs that are capable of being scaled to benefit hundreds of thousands or more is preferred, especially given the significant infrastructure and public service gaps that exist globally. Scalability is not always possible or as easy for smaller organisations compared with larger, well-funded ones; however, looking for ways to scale a project so that it will impact more people is desirable. Care should be taken to ensure that project scalability does not come at the expense of higher environmental costs, such as increased waste; air, water, and soil pollution; and noise. The size of a project should also be suitable in the context of the host and affected communities. Achieving replicability and scalability of People-first PPPs will help to exponentially advance successes in achieving the Sustainable Development Goals.

**Applicability**
All People-first PPPs should look for ways in which to replicate and/or scale ideas, concepts, and projects that have been proven elsewhere, and/or contribute knowledge such that they can be replicated and scaled elsewhere. Projects seeking to be recognised as People-first PPPs are strongly encouraged to address all indicators included in this benchmark (marked with *), which are required to meet the “good practice” performance level, and are encouraged to increasingly move towards adopting “better practice” and “best practice” requirements by addressing all of the indicators included in this benchmark.

**Performance Levels**

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
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<tbody>
<tr>
<td><strong>RE1.1</strong> the PPP has conducted an assessment of opportunities for replicability and/or scalability</td>
<td><strong>RE1.1</strong> the PPP has conducted an assessment of opportunities for replicability and/or scalability</td>
<td><strong>RE1.1</strong> the PPP has conducted an assessment of opportunities for replicability and/or scalability</td>
</tr>
<tr>
<td><strong>RE1.2</strong> the project is replicable and/or scalable allowing for potential economies of scale and affording wider benefits across the economy</td>
<td><strong>RE1.2</strong> the project is replicable and/or scalable allowing for potential economies of scale and affording wider benefits across the economy</td>
<td><strong>RE1.2</strong> the project is replicable and/or scalable allowing for potential economies of scale and affording wider benefits across the economy</td>
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</tbody>
</table>
RE1.3 environmental impacts associated with project replicability and/or scalability have been assessed and addressed by the project
AND/OR
RE1.4 social impacts associated with project replicability and/or scalability have been assessed and addressed by the project

AND
RE1.4 social impacts associated with project replicability and/or scalability have been assessed and addressed by the project
RE1.5 the project is able to increase revenue and/or reduce costs over its lifecycle as a result of optimized design, resource efficiency, appropriate commercialisation and/or the implementation of an innovative business model

### Indicators and Guidance to users when replying to the indicator depending on the stage of the project

**RE1.1 Has the PPP assessed opportunities for replicability and/or scalability? * (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
<th>Development stage</th>
<th>Implementation stage</th>
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</table>
| To answer “yes” to this question, the project needs to commit to exploring opportunities for project replicability and/or scalability.
In addition, the project needs to begin conducting a preliminary assessment of any replicability and/or scalability opportunities, noting that the assessment of such opportunities will be further refined during the development stage of the project.
The terms replicability and scalability are explained in the description section of this benchmark, and below for ease of reference:

**Replicability:** If a project has proven to work in one country, region, or sector, it is a potential candidate to be exported to other countries, regions, or sectors. Replicability is an important concept in PPPs as many pitfalls can be avoided, and many positive outcomes achieved, as a direct result of looking elsewhere to see if a solution to a particular problem has been successfully implemented elsewhere. Looking first to see if a solution exists that might be replicable in a given country, region, or sector can save time and money, and can help PPPs avoid problems in project development and implementation that have been solved elsewhere.

**Scalability:** Projects that impact a few thousand people are positive and should be encouraged; however, PPPs that are capable of being scaled to benefit hundreds of thousands or more is preferred, especially given the significant infrastructure and public service gaps that exist globally. Scalability is not always possible or as easy for smaller organisations compared with larger, well-funded ones; however, looking for ways to scale a project so that it will impact more people is desirable. Care should be taken to ensure that project scalability does not come at the expense of higher environmental costs, such as increased waste; air, water, and soil pollution; and noise. The size of a project should also be suitable in the context of the host and affected communities.
Commitments to exploring opportunities for project replicability and/or scalability, as well as a preliminary assessment of opportunities should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation. The project should take care to compile and source materials or reference documents used, and document any assumptions that were used.

RE1.2  *Is the project replicable and/or scalable, allowing for potential economies of scale and affording wider benefits across the economy? (Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to first satisfy the requirements for indicator RE1.1. In addition, the project needs to explicitly commit to taking advantage of any opportunities for replicability and/or scalability (as identified in RE1.1) that could allow for potential economies of scale and the provision of wider benefits across the economy. Such commitments should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.</td>
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<th>Development stage</th>
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<td>Guidance currently under preparation.</td>
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<td>Guidance currently under preparation.</td>
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RE1.3  *Have the potential environmental impacts associated with project replicability and/or scalability been assessed? (Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to first satisfy the requirements for indicator RE1.1. In addition, the project needs to explicitly commit to assessing the potential environmental impacts associated with such opportunities (e.g., a “larger” project could have more significant environmental consequences than a “smaller” project, especially if more land area is required for the project, or a “larger” project could lead to more pollution than a “smaller” project) and needs to begin undertaking a preliminary assessment of environmental impacts, noting that such an assessment will likely be further refined during project development. Commitments and preliminary assessments of environmental impacts associated with replicability and scalability opportunities should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.</td>
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<tr>
<th>Development stage</th>
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<th>Implementation stage</th>
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<tr>
<td>Guidance currently under preparation.</td>
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</table>

RE1.4  *Have the potential social impacts associated with project replicability and/or scalability been assessed? (Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to first satisfy the requirements for indicator RE1.1. In addition, the project needs to explicitly commit to assessing the potential social impacts associated with such opportunities (e.g., a “larger” project could lead to more significant temporary or permanent disruptions such as noise, vibrations, views, and/or impede upon local character for the community more than a “smaller”, less intrusive project might) and needs to begin undertaking a preliminary assessment of social impacts, noting that such an assessment will likely be further refined during project development. Commitments and preliminary assessments of social impacts associated with replicability and scalability opportunities should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.</td>
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<th>Development stage</th>
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<th>Implementation stage</th>
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<tr>
<td>Guidance currently under preparation.</td>
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</table>
**Guidance currently under preparation.**

**RE1.5 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? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Guidance</th>
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<tbody>
<tr>
<td><strong>Identification stage</strong></td>
<td>To answer “yes” to this question, the project needs to commit to taking advantage of any viable opportunities to increase revenues and/or reduce costs over the life of the project through <em>inter alia</em> an optimised project design, more efficient use of resources, ensuring an appropriate commercial model for the project, and/or implementing an innovative business model for the project. (The latter – implementing an innovative business model – may also qualify the project for bonus points within benchmark RE3). Any commitments made must explicitly acknowledge that taking advantage of such opportunities cannot be done at the expense of the environment or the community without adequate compensation or mitigation (i.e., they cannot lead to greater environmental or social impacts). In addition to making commitments to take advantage of viable opportunities to increase revenues and/or reduce costs over the life of the project, the project also to begin identifying and analysing any currently identified opportunities to increase revenue and/or reduce costs over its lifecycle. Such commitments and preliminary analyses (if able to be conducted at this stage of the project) should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation. <strong>Development stage</strong> Guidance currently under preparation. <strong>Implementation stage</strong> Guidance currently under preparation.</td>
</tr>
</tbody>
</table>
Rationale

Intent Ensuring that, beyond quantitative economic benefits, the project, government and local community will benefit from the transfer of proven technologies, skills, and/or knowledge/know-how as a result of the PPP.

Metric The extent to which the project, government and local community benefits from the transfer of proven technologies, skills, and/or knowledge/know-how as a result of the project.

Description The involvement of the private sector in public service and infrastructure delivery is an excellent opportunity to import proven technologies, skills, knowledge/know-how that has been successfully implemented elsewhere.

PPPs are mechanisms to leverage and enable the use of, inter alia private sector expertise, resources, and technologies, leading to the potential for development and crucial advancements within the host country that may otherwise not be achieved.

For additional information and guidance on PPPs and how they enable technology transfer, or the transfer of skills, and/or knowledge/know-how, the following references may be useful:

(i) Fanny Saruchera and Maxwell A Phiri’s Technological Innovation Performance and Public-Private Partnerships paper, 2016, available here: https://pdfs.semanticscholar.org/98e2/e036e3d69c0940960fd4c0ab4b005ed8a10.pdf


Capacity building is a key concept explored in this benchmark. Well-structured People-first PPPs should include mechanisms to ensure capacity is built at the government level, project/industry level, and at the community level.

Some examples:

- **Government capacity building**: the project has resulted in the private party obtaining access to capacity building programmes, training, transfer of skills and technology or other educational activities from donors, third-parties, or gaining technical assistance from another government or international agency that leads to an increase in capacity (e.g., within PPP units) and government effectiveness to deliver future projects. Projects that include training and the transfer of skills/know-how or other capacity building measures can enhance government effectiveness, transparency and local capacity and/or regulatory quality; and enables the replicability of PPP projects within an industry or across sectors.

- **Project/industry capacity building**: the private party and/or project financiers provide or facilitate the transfer of skills, technology and training to the public party, independent professionals and local businesses that result in: increased project or industry capacity (that is, the service/works will be able to be delivered by local personnel without foreign assistance or personnel); new or enhanced industry/sectoral standards; enhanced or new regulatory frameworks, etc., therefore enabling potential replicability or scalability of PPP projects.

- **Community capacity building**: the project contributes knowledge, skills, technical expertise, know-how and improves access to opportunities for local people, including women, marginalised and vulnerable groups, local non-profit and/or non-governmental organisations, formal and informal community associations, etc.
which enhances community capacity and enables the replicability and/or scalability of PPP projects.

**Applicability**

Since PPPs typically involve the transfer of technologies, skills, or other knowledge/know-how that contributes to government, project/industry and/or community capacity and leads to improved efficiencies and capacity of all partners and stakeholders, this benchmark is applicable to all PPPs. Projects seeking to be recognised as People-first PPPs are strongly encouraged to address all indicators included in this benchmark (marked with *), which are required to meet the “good practice” performance level, and are encouraged to increasingly move towards adopting “better practice” and “best practice” requirements by addressing all of the indicators included in this benchmark.

**Performance Levels**

<table>
<thead>
<tr>
<th>Good Practice</th>
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<tbody>
<tr>
<td><strong>RE2.1</strong> opportunities for the transfer of technologies, skills, knowledge/know-how from the private party to the public party and/or local community stakeholders have been assessed</td>
<td><strong>RE2.1</strong> opportunities for the transfer of technologies, skills, knowledge/know-how from the private party to the public party and/or local community stakeholders have been assessed and successfully implemented</td>
<td><strong>RE2.1</strong> opportunities for the transfer of technologies, skills, knowledge/know-how from the private party to the public party and/or local community stakeholders have been assessed and successfully implemented</td>
</tr>
<tr>
<td><strong>RE2.2</strong> the PPP increases government capacity and/or project/industry capacity</td>
<td><strong>RE2.2</strong> the PPP increases government capacity and/or project/industry capacity</td>
<td><strong>RE2.2</strong> the PPP increases government capacity and/or project/industry capacity</td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td></td>
<td><strong>AND</strong></td>
</tr>
<tr>
<td><strong>RE2.3</strong> the PPP increases local community capacity</td>
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</table>

**Indicators and Guidance to users when replying to the indicator depending on the stage of the project**

**RE2.1** *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* [1] been assessed and/or successfully implemented? * (Y/N)

[1] e.g., local private sector businesses and industry groups, women, marginalised and vulnerable groups, local non-profit and/or non-governmental organisations, formal and informal community associations, etc.

**Guidance to users when replying to the indicator depending on the stage of the project**

- **Identification stage**

  To answer “yes” to this question, the public party needs to:

  a) Develop clear stated objectives pertaining to the transfer of knowledge/know-how, technologies and skills from the private party to the public party and/or local community stakeholders (e.g., local private sector businesses and industry groups, women, marginalised and vulnerable groups, local NGOs, formal and informal community associations)

  b) If it is possible to do so during project identification, the project also needs to conduct an initial/preliminary assessment of any opportunities for knowledge/know-how, technologies and skills transfer (e.g., to determine the actual need for them, and their importance or viability).

  “Good practice” performance requires commitments and/or an initial assessment of opportunities only. “Better practice” and “best practice” requires the actual implementation of knowledge/know-how, technology transfer, and/or skills transfer from the private party to the public party and/or community stakeholders which may be difficult if not impossible to demonstrate at the identification stage, unless an initial/preliminary assessment of such opportunities results in some that are extremely likely to be implemented on the project, in which case, the project may be able to select “better practice” or “best practice” for this indicator.
Stated objectives and any initial/preliminary assessments should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

### Development stage
Guidance currently under preparation.

### Implementation stage
Guidance currently under preparation.

#### RE2.2 Does the PPP increase government capacity \(^1\), and/or project/industry capacity \(^2\)? (Y/N)

\(^1\) i.e., enhancing institutional efficiency and government effectiveness and/or regulatory quality
\(^2\) i.e., enhancing project or industry 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.

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
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<tr>
<th>Identification stage</th>
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<th>Guidance currently under preparation.</th>
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<tr>
<td></td>
<td>Implementation stage</td>
<td>Guidance currently under preparation.</td>
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</table>

#### RE2.3 Does the PPP increase local community capacity \(^1\)? (Y/N)

\(^1\) e.g. local community capacity in terms of improved transparency, public participation, equality, regulatory quality, human rights, etc.

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
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<td>Implementation stage</td>
<td>Guidance currently under preparation.</td>
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</table>
**Rationale**

**Intent**
To recognise and reward projects that implement innovative methods, technologies, or processes; and/or include technology transfer; and/or are able to take advantage of other opportunities to more broadly enhance capacity, efficiency and effectiveness; and/or pursue third-party verification to validate sustainability and resilience achievements.

**Metric**
Whether or not (and the extent to which) the project implements innovative methods, technologies, or processes; and/or includes technology transfer in the PPP contract and/or is able to take advantage of other opportunities to enhance capacity, efficiency and effectiveness; and/or pursues third-party verification to validate sustainability and resilience achievements.

**Description**
There are four (4) specific ways in which PPPs are able to earn additional recognition in the form of bonus points (each of which is described in the following paragraphs):

1. Demonstrating innovation
2. Including a transfer of technology from the private party to the public party
3. Pursuing third-party verification to validate sustainability and resilience achievements
4. Making the most of previously unforeseen or unanticipated opportunities to enhance the capacity, efficiency and effectiveness

**Demonstrating Innovation**

People-first PPPs provide excellent opportunities to explore the development and implementation of innovative methods, technologies and/or processes.

Innovation can lead to improved project outcomes; help projects overcome significant problems, barriers, or limitations; and/or create scalable and transferrable solutions that will benefit others and spur much needed advancements in a given country/region or sector.

Innovation in the context of this benchmark refers to the implementation of methods, technologies and processes that are novel in their use, application, or within the local regulatory, political, cultural, or sectoral context of the project.

Projects may demonstrate innovation in several ways including:

(i) The project is an early adopter of new technologies or methods that demonstrably improve project outcomes without negative trade-offs; and/or

(ii) The project implements methods, technologies, or processes that may be commonly used and/or considered best practice in other countries or regions but within the context of the project (e.g., regulatory, political, cultural and/or sectoral) have not gained acceptance or wide-spread use and therefore provide a precedent for future adoption; and/or

(iii) The project includes research and the dissemination of knowledge as key goals/objectives.

Innovation for the sake of innovation is not sufficient in the context of this benchmark; innovation must also serve a purpose. To that end, projects must also demonstrate that the implementation of innovative methods, technologies, and processes accomplishes one or both of the following:

(i) Eliminates or substantially reduces significant problems, barriers and/or limitations that previously hampered the use of the new methods, technologies and/or processes implemented on the project;
(ii) Creates scalable and transferrable solutions that will benefit other projects and/or spur advancements in the country/region or sector.

Including a transfer of technology from the private party to the public party

In addition to supporting innovation, this benchmark also encourages PPPs to include a transfer of technology from the private party to the public party to contribute to more inclusive growth, sustainability, and replicability.

Making the most of previously unforeseen or unanticipated opportunities to enhance the capacity, efficiency and effectiveness

This benchmark also encourages PPPs to recognise and take advantage of opportunities to enhance the capacity, efficiency and effectiveness of the public and private sectors and/or the local community 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/service delivery standards;
- new or improved health care standards;
- new or improved worker and/or public safety standards;
- implementing broad policy changes; and/or
- incorporating People-first principles into PPP legislation.

Applicability

This benchmark may not be relevant or applicable to all PPP projects. In such cases, projects shall not be penalised for not pursuing this benchmark. Points associated with this benchmark are discretionary and act as “bonus percentage points” which are added to the total overall score.

Performance Levels

<table>
<thead>
<tr>
<th>Good Practice</th>
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<th>Best Practice</th>
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<tbody>
<tr>
<td>The project achieves one of the following:</td>
<td>The project achieves two of the following:</td>
<td>The project achieves three of the following:</td>
</tr>
<tr>
<td><strong>RE3.1</strong> an innovative method, technology, or process has been implemented on the project that eliminates or substantially reduces significant problems, barriers, or limitations and/or create scalable and transferrable solutions AND/OR</td>
<td><strong>RE3.1</strong> an innovative method, technology, or process has been implemented on the project that eliminates or substantially reduces significant problems, barriers, or limitations and/or create scalable and transferrable solutions AND/OR</td>
<td><strong>RE3.1</strong> an innovative method, technology, or process has been implemented on the project that eliminates or substantially reduces significant problems, barriers, or limitations and/or create scalable and transferrable solutions AND/OR</td>
</tr>
<tr>
<td><strong>RE3.2</strong> the PPP includes a transfer of technology that contributes to inclusive growth, sustainability and replicability AND/OR</td>
<td><strong>RE3.2</strong> the PPP includes a transfer of technology that contributes to inclusive growth, sustainability and replicability AND/OR</td>
<td><strong>RE3.2</strong> the PPP includes a transfer of technology that contributes to inclusive growth, sustainability and replicability AND/OR</td>
</tr>
<tr>
<td><strong>RE3.3</strong> the project has publicly committed to, is in the process of pursuing, or has already achieved recognition for its sustainability and resilience achievements by a credible, globally and/or industry recognised organisation AND/OR</td>
<td><strong>RE3.3</strong> the project has publicly committed to, is in the process of pursuing, or has already achieved recognition for its sustainability and resilience achievements by a credible, globally and/or industry recognised organisation AND/OR</td>
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</tr>
<tr>
<td><strong>RE3.4</strong> other opportunities arising from the PPP to enhance the capacity, efficiency, and effectiveness of public and private sector and/or the local AND/OR</td>
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</table>
### Indicators and Guidance to users when replying to the indicator depending on the stage of the project

**RE3.1** *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? (Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

<table>
<thead>
<tr>
<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to have identified one or more innovative methods, technologies and/or processes that could be included in the project.</td>
<td></td>
</tr>
<tr>
<td>To determine if something can qualify as “innovation”, the following guidance must be adhered to:</td>
<td></td>
</tr>
<tr>
<td>Innovation in the context of this benchmark refers to the implementation of methods, technologies and processes that are novel in their use, application, or within the local regulatory, political, cultural, or sectoral context of the project. Innovation can be demonstrated in several ways including the project being an early adopter of new technologies or methods that demonstrably improve project outcomes without negative trade-offs; and/or implementing methods, technologies, or processes that may be commonly used and/or considered best practice in other countries or regions but within the context of the project (e.g., regulatory, political, cultural and/or sectoral) have not gained acceptance or wide-spread use and therefore provide a precedent for future adoption; and/or including research and the dissemination of knowledge as key goals/objectives in the project.</td>
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<tr>
<td>In addition to identifying one or more innovative methods, technologies and/or processes that could be included in the project, the project needs to develop preliminary metrics that will be used to evaluate the contribution of the innovation to project outcomes.</td>
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<tr>
<td>Identified opportunities and proposed metrics should be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.</td>
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**RE3.2** *Does the PPP include a transfer of technology that contributes to inclusive growth, sustainability and replicability? (Y/N)*

**Guidance to users when replying to the indicator depending on the stage of the project**

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<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to have identified one or more opportunities to include in the project a transfer of technology that has the potential to contribute to inclusive growth, sustainability and replicability.</td>
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<tr>
<td>In addition to identifying one or more opportunities to include technology transfer as part of the project, the project needs to develop preliminary metrics that will be used to evaluate the contribution of the technology transfer to inclusive growth, sustainability and replicability need to be developed.</td>
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RE3.3 Has the project pursued or intends to pursue recognition [1] that resulted or will result in the project being recognised [2] for its contributions to sustainability and resiliency? (Y/N)

[1] i.e., through a credible, globally and/or industry recognised organisation that provides a project verification and/or certification programme, such as the scheme proposed by 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)

[2] i.e., a formal “award”, “certification”, “verification” or equivalent designation

**Guidance to users when replying to the indicator depending on the stage of the project**

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| To answer “yes” to this question, the project needs to publicly commit to pursing recognition for sustainability and resiliency (i.e., a formal “award”, “certification”, “verification” or equivalent designation) from a credible, globally and/or industry recognised organisation (including UNECE and other organisations with comprehensive frameworks, rating systems or evaluation methodologies that have been used to validate or verify the sustainability and resiliency of infrastructure and/or buildings, noting that material-specific or process-based certifications do not qualify for this indicator).

Public commitments to pursuing recognition for sustainability and resiliency should be on the project’s website or other publicly available document or website, and/or included in the project’s Statement of Intent, and should also be included in the PPP development strategy, concept document, prefeasibility study, or equivalent documentation.

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RE3.4 Have other opportunities arising from the PPP [1] to enhance the capacity, efficiency, and effectiveness of public and private sector and/or the local community been initiated or implemented? (Y/N)

[1] “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 principles into PPP legislation.

**Guidance to users when replying to the indicator depending on the stage of the project**

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| To answer “yes” to this question, the project needs to commit to, or explicitly convey its willingness to, review any opportunities as they arise that could enhance the capacity, efficiency and effectiveness of the public and private sector and/or the local community.

In the context of this indicator, “other opportunities” include those that may not be anticipated or able to be anticipated during project identification but could 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 principles into PPP legislation.

Such commitments should be included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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Stakeholder Engagement (SE)

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\(^{12}\)) and its Protocol on Pollutant Release and Transfer Registers (Kyiv Protocol\(^{13}\)), which empower people with the rights to access information, participate in decision-making in environmental matters and to seek justice.

Four benchmarks and 15 related indicators are used to assess project performance against the Stakeholder Engagement People-first outcome area:

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<th>PLAN FOR STAKEHOLDER ENGAGEMENT AND PUBLIC PARTICIPATION</th>
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<tr>
<td>4 benchmarks</td>
<td>SE2</td>
<td>MAXIMISE STAKEHOLDER ENGAGEMENT AND PUBLIC PARTICIPATION</td>
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<tr>
<td>15 indicators</td>
<td>SE3</td>
<td>PROVIDE TRANSPARENT AND QUALITY PROJECT INFORMATION</td>
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<td></td>
<td>SE4</td>
<td>MANAGE PUBLIC GRIEVANCES AND END USER FEEDBACK</td>
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SE1 PLAN FOR STAKEHOLDER ENGAGEMENT AND PUBLIC PARTICIPATION
Includes mandatory indicators

Rationale

Intent
To identify stakeholders, and plan for stakeholder engagement and public participation throughout the life of the project.

Metric
The identification of stakeholders (including the public), and the establishment of sound and meaningful stakeholder engagement and public participation plans.

Description
PPPs involve an array of stakeholders and interconnected relationships. For example, the public party, or procuring authority, will have a relationship with the private party (or consortium of private firms) involved in project development and implementation. Close collaboration and effective engagement between these parties is essential; however, stakeholder engagement in the context of this benchmark goes well beyond this relationship and includes an array of other stakeholders, including the public that need to be adequately informed about the project and involved in project decision-making.

The focus of this benchmark is on planning for effective and meaningful stakeholder engagement and public participation (subsequent benchmarks address the implementation of stakeholder engagement and public participation plans, and the outcomes from stakeholder engagement and public participation).

The starting point for effective and meaningful stakeholder engagement and public participation is the development of a stakeholder engagement and public participation plan that takes into account the array of stakeholders who could be affected/impacted by the project either directly or indirectly, and establishing plans to effectively engage them, taking into account their particular needs, goals, and issues. Effective and meaningful stakeholder engagement and public participation should also be done early on in project identification and planning, and continued throughout project development, and implementation. Stakeholder engagement and public participation plans should, therefore, consider stakeholders (including the public) during each stage of the project’s lifecycle, and should consider how stakeholder engagement processes and public participation might shift during each project stage.

Relationship building is a key component of stakeholder engagement and public participation and is crucial to the success of People-first PPPs. While many PPPs include some form of stakeholder engagement and public participation, this benchmark encourages People-first PPPs to go above and beyond minimal requirements and explore ways to more meaningfully engage a wider variety of stakeholders, including the public. PPPs that fail to meaningfully engage stakeholders and encourage public participation risk project failures – for example, they may fail to notice demographic, cultural, socioeconomic, environmental, political and other shifts within the community that may impact the overall success of the PPP.

Proactive, early, and sustained stakeholder engagement and public participation throughout the project’s lifecycle helps the private and public sector parties responsible for developing and implementing the PPP earn a social license to operate (SLO). SLO refers to the ongoing acceptance of the PPP by stakeholders (e.g., the community, the general public) which is developed through a process of mutual respect and trust. This can be accomplished effective and meaningful stakeholder engagement and public participation.

Key concepts explored in this benchmark include stakeholders and stakeholder mapping (noting that in the context of this benchmark, “the public” is considered a stakeholder); different types of engagement, moving from more passive forms of engagement to more active forms, depending on the needs of the stakeholder and the stage of the project; and the establishment of an independent oversight committee to monitor the effectiveness of the stakeholder engagement and public participation over the life of the project. Each of these concepts is explained in the following paragraphs.
Stakeholders and Stakeholder Mapping

In order to ensure stakeholder engagement and public participation is fair, inclusive, and equitable, it is important for People-first PPPs to identify all stakeholders, including the public, so they can be given the opportunity to participate effectively in project decision making. Stakeholders include but are not limited to:

- 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 (e.g., operations and maintenance contractors, construction contractors);
- Non-governmental organisations;
- Formal and informal community-based associations (e.g., neighbourhood associations, local conservation authorities, others);
- Media and the general public;
- Indigenous, sovereign, and self-governing peoples; and
- People from marginalised and vulnerable groups, including women.

All stakeholders must be identified, classified (e.g., primary or secondary stakeholders), and prioritised in a fair and equitable fashion. This is an essential component of stakeholder mapping, a process of laying out all of the stakeholders of the PPP—including women, marginalised and vulnerable groups and the general public who could be affected by or interested in the project—to get a representation of how they are connected to the project and each other, and the degree to which they can influence project outcomes or be affected by/interested in the project.

For additional information and guidance on identifying, classifying and prioritising stakeholders, and the importance of stakeholder engagement and public participation in PPPs, the following references may be useful:


(iii) APMG International Who are the Stakeholders guidance, available here: https://ppp-certification.com/ppp-certification-guide/121-who-are-stakeholders


Stakeholder Engagement and Public Participation Plan
Once stakeholders are identified, a stakeholder engagement plan (including public participation) needs to be developed for the PPP. A stakeholder engagement plan is a formal strategy to communicate with project stakeholders (including the public) to achieve their support and buy-in for the project, and to ensure stakeholders and the public are able to effectively participate in project decision-making. Such a plan will specify how, when and where stakeholders will be engaged and the type(s) of information that will be shared with and/or solicited from stakeholders. Principles of effective stakeholder engagement planning include *inter alia*:

- Taking into account the different needs, goals, and issues of each identified stakeholder (including the public);
- Taking into account the different stages of the project’s lifecycle to ensure early and sustained engagement with stakeholders, and how stakeholder needs, goals, issues and requirements for information may change as the project progresses;
- Taking into account the broad range of issues the PPP needs to address through stakeholder engagement and public participation (e.g., social, cultural, economic, and/or environmental);
- Ensuring different forms of engagement/communications are considered for each stakeholder, where proactive approaches to engagement and participation are duly considered (e.g., active outreach and a determined approach to reach stakeholders, rather than passive invitations to participation such as public notices with little to no follow up to ensure a robust interaction with stakeholders);
- Ensuring stakeholder engagement and public participation strategies move beyond one-way communications (e.g., telling stakeholders/the public about the project) to more active forms of dialogue, where stakeholders (including the public) have opportunities to provide input about the project that could influence outcomes;
- Ensuring stakeholders have sufficient opportunities to be involved in project decision-making; and
- Ensuring stakeholders are able to access information and participate in decision-making including in matters pertaining to the environment (e.g., per the Aarhus Convention14 and Kyiv Protocol15).

**Establishment of an independent oversight committee**

This benchmark also talks about the establishment of an independent oversight committee as part of planning for effective and meaningful stakeholder engagement. In the context of this benchmark, an independent oversight committee is a committee responsible for overseeing and monitoring the effectiveness of the stakeholder engagement process, and the publication and dissemination of project information especially as related to the People-first outcomes (access and equity, economic effectiveness and fiscal sustainability, environmental sustainability and resilience, replicability, and stakeholder engagement). Establishing such a committee may not be realistic or necessary for all PPPs, but may be necessary for some (e.g., larger, potentially more contentious projects, or more complex projects). An independent oversight committee needs to have clear roles and responsibilities, established term limits, should make decisions by consensus. Members of the independent oversight committee need to be free from real or perceived conflicts of interest and committee representation should be made up of local stakeholders and women (i.e., 50% or more and 40% or more respectively).

**Applicability**

This benchmark is applicable to all PPPs; therefore, all projects seeking to be recognised as a People-first PPP must respond to the mandatory indicators (marked with *) included in this benchmark which are required to meet the “good practice” performance level, and are encouraged move towards meeting the “better practice” and “best practice” performance levels, by addressing all indicators included in this benchmark where possible.

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Performance Levels

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Better Practice</th>
<th>Best Practice</th>
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<tbody>
<tr>
<td><strong>SE1.1</strong> a stakeholder mapping exercise has been conducted to determine all stakeholders directly and indirectly affected by and/or interested in the project</td>
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<tr>
<td><strong>SE1.2</strong> a basic stakeholder engagement and public participation plan has been developed for the PPP that takes into account the needs of each stakeholder and considers the broad range of project issues that need to be addressed</td>
<td><strong>SE1.2</strong> a robust/detailed stakeholder engagement and public participation plan has been developed for the PPP that takes into account the needs of each stakeholder and considers the broad range of project issues that need to be addressed</td>
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<tr>
<td><strong>SE1.3</strong> stakeholder engagement and public participation metrics have been established to measure the effectiveness and inclusiveness of the stakeholder engagement and public participation process</td>
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<tr>
<td><strong>SE1.4</strong> the project has established an independent oversight committee responsible for overseeing and monitoring the effectiveness of the stakeholder engagement process, and the publication and dissemination of project information</td>
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### Indicators and Guidance to users when replying to the indicator depending on the stage of the project

**SE1.1 Has the PPP undertaken a stakeholder mapping exercise to determine all stakeholders [1] directly and indirectly affected by and/or interested in the project? * (Y/N)**

[1] 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 (e.g., operations and maintenance contractors, construction contractors); non-governmental organisations; formal and informal community-based associations (e.g., neighbourhood associations, local conservation authorities, others); media and the general public; indigenous peoples; people from marginalised and vulnerable groups, including women.

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the project needs to identify all stakeholders that have the potential to be directly and indirectly affected by and/or interested in in the project. This initial identification of stakeholders needs to be inclusive, noting that as the project progresses through development and implementation the list of stakeholders will likely be further refined and/or expanded upon.

Projects are expected to identify a wide range of stakeholders, including:

- 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 (e.g., operations and maintenance contractors, construction contractors);
- Non-governmental organisations;
- Formal and informal community-based associations (e.g., neighbourhood associations, local conservation authorities, others);
- Media and the general public;
- Indigenous, sovereign, and self-governing peoples; and
- People from marginalised and vulnerable groups, including women.

In addition to developing an inclusive list of stakeholders, the project needs to consider how to classify them and ensure they, and their needs, are prioritised in a fair and equitable fashion. This is an essential component of stakeholder mapping, a process of laying out all of the stakeholders of the PPP—including women, marginalised and vulnerable groups and the general public who could be affected by or interested in the project—to get a representation of how they are connected to the project and each other, and the degree to which they can influence project outcomes or be affected by/interested in the project.

A number of resources were included in the description section for this benchmark, which have been included again here for ease of reference. These resources provide additional guidance on identifying, classifying and prioritising stakeholders, and the importance of stakeholder engagement and public participation in PPPs:


This stakeholder mapping exercise should be undertaken as part of and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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**SE1.2 Has a stakeholder engagement plan (including public participation) been developed for the PPP, that takes into account the specific needs of each stakeholder[^1], and considers the broad range of project issues that need to be addressed[^2]? *(Y/N)*

[^1]: this indicator builds on SE1.1. All stakeholders (including the public) identified in SE1.1 must be accounted for within the stakeholder engagement and public participation plan
[^2]: project issues to be accounted for include social, cultural, economic, environmental, and all other issues related to the People-first outcomes

**Guidance to users when replying to the indicator depending on the stage of the project**

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<tr>
<th>Identification stage</th>
<th><strong>This indicator builds on SE1.1. To answer “yes” to this question, requirements outlined in SE1.1 must first be achieved.</strong></th>
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</table>
Once a stakeholder mapping exercise has been completed, the project then needs to develop a stakeholder engagement and public participation plan.

During the project identification stage, this could be a preliminary or basic plan, noting that such a plan will need to be further refined and/or expanded upon during project development. However, an initial plan must be established as stakeholder engagement and public participation is important during all stages of a project, including during the identification stage, where stakeholder needs, interests, and issues need to be thoroughly and properly taken into account.

A stakeholder engagement plan is a formal strategy to communicate with project stakeholders (including the public) to achieve their support and buy-in for the project, and to ensure stakeholders and the public are able to effectively participate in project decision-making. Such a plan will specify how, when and where stakeholders will be engaged and the type(s) of information that will be shared with and/or solicited from stakeholders.

Principles of effective stakeholder engagement planning include *inter alia*:

- Taking into account the different needs, goals, and issues of each identified stakeholder (including the public);
- Taking into account the different stages of the project’s lifecycle to ensure early and sustained engagement with stakeholders, and how stakeholder needs, goals, issues and requirements for information may change as the project progresses;
- Taking into account the broad range of issues the PPP needs to address through stakeholder engagement and public participation (e.g., social, cultural, economic, and/or environmental);
- Ensuring different forms of engagement/communications are considered for each stakeholder, where proactive approaches to engagement and participation are duly considered (e.g., active outreach and a determined approach to reach stakeholders, rather than passive invitations to participation such as public notices with little to no follow up to ensure a robust interaction with stakeholders);
- Ensuring stakeholder engagement and public participation strategies move beyond one-way communications (e.g., telling stakeholders/the public about the project) to more active forms of dialogue, where stakeholders (including the public) have opportunities to provide input about the project that could influence outcomes;
- Ensuring stakeholders have sufficient opportunities to be involved in project decision-making; and
- Ensuring stakeholders are able to access information and participate in decision-making including in matters pertaining to the environment.

The stakeholder engagement and public participation plan should be undertaken as part of and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation. The robustness and detail included in the plan is what distinguishes “good practice” performance from “better practice” or “best practice” performance. “Good practice” requires a basic or initial plan, whereas “better practice” and “best practice” requires a more robust/detailed plan.

### Development stage

Guidance currently under preparation.

### Implementation stage

Guidance currently under preparation.

### SE1.3 Have stakeholder engagement and public participation metrics \(^1\) 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? * (Y/N)

\(^1\) e.g., 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 and/or interested in the project; social, cultural, economic, environmental outcomes achieved as a direct of stakeholder and public feedback

**Guidance to users when replying to the indicator depending on the stage of the project**

**Identification stage**

To answer “yes” to this question, the project needs to commit to establishing metrics to measure the effectiveness and inclusiveness of the stakeholder engagement and public participation process throughout the life of the project. In addition to making explicit commitments, the project also needs to prepare draft metrics that could be
used to measure the effectiveness and inclusiveness of the stakeholder engagement and public participation process during development and implementation, noting these metrics will likely be further refined in later stages of project development. Since stakeholder engagement and public participation is essential to be conducted during all stages of the project, including the identification stage, projects are also expected to have metrics in place to measure the effectiveness and inclusiveness of stakeholder engagement and public participation during the identification stage of the project.

In summary, projects are required to:

a) Commit to establishing metrics
b) Draft metrics to measure the effectiveness and inclusiveness of stakeholder engagement and public participation during project development and implementation
c) Develop metrics to measure the effectiveness and inclusiveness of stakeholder engagement and public participation during project identification stage

Metrics to measure the effectiveness and inclusiveness of stakeholder engagement and public participation should be included in the stakeholder engagement and public participation plan (per indicator SE1.2) and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

Example metrics include but are not limited to:

- The number of women or women’s groups and people from marginalised communities 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 and/or interested in the project; and/or
- Social, cultural, economic, environmental outcomes achieved as a direct result of stakeholder and public feedback.

Metrics should be both quantitative and qualitative and need to be developed to measure the effectiveness and inclusiveness of the stakeholder engagement and public participation. For example, “number of meetings” or “number of attendees at each meeting” on their own are insufficient to gauge the effectiveness and inclusiveness of the stakeholder engagement and public participation but are acceptable metrics if they are part of a broader set of metrics.

### Development stage

**Guidance currently under preparation.**

### Implementation stage

**Guidance currently under preparation.**

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**SE1.4 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? (Y/N/NA)**

Applicability: In some rare cases, projects may consider this indicator to be “not applicable” (NA) (i.e., smaller, social PPPs) but for most PPPs, especially larger, more contentious and/or more complex infrastructure projects this indicator is applicable

**Guidance to users when replying to the indicator depending on the stage of the project**

### Identification stage

To answer “yes” to this question, the project needs to commit to establishing an independent oversight committee and propose an initial structure or terms of reference for this committee, including defining roles and responsibilities, term limits, potential members and/or make-up of the committee (e.g., percentage of women, percentage of local stakeholders, etc.).

An independent oversight committee is an important part of effective stakeholder engagement and public participation. Such a committee is responsible for overseeing and monitoring the effectiveness of the stakeholder engagement process, and the publication and dissemination of project information, especially as related to the
People-first outcomes (access and equity, economic effectiveness and fiscal sustainability, environmental sustainability and resilience, replicability, and stakeholder engagement).

Commitments, and a draft structure or initial terms of reference for an independent oversight committee should be included in the stakeholder engagement and public participation plan (per SE1.2) and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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SE2  MAXIMISE STAKEHOLDER ENGAGEMENT AND PUBLIC PARTICIPATION
Includes mandatory indicators

Rationale

Intent
Early and sustained stakeholder engagement and public participation, and involvement in project decision-making.

Metric
The implementation of sound, meaningful, and inclusive stakeholder engagement and public participation throughout the life of the project.

Description
This benchmark builds on SE1 Plan for Stakeholder Engagement and Public Participation. Whereas SE1 focused on planning for effective and meaningful stakeholder engagement and public participation, the focus of this benchmark is on the implementation of effective and meaningful stakeholder engagement and public participation and the specific outcomes resulting from this process.

The implementation of sound, meaningful, and inclusive stakeholder engagement and public participation can lead to numerous positive outcomes for the PPP itself, and for the local communities. For example, stakeholder engagement and public participation can reveal a range of opportunities for the PPP to put social, cultural, economic and environmental benefits back into the community, including:

- **Social benefits**: e.g., 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 benefits**: e.g., support is provided for local cultural activities/events; public art is installed as part of the project; indigenous or other important cultural artifacts 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) (e.g., for public notices, service delivery);
- **Economic benefits**: e.g., 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 benefits**: environmental features (e.g., 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.

Applicability
This benchmark is applicable to all PPPs; therefore, all projects seeking to be recognised as a People-first PPP must respond to the mandatory indicators (marked with *) included in this benchmark which are required to meet the “good practice” performance level, and are encouraged move towards meeting the “better practice” and “best practice” performance levels, by addressing all indicators included in this benchmark where possible.

Performance Levels

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<thead>
<tr>
<th>Good Practice</th>
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<tr>
<td>SE2.1 the PPP has implemented a stakeholder engagement and public participation plan throughout the life of the project</td>
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<tr>
<td>SE2.2 members of the public, including environmental defenders, are able to express their views and participate freely without fear of being penalised,</td>
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SE2.3 stakeholder feedback has been incorporated into project plans, designs, processes and/or influenced decision-making and/or stakeholder feedback has validated/confirmed project plans, designs, processes and/or project decision making

SE2.4 social, cultural, economic and/or environmental benefits have been put back into the community as a result of the PPP and the stakeholder engagement and public participation process

SE2.5 the project has sought feedback from stakeholders as to their satisfaction with the stakeholder engagement and public participation process(es) and the resulting decisions made based on their feedback/input

Indicators and Guidance to users when replying to the indicator depending on the stage of the project

SE2.1 Has the PPP implemented the stakeholder engagement and public participation plan(s) throughout the project’s lifecycle, in an effective, timely, and inclusive fashion? * (Y/N)

[1] the development of a stakeholder engagement (including public participation) plan was addressed in benchmark SE1 Plan for Stakeholder Engagement and Public Participation. This indicator builds on benchmark SE1 as it is focused on the implementation of the plan

Guidance to users when replying to the indicator depending on the stage of the project

Identification stage
To answer “yes” to this question, the project first needs to satisfy the requirements for the mandatory indicators in SE1, namely, indicators SE1.1 (stakeholder identification and mapping), SE1.2 (developing a stakeholder engagement and public participation plan) and SE1.3 (developing metrics to measure the effectiveness and inclusiveness of the stakeholder engagement and public participation process).

In addition, the project needs to:

a) Explicitly commit to engaging stakeholders, including the public, throughout the life of the project, as per the stakeholder engagement and public participation plan developed in SE1; and
b) Already be implementing (or planning to implement) the stakeholder engagement and public participation plan during the project identification stage, recognising the importance of stakeholder engagement as a crucial aspect of People-first PPPs.

The above elements should be included in the stakeholder engagement and public participation plan, and/or PPP development strategy, concept document, prefeasibility study or equivalent documentation.

Development stage

Guidance currently under preparation.

Implementation stage

Guidance currently under preparation.

SE2.2 Are members of the public, including environmental defenders, able to express their views and participate freely without fear of being penalised, persecuted or harassed for their involvement? * (Y/N)
Identification stage

To answer “yes” to this question, the project needs to commit to ensuring members of the public, and indeed all stakeholders (including environmental defenders) are able to express their views and participate freely without fear of being penalised, persecuted, or harassed for their involvement. In addition to making such commitments, the project also needs to draft a set of measures, policies, strategies, or plans to ensure stakeholders are able to freely participate in the project without fear of penalisation, persecution, or harassment.

Commitments, and draft measures, policies, strategies or plans should be included in the stakeholder engagement and public participation plan (per SE1), and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

Development stage

Guidance currently under preparation.

Implementation stage

Guidance currently under preparation.

SE2.3 Has stakeholder feedback been incorporated (1) 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? *(Y/N)

[1] 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

Guidance to users when replying to the indicator depending on the stage of the project

Identification stage

To answer “yes” to this question, the project needs to commit to treating stakeholder feedback (including feedback from the public) fairly and equitably throughout the life of the project. In addition, the project needs to develop an initial plan that conveys how feedback received from stakeholders will be treated in a fair and equitable fashion.

Commitments and an initial plan should be included in the stakeholder engagement and public participation plan (per SE1), and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

Since stakeholder engagement and public participation should be occurring at the outset of the project, i.e., during the identification stage of the project, it is possible that feedback received from stakeholders is already being incorporated into project plans, designs, processes and/or decision-making during this stage of the project. The user should carefully document all stakeholder engagement processes, feedback received, and feedback incorporated.

Development stage

Guidance currently under preparation.

Implementation stage

Guidance currently under preparation.

SE2.4 Have social, cultural, economic and/or environmental benefits (1) been put back into the community as a result of the PPP and the stakeholder engagement and public participation process? *(Y/N)

[1] examples of social, cultural, economic and environmental benefits that could arise from the PPP and the stakeholder engagement and public participation process include:

- Social: e.g., 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**: e.g., support is provided for local cultural activities/events; public art is installed as part of the project; indigenous or other important cultural artifacts 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) (e.g., for public notices, service delivery)

• **Economic**: 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

• **Environmental**: e.g., environmental features (e.g., 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

**Guidance to users when replying to the indicator depending on the stage of the project**

| Identification stage | To answer “yes” to this question, the project needs to commit to identifying potential social, cultural, economic, and/or environmental benefits that could be put back into the community, resulting from the stakeholder engagement and public participation process. Such benefits could be put back into the community during project development and implementation, either by the public party, the private party or both, but early commitments to identifying and putting such benefits back into the community where feasible are required to be able to answer “yes” to this question. Such commitments should be included in the stakeholder engagement and public participation plan, and/or PPP development strategy, concept document, prefeasibility study or equivalent documentation.

Examples of social, cultural, economic and environmental benefits could include emergency support provided to local communities to mitigate the impact of epidemics/pandemics such as COVID-19; putting robust measures in place to better protect the safety of construction workers and operations personnel; support for local cultural activities/events; including public art installations as part of the project; support for local educational programmes; support for local suppliers and women-owned businesses; protections for environmental features that are important to the community; etc.

| Development stage | Guidance currently under preparation.

| Implementation stage | Guidance currently under preparation.

**SE2.5 Has feedback been sought from stakeholders as to their satisfaction with the engagement and public participation process(es) [1] and the resulting decisions made based on their feedback? (Y/N)**

[1] 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.

**Guidance to users when replying to the indicator depending on the stage of the project**

| Identification stage | To answer “yes” to this question, the project needs to explicitly commit to seeking feedback from stakeholders about the stakeholder engagement process(es) used on the project and needs to commit to seeking feedback from stakeholders about decisions made based on their feedback. Such commitments should be included as part of the stakeholder engagement and public participation plan (per benchmark SE1), and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

Since stakeholder engagement and public participation should be occurring at the outset of the project, i.e., during the identification stage of the project, it is possible that the project will already be receiving feedback from stakeholders about the engagement processes and/or decisions made based on their feedback. The user should carefully document all stakeholder engagement processes, feedback received, and how feedback received is leading to changes on the project and resulting in an improved engagement process.
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SE3 PROVIDE TRANSPARENT AND QUALITY PROJECT INFORMATION
Includes mandatory indicators

Rationale

Intent

Provide transparent, timely, understandable, accessible, and quality information about the PPP throughout the project’s lifecycle.

Metric

The extent to which the PPP shares quality information about the project in a transparent, timely, understandable and accessible fashion.

Description

This benchmark builds on SE1 Plan for Stakeholder Engagement and Public Participation and SE2 Maximise Stakeholder Engagement and Public Participation. Whereas SE1 Plan for Stakeholder Engagement & Public Participation focused on planning for effective and meaningful stakeholder engagement and public participation and SE2 Maximise Stakeholder Engagement and Public Participation focused on the implementation of effective and meaningful stakeholder engagement and public participation based on the stakeholder engagement and public engagement plan(s), the focus of this benchmark is on ensuring the PPP provides transparent, timely, understandable, accessible, and quality information about the project throughout the life of the project.

Specifically, People-first PPPs need to provide pertinent project information related to People-first outcomes (access and equity, economic effectiveness and fiscal responsibility, environmental sustainability and resilience, replicability, and stakeholder engagement) to stakeholders (including the public). With respect to environmental information, this is in line with the Aarhus Convention and Kyiv Protocol, which empower people with the rights to access information, participate in decision-making in environmental matters and to seek justice:


In addition to sharing pertinent information about the project related to People-first outcomes, PPPs need to consider sharing other information with stakeholders throughout the project’s lifecycle, including:

• updates about the project’s design and development, including changes to project scope, timelines, physical design characteristics, etc.;
• temporary service interruptions/disruptions;
• maintenance updates; and
• changes to service delivery (e.g., schedule changes, fee changes, etc.)

Information must be shared in a way that can be easily understood and accessed by stakeholders, and serve to inform, and empower stakeholders to make decisions and participate in PPP decision-making processes.

Ideally, People-first PPPs will share pertinent information about the project that has been verified by an independent source. In the context of this benchmark, an independent source is a person, group, or organisation that has no vested interest in the outcomes of the project. Auditors and/or established mainstream news outlets and/or fact-checking organisations (or even some non-governmental organisations) are examples of independent sources that could verify the authenticity, accuracy and reliability of the facts and information provided by the PPP. Another example of an independent source could be the independent oversight committee established for the project (per benchmark SE1).
Applicability

All People-first PPPs should provide transparent, timely, accessible, understandable and quality information about the PPP throughout the project’s lifecycle. Therefore, all projects seeking to be recognised as People-first PPPs must respond to the mandatory indicators included in this benchmark and are encouraged to address all indicators included in this benchmark where possible.

Performance Levels

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<th>Good Practice</th>
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<tbody>
<tr>
<td><strong>SE3.1</strong> pertinent information about the project relative to People-first outcomes is readily available to all stakeholders, including members of the public, and provided in a transparent, timely, understandable and accessible fashion</td>
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<tr>
<td><strong>SE3.2</strong> regular reports on the outcomes of stakeholder engagement meetings have been published and are accessible to all stakeholders</td>
<td><strong>SE3.2</strong> regular reports on the outcomes of stakeholder engagement meetings have been published and are accessible to all stakeholders</td>
<td><strong>SE3.3</strong> an independent source has verified the authenticity, accuracy and reliability of the facts and information provided by the PPP</td>
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Indicators and Guidance to users when replying to the indicator depending on the stage of the project

**SE3.1** Is quality and pertinent information about the project relative to People-first outcomes readily available to all stakeholders, including members of the public, and provided in a transparent, timely, understandable, and accessible fashion? *(Y/N)*

Guidance to users when replying to the indicator depending on the stage of the project

**Identification stage**

To answer “yes” to this question, the project needs to explicitly commit to the following:

(a) Providing quality and pertinent project information relative to People-first outcomes in a transparent, timely, understandable and accessible fashion;

(b) Developing plans on how project information will be shared (e.g., updates via social media, news reports, notices being mailed to households, door-to-door engagement, newspapers, radio, meeting minutes, project website) and in what language(s) which must be based on the analysis of project stakeholders per benchmark SE1 (e.g., language requirements, accessibility needs, etc.); and

(c) Monitoring outcomes to ensure all stakeholders are able to access pertinent information about the project.

Such commitments, draft plans, and monitoring mechanisms should be included as part of the stakeholder engagement and public participation plan (per benchmark SE1), and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

**SE3.2** Have regular reports on the outcomes of stakeholder engagement meetings been published and are they accessible to all stakeholders, including members of the public? *(Y/N)*

Guidance to users when replying to the indicator depending on the stage of the project
**Identification stage**

To answer “yes” to this question, the project needs to explicitly commit to publishing/making available regular reports on the outcomes of stakeholder engagement meetings, including those that take place during the project identification stage of the project. When publishing reports/providing updates on the outcomes of stakeholder engagement meetings, the user needs to take into account stakeholder needs (e.g., language requirements, accessibility needs) to ensure all stakeholders are able to access this information.

Such commitments should be included as part of the stakeholder engagement and public participation plan (per benchmark SE1), and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

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**SE3.3  Has an independent source verified the authenticity, accuracy and reliability of the facts and information provided by the PPP? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

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<thead>
<tr>
<th>Identification stage</th>
<th>To answer “yes” to this question, the project needs to explicitly commit to ensuring an independent source (such as an independent oversight committee per indicator SE1.4) will verify the authenticity, accuracy and reliability of the facts and information provided by the project. Such commitments should be included as part of the stakeholder engagement and public participation plan (per benchmark SE1), and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.</th>
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SE4  MANAGE PUBLIC GRIEVANCES AND END USER FEEDBACK

Rationale

Intent
Enhance public and end user satisfaction with the project through the implementation of a public grievance and end user feedback mechanism.

Metric
The establishment of a public grievance and end user feedback process and mechanisms throughout the life of the project.

Description
The focus of this benchmark is on ensuring the PPP includes a process and mechanisms to capture and respond to customer/end user feedback and any public grievances that may occur over the life of the project. This benchmark encourages PPPs to capture and respond to resolve customer/end user concerns and public grievances in a prompt, fair, and equitable way. Many types of public grievances could occur over the life of a project, including but not limited to:

- Noise and vibration (e.g., during construction and operations/maintenance);
- Community health and safety;
- Intrusive lighting;
- Wayfinding, access and mobility (e.g., during construction);
- Service quality;
- Pricing and affordability;
- Impacts to cultural, historic, and/or public space and amenities;
- Impacts to views and/or local character;
- Stakeholder engagement processes used throughout project planning, design and delivery;
- The PPP procurement process;
- Availability and accessibility of project information;
- Environmental and/or ecosystem impacts (e.g., impacts to air quality, surface and/or groundwater quality, farmland); and
- Temporary impacts to existing public services (e.g., electricity, water, communications).

Due to the range of possible grievances and customer/end user concerns that could be raised throughout the life of the project, PPPs need to have a flexible, adaptable and sound approach to accept and manage grievances and end user feedback on a wide variety of issues, some of which may not have been possible to anticipate prior to the development and implementation of the project.

Applicability
While there are no mandatory indicators included in this benchmark, all People-first PPPs should have a process in place to manage public grievances and end user/customer feedback and are therefore encouraged to address the indicators required to achieve the “good practice” performance level, and are encouraged move towards meeting the “better practice” and “best practice” performance levels by addressing all indicators included in this benchmark where possible.

Performance Levels

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<th>Good Practice</th>
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<tr>
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<td>SE4.2 the project has successfully addressed and/or resolved public</td>
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Indicators and Guidance to users when replying to the indicator depending on the stage of the project

SE4.1 Has the PPP developed a process and mechanisms to manage public grievances and end-user/customer feedback? (Y/N)

Guidance to users when replying to the indicator depending on the stage of the project

**Identification stage**

To answer “yes” to this question, the project needs to explicitly commit to including a process and mechanisms for capturing and responding to public grievances and end-user/customer feedback, aligned with the stakeholder engagement plan (per benchmark SE1).

The goal of meaningful, equitable, and inclusive stakeholder engagement, which is advocated for throughout benchmarks SE1, SE2, and SE3, is to develop and implement the project in such a way to minimise or even prevent the need for the public and/or end-users or customers to file grievances or complain about the project. However, it is important to ensure that such grievances, should they arise, are able to be dealt with in a prompt, fair, and equitable way.

Such commitments should be included as part of the stakeholder engagement and public participation plan, and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

**Development stage**

Guidance currently under preparation.

**Implementation stage**

Guidance currently under preparation.

SE4.2 Has the PPP successfully addressed and/or resolved public grievances and end-user/customer feedback? (Y/N)

Guidance to users when replying to the indicator depending on the stage of the project

**Identification stage**

This question builds on SE4.1. If the project has gone beyond making the commitments as required by indicator SE4.1 to having a draft process and mechanisms in place to capture and respond to public grievances and end-user or customer feedback, the project may answer “yes” to this question. The project should take care to document any instances of grievances received and how they were resolved.

This process—the process for managing public grievances and end-user/customer feedback—needs to be sufficiently flexible to accommodate a wide range of potential grievances/issues that may not be foreseen at the outset of the project, such as noise and vibration complaints (e.g., during construction and operations/maintenance); community health and safety issues; intrusive lighting; wayfinding, access and mobility concerns (e.g., during construction); service quality issues; pricing and affordability issues; impacts to cultural, historic, and/or public space and amenities; impacts to views and/or local character; stakeholder engagement processes used throughout project planning, design and delivery; the PPP procurement process; the availability and accessibility of project information; environmental and/or ecosystem impacts (e.g., impacts to air quality, surface and/or groundwater quality, farmland); and temporary impacts to existing public services (e.g., electricity, water, communications).

The draft process and mechanisms should be included as part of the stakeholder engagement and public participation plan, and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.

**Development stage**

Guidance currently under preparation.
**Implementation stage**

Guidance currently under preparation.

**SE4.3  Are public grievances and end-user/customer feedback readily and transparently available, including outcomes? (Y/N)**

**Guidance to users when replying to the indicator depending on the stage of the project**

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<th>Identification stage</th>
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<tbody>
<tr>
<td>To answer “yes” to this question, the project needs to explicitly commit to sharing grievances and end-user/customer feedback, including outcomes (i.e., how grievances were resolved) in a readily available and transparent fashion throughout the life of the project.</td>
</tr>
<tr>
<td>This could be done through publishing and maintaining an up-to-date FAQ (frequently asked questions) document based on grievances filed/feedback received, publishing reports summarising grievances/feedback and resolutions, and/or making the actual log of complaints filed (and how and when they were resolved) publicly available.</td>
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<tr>
<td>Such commitments should be included as part of the stakeholder engagement and public participation plan, and included in the PPP development strategy, concept document, prefeasibility study or equivalent documentation.</td>
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