



Economic and Social Council

Distr.: General
15 February 2022

Original: English

Economic Commission for Europe

Committee on Innovation, Competitiveness and Public-Private Partnerships

Working Party on Public-Private Partnerships

Fifth session

Geneva, 29-30 November 2021

Report of the Working Party on Public-Private Partnerships on its fifth session

I. Attendance

1. The Working Party on Public-Private Partnerships (PPPs) held its fifth session on 29-30 November 2021 in hybrid format. Over 200 participants attended the meeting. The session was attended by delegates from Albania, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, France, Georgia, Germany, Greece, Israel, Italy, Kazakhstan, Kyrgyzstan, Poland, Russian Federation, Spain, Switzerland, Tajikistan, Turkey, Ukraine, United Kingdom, United States of America and Uzbekistan.
2. Delegates from Algeria, Brazil, Burkina Faso, Congo, Iran (Islamic Republic of), Japan, Nigeria, Peru, the Philippines, Qatar and Uganda, participated as observers.
3. Representatives of the European Union also participated in the session.
4. The following specialized agencies and intergovernmental organizations participated in the session: the African Development Bank, the Eurasian Development Bank, the International Finance Corporation, the United Nations Economic Commission for Latin America and the Caribbean, the United Nations Industrial Development Organization and the World Bank.
5. Representatives from non-governmental organizations, private sector entities, academic institutions and independent experts participated in the session.

II. Opening of the session

6. The Deputy Executive Secretary of the UNECE opened the session noting the relevance of the People-first approach to PPPs to “reignite” the Decade of Action for Sustainable Development Goals (SDGs) and chart a path for a more equitable future that encompasses green, circular, inclusive, resilient and fiscally sustainable infrastructure and

public services. In this regard, he stressed that People-first PPPs for the SDGs are also aligned with the United Nations Charter, which begins with the phrase “we the peoples”, by ensuring that infrastructure projects are consistent with the SDGs and serve the people.

7. He also remarked that the Working Party was ideally placed to deliver practical tools in support of the twelve commitments by the international community at the 75th anniversary commemoration of the United Nations, such as the People-first PPP Evaluation Methodology for the SDGs, for use by the member States in the Pan European region, in particular in countries with economies in transition, to implement the 2030 Agenda. Going forward, he encouraged the Working Party to be inspired by the 69th session of the Commission and consider adapting existing PPP tools and developing new ones that promote the circular economy and the sustainable use of natural resources.

III. Adoption of the agenda (Agenda item 1)

Documentation:

Annotated provisional agenda for the fifth session (ECE/CECI/WP/PPP/2021/1).

Decision 2021 – 1

The Working Party adopted the provisional agenda for its fifth session.

IV. Policy discussion:¹ Scaling up People-first Public-Private Partnerships Projects in sustainable infrastructure to reignite the Decade of Action for the Sustainable Development Goals (Agenda item 2)

8. The Chairperson’s summary of the discussions is annexed to the report.

9. The panellists and participants appreciated the very valuable and impactful work undertaken by the UNECE in promoting People-first PPPs for the SDGs. They also emphasised the relevance of supporting the transition to a circular economy in response to the outcomes of the 69th Commission session held in April 2021, and commended UNECE for its timely work on topics of cross-cutting policy relevance.

10. The representative of Ukraine thanked the panellists for a very interesting session and stated that his delegation attached great importance to the circular economy agenda and was very interested to learn more on the circularity elements to take into account throughout a People-first PPP project life-cycle. He proposed that these elements could be collected into a guide by the secretariat for use by the member States.

11. The representative of Belarus remarked that his delegation was very interested to learn more about how Belarus could include circular economy and other sustainability elements into its projects at each PPP stage – design, construction, operation. He suggested that the ideas presented at the session could be captured into a paper with recommendations for the use of the member States. Finally, he added that Belarus was very interested to learn more about how Waste-to-Energy projects could be used for non-recyclable materials and looked forward to receiving the revised version of the UNECE guidelines on this topic.

¹ The policy discussion consisted of a high-level debate and two sessions with expert panel discussions focused on the People-first PPP approach for SDGs and the circular economy agenda. The views expressed by the experts under this agenda item do not necessarily reflect the positions of the UNECE secretariat or its member States.

12. The Working Party thanked the panellists and participants for the productive exchange of experiences and their contributions to the discussion.

V. Review of the work since the fourth session of the Working Party on PPPs on 1-2 December 2020 (Agenda item 3)

Policy documents: International PPP Standards, Guidelines, Guiding Principles, Declarations, and Recommendations

Documentation:

People-first PPP Evaluation Methodology for the Sustainable Development Goals (ECE/CECI/WP/PPP/2021/3); and

Draft standard on People-first PPP/Concession Model Law (ECE/CECI/WP/PPP/2021/INF.1).

A. People-first PPP Evaluation Methodology for the SDGs

13. The Chairperson recalled that the Working Party at its fourth session had welcomed very warmly the draft People-first PPP Evaluation Methodology for the SDGs (Evaluation Methodology) and had encouraged its dissemination and use during a pilot phase in 2021. He informed the Working Party that the revised Evaluation Methodology has been approved by the Bureau and is submitted to the Working Party for decision and possible endorsement.

14. The secretariat introduced the People-first PPP Evaluation Methodology for the Sustainable Development Goals (ECE/CECI/WP/PPP/2021/3) and described how the Evaluation Methodology was further developed and tested in the past twelve months in line with the action plan (ECE/CECI/WP/PPP/2020/2, Annex II) approved by the Working Party at its fourth session. The secretariat added that the Bureau, on the advice of the experts and in recognition of the need for a more marketable name for the Evaluation Methodology, is proposing to rename the Evaluation Methodology as “UNECE STEP”, which stands for “SDG Tool for Evaluating People-first Projects”. The secretariat thanked all the experts involved in its preparation for their contribution and commitment.

15. The representative of Belarus fully supported the Evaluation Methodology produced by the UNECE and informed that his delegation was looking forward to implementing it in 2022 on actual projects in Belarus with the help of the secretariat. He added that, in particular, his delegation was interested to understand and quantify the sustainable portion of capital expenditure and project finance in PPP projects in Belarus.

16. The representative of Kyrgyzstan congratulated the UNECE for developing this Evaluation Methodology that will help member States, like Kyrgyzstan, in evaluating their infrastructure projects against the SDGs. He added that Kyrgyzstan will have a number of its projects evaluated with the help of the secretariat as part of a new capacity-building project starting in January 2022.

17. The representative of the European Union thanked all the experts and the Bureau for investing extensive work into the Evaluation Methodology. On the proposed name change for the Evaluation Methodology, she expressed her surprise that it does not make it clear that the Evaluation Methodology was about PPPs as it rather referred to People-first projects. She also referred to the request from the European Union, which has been pending for one year, concerning a discussion on the name change for People-first PPPs for SDGs and asked if this name change was related. She added that a decision concerning the name of the Evaluation Methodology should be deferred until after a decision is taken on the People-first PPP for the SDGs name change.

18. The representative of the United States expressed his delegation's appreciation to the speakers and presenters for the interesting policy discussion under agenda item 2. Regarding the name of the Evaluation Methodology, he proposed to replace "People-first projects" in "SDG tool for evaluating People-first projects" by "Public-Private Partnerships" given that this is the general focus of the Working Party. He also referred to the Intersessional Implementation Plan for 2021-2022 of the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP) approved in June 2021, which required the Working Party to discuss and decide on proposals for a possible change of the name People-first PPPs.

19. The representative of the Russian Federation expressed his delegation's appreciation to the progress carried out on the Evaluation Methodology in 2021 in accordance with the Working Party's action plan. He noted the quality and usefulness of the Evaluation Methodology filling in the gaps in assessing the effectiveness of infrastructure for the SDGs. He also informed the Working Party that the Ministry for Economic Development of the Russian Federation was ready to offer methodological support to develop a mechanism for verifying information on People-first PPPs, taking into account the Russian experience in monitoring PPPs. With regards to renaming the Evaluation Methodology, he fully supported the proposal by the Bureau as presented by the secretariat.

20. The representative of Turkey referred to the Evaluation Methodology as a very good tool and argued that a reference to projects in a broader sense was a much better designation for the Evaluation Methodology given that it is applicable to all kind of projects independent of the method they are procured. She added that the Evaluation Methodology does not measure the incremental effect of PPPs but is applicable to all kinds of projects, and confining the name to PPP may be misleading for member States by creating an optimism bias towards PPPs. She concluded by saying that this tool was attractive for Governments to use for all their projects.

Decision 2021 – 3.1

The Working Party endorsed the People-first PPP Evaluation Methodology for the SDGs (ECE/CECI/WP/PPP/2021/3) and thanked the experts involved in its preparation.

The Working Party requested the secretariat to submit the Evaluation Methodology for approval to the CICPPP at its next session in May 2022. The Working Party considered a more marketable name for the Evaluation Methodology but deferred this decision until after a decision is taken on the proposals concerning the change of the name of the People-first PPPs for the SDGs in line with paragraph 16 of the CICPPP Intersessional Implementation Plan for 2021-2022 (ECE/CECI/2021/2, Annex II).

B. Draft Standard on People-first PPP/Concession Model Law

21. The Chairperson informed the Working Party that the Bureau, working jointly with the experts, and with the support of the secretariat, dedicated considerable time and efforts since the last session on the draft standard on People-first PPP/Concession Model Law (ECE/CECI/WP/PPP/2021/INF.1). The model law had been prepared in two phases in line with the CICPPP mandate in paragraph 18 of the Intersessional Implementation Plan for 2021-2022 (ECE/CECI/2021/2, Annex II). The consolidated version of the draft model law was finalised and approved by the Bureau on 17 November 2021. The Bureau is grateful to the experts, in particular the leaders of Phase I and Phase II, for their contribution, and recommends that the Working Party takes note of the draft model law and recommends that it be finalised and submitted for approval by the CICPPP at its next session in May 2022.

22. The representative of the European Union appreciated the progress made on the model law. She observed that the last time the Working Party was consulted on the model law was in 2019 as it was not on the agenda of the Working Party in 2020, and asked if other public consultations tool place in the meantime. She added that the document was submitted to the

Working Party for information on 17 November 2021, less than two weeks before the session, and Working Party delegates and observers, including the European Commission, did not have time to review it and make comments. Namely, the European Commission needed more time to review the draft model law with respect to its existing legal framework, such as a comparison with the EU Directive on concessions. Given that in its Intersessional Implementation Plan for 2021-2022, the CICPPP referred to a consultation process, which in her view should not be limited to member States, she argued that a consultation process of at least two months, as it is usual practice according to the Rules of Procedure, should be undertaken before a consolidated version may be submitted to the CICPPP for decision at its next session in 2022. Finally, she requested the secretariat to elaborate on any consultations held on the model law since November 2019, and remarked that there was a request for the floor from a civil society representative and insisted that civil society organisations and other observers should be allowed to take the floor and make comments on all agenda points. She observed that she was surprised to hear from the Chairperson that they were not welcomed, after the representative from Eurodad asked for the floor, to contribute to the discussions, and that some discussions in this Working Party should be only limited to member States.

23. Concerning the civil society representative that had asked to intervene, the Chairperson clarified that he would return to the agenda point, reopen the floor for observers and allow them to intervene.²

24. The representative of France stated that more work needed to be done on the model law, and the information document presented by the Bureau shall be a basis for finalising the work at the next CICPPP session in 2022. She added that her delegation also supported the idea that the Bureau, together with the secretariat, should continue to monitor the work. She argued that she would like to see in the decision an explicit reference to the three key points mentioned in the CICPPP Intersessional Implementation Plan for 2021-2022, which should continue to guide this work. She concluded by saying that it was regrettable that the Working Party did not conclude the work on the model law in 2021 as it was requested to do by the CICPPP, and this should also be reflected in the decision.

25. The representative of Greece referred to the interventions made by the representative of the European Union and stated that he had been informed by his Permanent Representation in Geneva that there was no common position by the European Union and its Member States on the issues discussed at this Working Party session

26. The representative of the European Union explained that there was a difference between a position on behalf of the European Union and a position on behalf of the European Union and its Member States. She added that a position as the European Union was most usually coming from the European Commission and stated that she never presented a position on behalf of the European Union and its Member States on the model law. She however confirmed that the position on the change of the name of the People-first PPPs for the SDGs was an established position on behalf of the European Union and its Member States, pending since last year.

27. The secretariat confirmed that no public consultations on the model law were undertaken for almost two years, since the public review in the first quarter of 2020. The secretariat also recalled that the Working Party session in 2020, which would have been the appropriate forum to further discuss the model law, met in very challenging circumstances with a heavily reduced interpretation schedule of only four hours compared to the standard twelve hours.

² When the Chairperson offered the floor for observers later in the discussion, the representative from Eurodad had left the meeting.

Decision 2021 – 3.2

The Working Party regrets that the standard on People-first PPP/Concession Model Law was not submitted for decision as requested by the CICPPP but having only received it as an information document (ECE/CECI/PPP/WP/2021/INF.1). While taking note of the progress on the work of the standard on People-first PPP/Concession Model Law, the Working Party notes that it needs further elaboration. In this regard, it requested the Bureau working closely with the secretariat to:

(a) Engage in a consultation process of at least two months in December 2021 and January 2022 with all interested parties;

(b) Monitor the finalisation of the document before 31 March 2022 in line with the CICPPP Intersessional Implementation Plan for 2021-2022 (in particular, the three key points: 1. a balanced approach to “user-pays” and “government-pays” models; 2. primary focus on the inclusion of the People-first PPP approaches and outcomes; and 3. alignment of the definition of PPPs with the definitions from the UNECE Guiding Principles on People-first PPP and UNCITRAL work on PPP); and

(c) Submit the consolidated version in April 2022 to the CICPPP for approval at its next session in May 2022.

C. Guidelines on Promoting People-first PPP Waste-to-Energy Projects for the Circular Economy

28. The secretariat presented the preliminary results of a survey on “Waste-to-Energy and the Circular Economy” it had conducted among stakeholders. A total of 138 responses were received, including from 19 Governments, with a third of the respondents from the private sector and just over fifty percent from civil society organisations. The secretariat then explained how the survey will contribute to the further development of the guidelines on promoting People-first PPP Waste-to-Energy Projects for the Circular Economy (ECE/CECIWP/PPP/2020/5) in 2022 in consultation with stakeholders.

Decision 2021 – 3.3

The Working Party took note of the preliminary results of the secretariat survey on stakeholders’ input to further develop the guidelines on promoting People-first PPP Waste-to-Energy Projects for the Circular Economy (ECE/CECI/WP/PPP/2020/5), and requested the secretariat to finalise the work on the guidelines within existing extrabudgetary resources and submit them to the Working Party at its next session.

Implementation: capacity-building activities and policy advisory services

29. The Chairperson informed the Working Party that in the past twelve months, capacity building activities and policy advisory services were carried out in three countries, namely, Belarus, Kyrgyzstan and Ukraine. He also referred to the fifth edition of the UNECE International PPP Forum in April 2021, and to a very interesting discussion under agenda item 2, which in itself is a capacity building activity for many delegates, where issues relevant to the SDGs and the circular economy agenda were discussed.

30. The secretariat provided detailed information on the following activities (in date order):

(a) Ukraine: training webinar on “Aligning PPP Legislation in Ukraine with the SDGs”, jointly organised by UNECE with the Ministry for Development of Economy, Trade and Agriculture (30 March 2021);

(b) Belarus: training webinar for public officials at the Ministry of Economy and the PPP Unit of Belarus on the identification of People-first PPP projects compliant with the SDGs (1 April 2021);

(c) Switzerland: fifth edition of the UNECE International PPP Forum in Geneva on the theme of “Building Back Better through People-first PPPs” with an international debate on the topic. A highlight of the Forum was a competition for the “Building Back Better” infrastructure award. The competition was a means to incentivize countries and project managers to test the draft People-first PPP Evaluation Methodology for the SDGs in its self-assessment form and provide feedback on its improvement. Sixty-five projects from over 20 countries were submitted, and eleven of them were showcased at the Forum. The winners of the award were chosen directly by the participants through electronic voting: a first for the UNECE PPP programme (22-23 April 2021);

(d) Switzerland: webinar jointly organised with the UNECE Urban Development, Housing and Land Management Unit on innovative financing instruments for sustainable municipal projects, where a number of case studies from UNECE member States were presented and discussed (26 April 2021);

(e) Switzerland: webinar on the testing and use of the draft People-first PPP Evaluation Methodology for the SDGs where the preliminary results of a survey for Government users were presented and discussed (26 April 2021);

(f) Ukraine: training webinar on “How to Design PPP Projects Aligned with the SDGs: the People-first Approach to PPPs”, jointly organised by UNECE with the Ministry for Development of Economy, Trade and Agriculture (25 May 2021); and

(g) United Arab Emirates: Study tour for Kyrgyz government officials in Dubai to learn about PPP institutional capacity in various PPP Units from the UNECE region and beyond (10-11 October 2021).

31. The Chairperson congratulated the secretariat for organising a very successful fifth edition of the International PPP Forum and a series of side events from 22 to 26 April 2021. He also expressed his gratitude to the PPP experts participating in policy advisory services and the capacity building activities, and to the secretariat for organising and servicing these activities.

32. The Chairperson reminded the Working Party that its policy advisory services and capacity building programme depended on extrabudgetary funding. He expressed his appreciation to the donors who had provided in-kind and financial contributions in support of the UNECE work on People-first PPP for the SDGs.

33. The Chairperson informed the Working Party that a paper prepared by the Centre for Socio-Eco-Nomic Development (CSEND) and the World Association of PPP Units and Professionals (WAPPP), entitled “Making PPPs fit the 2030 Agenda”, was presented at the UNECE International PPP Forum in April 2021. He added that the Bureau member from Switzerland, Mr. Raymond Saner, who is one of the co-authors of the paper, shared the paper with the Bureau, and the Bureau decided to submit the paper to the Working Party as an informal document for information.

34. The representative of the European Union, referring to the discussion on the change of name that the European Union and its Member States requested in June 2021 at the CICPPP, and previously at the last Working Party session in 2020, remarked that the use of the full name “People-first PPPs for the SDGs” was missing in Decision 2021 – 3.4, and requested the secretariat to align the language in that decision with the request made at the CICPPP session in June 2021.

35. The Chairperson confirmed that the language in Decision 2021 – 3.4 will be adjusted accordingly.

Decision 2021 – 3.4

The Working Party took note of the policy discussion under agenda item 2 on scaling up People-first PPPs for the SDGs to reignite the Decade of Action for the SDGs. The Working Party requested the secretariat to further explore some of these discussions at the UNECE International PPP Forum in 2022, in particular issues relevant to the SDGs and the circular economy agenda.

Decision 2021 – 3.5

The Working Party expressed its gratitude to the secretariat for organising a very successful fifth edition of the UNECE International PPP Forum from 22 to 26 April 2021. The Working Party took note in particular of the “Building Back Better” competition which contributed to the testing and improvement of the Evaluation Methodology as well as expanding the database of case studies as part of a campaign for 500 case studies that demonstrate the People-first PPP outcomes and how these case studies support achievement of the SDGs.

Decision 2021 – 3.6

The Working Party took note of informal document 1 containing a paper prepared by the Centre for Socio-Eco-Nomic Development (CSEND) and the World Association of PPP Units and Professionals (WAPPP) entitled “Making PPPs fit the 2030 Agenda”, presented at the fifth UNECE International PPP Forum in April 2021, and asked the Bureau to decide on its application.

VI. Implementation plan for 2021-2022 (Agenda item 4)

Documentation:

Report of the Working Party on Public-Private Partnerships on its fourth session (ECE/CECI/WP/PPP/2020/2); and

Intersessional Implementation Plan for 2021-2022 (ECE/CECI/2021/2, Annex II).

36. The Chairperson referred to the CICPPP Intersessional Implementation Plan for 2021-2022 (ECE/CECI/2021/2, Annex II), which lists PPP activities for the rest of 2021 and for 2022, including the sixth edition of the UNECE International PPP Forum in May 2022.

37. The secretariat referred to the list of mandated activities and highlighted in particular (in date order):

(a) A study visit for Kyrgyz government officials to Turkey facilitated by the UNECE to learn about PPP institutional capacity at the PPP Week in Istanbul on 6-10 December 2021;

(b) A webinar in Ukraine on 15 December 2021 for PPP practitioners on the identification and preparation of People-first PPP projects compliant with the SDGs;

(c) A webinar in Belarus in February 2022 to launch a new capacity-building project under the 13th Tranche of the United Nations Development Account on the identification of People-first PPP projects compliant with the SDGs;

(d) The sixth edition of the UNECE International PPP Forum on 4-6 May 2022;

(e) A webinar in Belarus in June 2022 for public official in Belarus on the use of the People-first PPP Evaluation Methodology for the SDGs;

(f) A webinar in Kyrgyzstan in June 2022 to launch a new capacity-building project under the 13th Tranche of the United Nations Development Account on the identification of People-first PPP projects compliant with the SDGs; and

(g) A seminar in Ukraine in June 2022 on the People-first PPP Evaluation Methodology for the SDGs with practical training on its use to identify projects in Ukraine compliant with the SDGs.

38. The secretariat also added that the campaign to reach 500 People-first case studies, with an emphasis on UNECE member States, will continue and that the next batch of case studies will be presented at the International PPP Forum in May 2022.

39. The representative of France requested that in future, it would be useful to have the CICPPP Intersessional Implementation Plan for 2021-2022 among the Working Party documentation on the website. She also recalled that three years ago, a PPP Forum was organised by the Annemasse Agglomération and the United Nations Institute for Training and Research (UNITAR) with local governments on the subject of transport piloted by the Working Party with input from the UNECE Transport Division. Another edition of the Forum is scheduled in the second half of 2022 on infrastructure and PPP with support from UNITAR, and the delegation of France requested that this event be added to the list of Working Party activities for 2022.

40. In reaction to the request by France, the secretariat confirmed that the PPP Forum by the Annemasse Agglomération and UNITAR with the support of the UNECE will be added to the list of activities for 2022.

41. The representative of Belarus expressed his delegation's appreciation to the secretariat for the new capacity-building project that will start in Belarus in early 2022 to assist Belarus with project preparation and evaluation using the UNECE Evaluation Methodology.

42. The representative of Kyrgyzstan remarked that his delegation had received support from the UNECE for over a year to develop instructions and other documents for Kyrgyz public officials to implement People-first PPP projects, as well as support with a number of study tours, including a study tour in Turkey in early December 2021. He added that his delegation looked forward to the PPP events that the UNECE will organise in 2022 in Bishkek.

Decision 2021 – 4.1

The Working Party took note of the Intersessional Implementation Plan for 2021-2022 of the Committee on Innovation, Competitiveness and Public-Private Partnerships (ECE/CECI/2021/2, Annex II) in particular the list of the PPP activities planned for the rest of 2021 and for 2022.

43. The Chairperson informed the Working Party that in addition to the PPP activities in the CICPPP Intersessional Implementation Plan for 2021-2022, and taking into account of the outcomes of the 69th Commission session in April 2021, the discussions at the 118th meeting of the Executive Committee in October 2021, and the policy discussion under agenda item 2, the Bureau proposed that:

(a) The secretariat prepares a guide by the next session of the Working Party, on how PPP projects could be better designed, developed and implemented, in order to contribute to the circular economy agenda; and

(b) The topic of "green procurement" be considered for inclusion in the policy discussion at the next CICPPP session in May 2022.

44. The representative of the European Union welcomed the inclusion of green procurement as a suggestion for a topic at the next CICPPP session. She then referred to the

position of the European Union and its Member States at the 118th meeting of the Executive Committee in October 2021 to explore synergies between the Team of Specialists on Innovation and Competitiveness Policies and the Working Party, and requested that this be reflected in decision 2021 – 4.3.

Decision 2021 – 4.2

The Working Party, building on the policy discussion under agenda item 2 and taking note of the outcomes of the 69th Commission session in April 2021, requested the secretariat to summarise in a guide how PPP projects could be better designed, developed and implemented in order to contribute to the circular economy agenda, and to submit it for its consideration at its next session and within existing extrabudgetary resources.

Decision 2021 – 4.3

The Working Party suggested to the Committee on Innovation, Competitiveness and Public-Private Partnerships to include the topic of “green procurement”, considering the close links to the work of this Working Party and possible synergies between the Team of Specialists on Innovation and Competitiveness Policies and this Working Party, as part of its policy discussion at its next session in May 2022. It also requested the secretariat to organise a separate session on “green procurement” at the sixth UNECE International PPP Forum in 2022 and the Bureau to decide on possible next steps

45. The Chairperson informed the Working Party that Spain submitted a proposal to the secretariat on the sixth edition of the UNECE International PPP Forum to take place in Barcelona, Spain within existing extrabudgetary resources.

46. The representative of Spain informed the Working Party that his delegation endorsed the initiative by *Instituto de Estudios Superiores de la Empresa* (IESE) Business School, with the support of the Barcelona City Council, to host and co-organise together with UNECE the sixth UNECE International PPP Forum in Barcelona, Spain, from 4 to 6 May 2022.

47. The representatives of the Barcelona City Council and IESE Business School informed the Working Party on their plans to host the UNECE International PPP Forum jointly with the UNECE, and they looked forward to welcoming PPP experts from around the world in Barcelona from 4 to 6 May 2022.

Decision 2021 – 4.4

The Working Party took note with appreciation of the offer by Spain to the UNECE for the sixth UNECE International People-first PPP Forum to be jointly co-organised by the UNECE and IESE Business School, with the support of the Barcelona City Council, in Barcelona in May 2022. It requested the secretariat to co-organise the Forum based on existing extrabudgetary resources in consultation with the co-organisers and the Bureau.

48. The Chairperson recalled that at its 14th session in June 2021, the CICPPP included in its Intersessional Implementation Plan for 2021-2022 the following:

“The Working Party will discuss and decide on proposals for a possible change of People-first PPP references to capture the entirety of SDGs at its fifth session in 2021.”

49. The Chairperson invited the delegations of the European Union and the United States to explain their positions.

50. The representative of the European Union clarified that at its last session in 2020, the European Union and its Member States had requested a discussion on a change of the name, and this was further elaborated at the CICPPP session in June 2021. She added that they had expected a proposal and a consultation for this Working Party session to potentially change the name. She further added that as it was the CICPPP that mandated the Working Party to

consult and take a decision, and that there were no proposals tabled to this Working Party, then maybe a way forward is to have a decision about the change of the name by the next CICPPP session in May 2022 after consultations with interested delegations.

51. The representative of the United States proposed to simplify the name by dropping the reference to “People-first” to bring it in line with international standards and to use the name “PPPs for SDGs”.

52. The representative of Turkey argued that People-first PPP is a brand of UNECE and of this Working Party and added that this should not be excluded from the name.

53. The representative of the Russian Federation supported the statement made by Turkey and added that his delegation was not ready to take a final decision on this matter at this session. Furthermore, he argued that the UNECE People-first PPP concept has a long history, and it has been introduced by some Commonwealth of Independent States (CIS) countries in their domestic policies. He added that a name change at this stage would therefore involve policy changes in these countries at a significant cost. A name change would also entail that the secretariat would need to make changes in all documentation produced by this Working Party, and this would also have budgetary implications. He concluded by requesting the secretariat to estimate the financial and human resources that a possible change of name would entail.

54. The Chairperson thanked all delegations for this discussion, and taking into account of these comments, he proposed a procedural decision on this matter leading to a decision on the change of name at the next CICPPP session in 2022 following informal consultations with interested delegations.

Decision 2021 – 4.5

Regarding the continued use of the name People-first PPP for the SDGs, the Working Party requested the Bureau and the secretariat to hold informal consultations with interested delegations on the proposals concerning the change of the name which were reiterated by the member States at the fifth session in line with paragraph 16 of the CICPPP Intersessional Implementation Plan for 2021-2022 (ECE/CECI/2021/2, Annex II). The Working Party also requested that the results of these consultations be submitted to the CICPPP for decision at its next session in 2022. The Working Party also requested the secretariat to quantify the costs (human and financial) related to a possible change of the name.

VII. Rules of Procedure (Agenda item 5)

Documentation:

Rules of Procedure of the Working Party on Public-Private Partnerships (ECE/CECI/WP/PPP/2020/5/Rev.1).

55. The Chairperson referred to the Working Party decision at its last session to develop its own Rules of Procedure in line with the “Guidelines on procedures and practices for ECE bodies” (E/ECE/1464, paragraph 2, Appendix III) and to set up a drafting team to develop a draft for its consideration at this session.

56. The Chairperson introduced the draft Rules of Procedure (ECE/CECI/PPP/WP/2021/5/Rev.1) as elaborated by the drafting team with input from the Bureau and from the Permanent Representations in Geneva.

57. The Chairperson also referred to the recommendation by the drafting team to allow existing Bureau members, including those who have already served for two consecutive two-year terms, to be re-elected at this session for one additional two-year term, and added that the Bureau fully agrees with this recommendation, which is now before the Working Party.

58. The representative of Germany remarked that the Rules of Procedure were an important step for the Working Party, which he argued will make its outcomes more efficient. He noted that the document was silent on the use of titles as the provision on this aspect has been removed from an earlier draft. In this regard, he enquired what this would mean for Bureau members in terms of their use of titles and if there was a higher UNECE rule on the issue that could be referenced in the text. He also advised that a clarification on the use of titles should be included in either the decision or in the report of the session. Furthermore, he noticed that Rule 17 dealt with conflicts of interest and proposed that a reference to a UNECE document be also added for this rule.

59. The Chairperson explained that the Rules of Procedure were finalised by the membership at the level of the Executive Committee after a consultation process, and strongly advised against discussions that led to changes to the consensus text.

60. The representative of the European Union observed that while there are no changes proposed to the draft Rules of Procedure, she believed that the questions by Germany could be answered. As such, speaking in her capacity as the coordinator of the drafting team that prepared the draft Rules of Procedure, informed that Rule 17 was drafted in anticipation of developing UNECE guidelines on cooperation with the private sector/conflict of interest, and explained that there was an ongoing process at the Executive Committee on this work. She however confirmed that a document on this issue has not yet been developed.

61. On the issue of use of titles, the secretariat confirmed that the rule in question only concerned Bureau members and remarked that no higher document existed that regulated this matter. He added that the secretariat prepared a set of guidelines on the use of titles, which it shared with Bureau members for informal guidance. He also added that one way of interpreting the silence in the rules on the use of titles is that Bureau members could make use of the titles given to them by the Working Party.

62. The representative of France stated that there was a need to include a reference in the decision to the amendments and validation of the draft Rules of Procedure by the Permanent Representations in Geneva during consultations, which subsequently led to the revised draft and brought the process to a successful conclusion.

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The Working Party adopted the Rules of Procedure (ECE/CECI/WP/PPP/2021/5/Rev.1) prepared by a drafting team working under the auspices of the Bureau and amended and validated by the member States during informal consultations, and expressed its appreciation to the members of the drafting team for their work. The Working Party also recommends to the CICPPP to take note of the Rules of Procedure and to adopt the annexes contained therein.

The Working Party decided that existing Bureau members, including those who have already served for two consecutive two-year terms, are eligible for re-election at this session for one additional two-year term in line with the Rules of Procedure.

63. The Chairperson expressed his appreciation to the drafting team for their work over several months, and to the Permanent Representations in Geneva for reaching a consensus on this important document.

VIII. Election of officers (Agenda item 6)

64. The Working Party elected its Bureau for the period 2021 to 2023.

Decision 2021 – 6.1

The Working Party elected Mr. George Katapodis (Greece) as its Chairperson, and Mr. Steven Van Garsse (Belgium), Mr. Frédéric Bobay (France), Mr. Sam Tabuchi (Japan),

Ms. Sedef Yavuz Noyan (Turkey), Ms. Svetlana Maslova (Russian Federation) and Mr. Art Smith (United States of America) as Bureau members for a period of two years.

The Working Party expressed its appreciation to Ms. Alena Dadzerkina (Belarus), Mr. Mark Romoff (Canada), Mr. Kaimeng Li (China), Mr. Nicolaus Weil von der Ahe (Germany), Mr. Marco Percoco (Italy), Mr. Ziad Hayek (Lebanon), Ms. Sonia Mezzour (Morocco), Mr. Hafiz Salikhov (Russian Federation), Mr. Raymond Saner (Switzerland), Mr. Isfandiyor Usmonzoda (Tajikistan), Ms. Beatrice Ikilai (Uganda) and Mr. Christopher-Clement Davies (United Kingdom) for their contribution to the UNECE PPP work as Bureau members and wished them success in their future endeavours.

65. The representative of France suggested that a procedure should be initiated for the Working Party to elect observers on the Bureau at its next session.

Decision 2021 – 6.2

The Working Party requested the secretariat to initiate a procedure in 2022 to identify candidates from the three respective interest groups (private sector, academia, civil society) for observer positions on the Bureau for election at its next session.

IX. Other business (Agenda item 7)

Dates of the next session

Decision 2021 – 7

The Working Party agreed that its next meeting be held in the fourth quarter of 2022. The secretariat will fix the dates in consultation with the Bureau and the Conference Management Unit at the Palais des Nations in Geneva.

X. Adoption of the report (Agenda item 8)

Decision 2021 – 8

The Working Party requested the secretariat, in line with the special procedures established by the ECE Executive Committee for the COVID-19 pandemic period (paragraph 3 of document ECE/EX/2020/L.12), to circulate the decisions agreed at the session through all Geneva Permanent Representations, the Bureau and Working Party delegations for approval by silence procedure by the participating delegations of the session.

The Working Party further requested the secretariat to prepare a draft report of the session and distribute it to all Geneva Permanent Representations, the Bureau and Working Party delegations for subsequent approval by silence procedure in accordance with the Rule 21 of the Rules of Procedure and the Guidelines on procedures and practices for ECE bodies. Once the draft report is adopted, it requests its publication in English, French and Russian.

Annex

Chairperson’s summary of the policy discussion “Scaling up People-first Public-Private Partnerships projects in sustainable infrastructure to reignite the Decade of Action for the Sustainable Development Goals” under Agenda item 2

Introduction

1. With less than ten years left to implement the SDGs and given the huge negative effects of the COVID-19 pandemic on people and the economy, it is now crucial to reignite the Decade of Action proclaimed by the United Nations General Assembly in September 2019. The UNECE People-first PPP approach for the SDGs can contribute to the global efforts and to stay on track to realise the SDGs by 2030 by promoting the development of sustainable infrastructure.
2. This approach is not only helping countries attract sustainable finance but also boost partnerships between Governments, businesses, civil society and citizens to better design, develop, and implement the infrastructure of the future that is green, circular, resilient and of high quality, where people are the main beneficiaries. Sustainable finance and boosting partnerships are also two of the 12 commitments made by the Member States at the 75th anniversary commemoration of the United Nations in 2020 and that form the basis of the United Nations Secretary-General’s report “Our Common Agenda”.
3. The panellists addressed this policy discussion drawing on their experience and technical expertise working in public and private sectors, academia and civil society, and represented diverse geographical backgrounds, including from developed economies and from economies in transition. The outcomes of the 69th Commission session held in April 2021 provided a context for the discussions on the circular economy.

High-level debate: Reignite the Decade of Action for the Sustainable Development Goals: the role of sustainable infrastructure

4. The high-level debate began by emphasising the importance to reignite the Decade of Action to accelerate the implementation of the SDGs and stressed the role of sustainable infrastructure to this end. In this regard, panellists recognised the relevance of People-first PPPs for the SDGs to help Governments harness private sector’s investment and innovation in implementing sustainable infrastructure projects that reduce inequalities and address the needs of affected communities, in particular the most vulnerable groups.
5. The panellists not only noted that the progress towards implementing the 2030 Agenda is slowing down due to the COVID-19 pandemic, but also that the financing gap is increasing as a result, which was described as one of the biggest challenges to stay on track to achieve the SDGs. In this regard, the panellists noted that infrastructure projects that are sustainable throughout their whole life-cycle – from the design stage all the way to the financing, construction, and operation and maintenance stages – are not only contributing to achieving the SDGs but are also at the forefront of attracting private finance from lenders and investors.
6. The importance of sustainable infrastructure for the transition towards a circular economy was also highlighted. In this regard, circular economy was referred to by panellists as striving to reduce environmental footprint and resource dependency, as re-emphasised during the COP26, and also minimise waste and generate sustainable income.

7. The panellists further stressed the relevance of the People-first PPP for the SDGs approach to design projects contributing to the circular economy and the SDGs. Examples from panellists included projects that are designed to ensure green growth and that contribute to the transition to a low-carbon society and economy. In this regard, the ability for local governments to finance municipal projects through People-first PPP for the SDGs was highlighted as a key enabler for a transition to a circular economy. Additionally, the Evaluation Methodology was described as an important tool for Governments to ensure the compatibility of their projects with circular economy and the SDGs as well as to report on their progress towards the SDGs. In this regard, a number of panellists remarked that, although the Evaluation Methodology is a very comprehensive tool, capacity-building could be useful to help Governments in low and middle-income countries to self-assess their projects.

Session 1: How is the People-first PPP approach for the SDGs contributing to the development of green, circular, inclusive, resilient and fiscally sustainable infrastructure?

8. In this session, panellists discussed the ways in which the People-first PPP approach in support of the SDGs is contributing to the work of the international community aimed at scaling up sustainable infrastructure projects.

9. The panellists explored the convergence between the UNECE Guiding Principles on People-first PPPs in support of the SDGs (Guiding Principles) and the G20 Principles for Quality Infrastructure Investment (QII) endorsed by the G20 Heads of State in 2019 under the Japanese G20 presidency. Some of the panellists stressed that the People-first approach and the QII had similar end-goals in that they aimed for sustainability in infrastructure, most notably economic efficiency, environmental considerations in infrastructure investments, resilience against natural disasters, integrating social considerations and strengthening governance infrastructure and the circular economy.

10. However, the panellists also argued that the two approaches have a number of structural differences. In particular, it was noted that the QII principles focus on bankability and value for money to create attractive projects for investors especially in developed countries. The People-first PPP approach for the SDGs in turn, aims to add value for people and create sustainable projects for the benefit of the people. In this regard, it was argued that the People-first PPP approach may be complementary to the QII principles and help in the implementation of the SDGs. Importantly, the panellists also highlighted the role of the Evaluation Methodology to develop People-first infrastructure projects that are not only aligned with the SDGs but are also financially robust and sustainable over their life-cycle.

11. The session also touched upon how the People-first PPP approach for the SDGs can be leveraged further in convergence with the work undertaken by the Multilateral Development Banks' Infrastructure Cooperation Platform (MDB ICP) and with other tools developed by the MDBs such as the SOURCE platform developed by the Sustainable Infrastructure Foundation (SIF) and the IMF Public Investment Management Assessment (PIMA). The panellists agreed that the tools and joint efforts by the UNECE, the MDBs, the OECD and the G20, contribute to a transition towards a new generation of sustainable infrastructure projects, especially by promoting early planning and preparation of projects through the digitalisation of the different tools available. For instance, a panellist provided the perspective of an OECD country's standard tender document for port infrastructure, recognising that the Guiding Principles were particularly relevant in designing a standard contract that was fully aligned with the SDGs, and in taking into account of the needs of vulnerable communities. Finally, it was recognised that further collaboration between the

UNECE, the MDBs, the OECD and the G20 would be beneficial and could help accelerating the implementation of the SDGs.

Session 2: How do the People-first PPP projects for the SDGs contribute to the circular economy agenda?

12. In this session, the panellists discussed the extent to which the People-first PPP approach for the SDGs can contribute to the circular economy agenda. Panellists emphasised PPPs holistic contribution, that is, by increasing the circularity in infrastructure and by implementing infrastructure for the circular economy and beyond towards a sustainable economy.

13. It was noted that, as infrastructure is responsible for more than 70 per cent of global greenhouse gas emissions, it has a key role to play in mitigating climate change and in addressing natural resources scarcity. The panellists argued that for infrastructure to be sustainable and benefit the circular economy, it must reduce or forgo the demand for materials in construction, replace finite materials with renewable materials, and enable the recovery and recycling of materials. It was argued that the use of digital infrastructure or infrastructure technology that enables connectivity, automation and optimisation in line with circular economy principles across the value chain can help achieve these objectives.

14. Some panellists noted that circularity elements are present in all the different phases of infrastructure projects and the case of renewable energy was used as an example. One panellist argued that Governments, designers, financiers, and contractors are already contributing to the circular economy by, *inter alia*, incorporating sustainability elements, increasing resource and material use efficiency, and reducing and recycling waste at the design, finance, build and operation stages of projects. However, it was agreed that more needs to be done in order to achieve the ambitious targets set out in the 2030 Agenda for Sustainable Development. Building on this, panellists discussed how to mobilise sustainable financing for the circular economy transition.

15. Importantly, some panellists emphasised the urgent need to streamline and implement circular economy processes and elements at all stages of PPPs, so that projects can ensure sustainability and circularity from the conception and financing stages to the operation and maintenance. The panellists also agreed that further analysis on the circularity aspects of each PPP stage is lacking and would be beneficial to Governments. Furthermore, the panellists stressed the importance to consider all sectors in a systemic way when implementing circular economy processes in infrastructure, as sectors are often interlinked and cannot be addressed separately.

16. The session also considered projects that dealt with certain aspects of the circular economy agenda, in particular, the potential of Waste-to-Energy projects for residual, non-recyclable materials. In this regard, while panellists stressed the importance of minimising waste and promoting quality recycling, they also agreed that Waste-to-Energy, when properly implemented, can help reduce landfilling and use non-recyclable waste as a resource.

17. A panellist presented the results of a UNECE survey designed to receive feedback from Governments, private sector and civil society on the UNECE Guidelines on Promoting People-first PPPs Waste-to-Energy Projects for the Circular Economy (the Guidelines) presented at the fourth session of the Working Party in 2020. The survey identified three necessary conditions if Waste-to-Energy PPP projects are to contribute to the circular economy agenda, namely: (i) state of the art technologies, (ii) safe disposal or sustainable re-use of non-recyclable residuals, and (iii) sufficient sustainable waste management and effective governance.

18. Some panellists further emphasised the potential of Waste-to-Energy for the circular economy, arguing that, when these three important conditions were satisfied, People-first PPP Waste-to-Energy projects had the potential to significantly decrease pollution from CO₂ emissions and metal pollutions generated by landfilling waste. A speaker from the European Commission noted that in accordance with the EU Waste Framework Directive, resource management and waste management are considered the cornerstone of the transition towards the circular economy. As such, the EU framework to facilitate sustainable investment (known as the “taxonomy”) does not promote Waste-to-Energy, which is considered the last alternative to landfilling and incineration. The European Commission however recognised, in line with the UNECE Guidelines, the role of Waste-to-Energy to the circular economy for non-recyclable materials as a way to help reduce landfilling. Finally, the potential of People-first PPP Waste-to-Energy projects for developing countries and countries with economies in transition was emphasised, and panellists concluded that more guidance on this would be beneficial.
