

UNECE PPP Evaluation Methodology for the SDGs

Assessing the sustainability of infrastructure
projects



Launch event for Governments

27 September 2022

**75 YEARS
OF ECONOMIC INTEGRATION
AND COOPERATION
IN THE REGION**

The UNECE approach to PPPs for the SDGs



UNECE



- Aligned with the 2030 Agenda and the SDGs
- A new generation of infrastructure and public service projects done through PPP, putting people's interest at their core, generating both 'value for people' and 'value for the planet'.
- 5 desirable outcomes that derive from the SDGs as it concerns infrastructure:

Access and
Equity

Economic
effectiveness
and fiscal
sustainability

Resilience and
environmental
sustainability

Replicability

Stakeholder
engagement

Mainstreaming PPPs for the SDGs



UNECE

- UNECE member States have adopted standards, guiding principles and recommendations aimed at enhancing the capacity of governments to deliver PPPs for the SDGs

UNECE Guiding Principles for PPPs for the SDGs

- 10 **guiding principles** to support governments in designing and implementing comprehensive PPP for the SDGs policies, programmes and pipelines of projects

UNECE PPP Evaluation Methodology for the SDGs

- An **evaluation methodology** to score projects against the SDGs

UNECE Policy and sectoral standards to improve transparency and lower transaction cost

- **Sectoral standards** on PPPs in Railway, Renewable Energy and Roads
- More in development: Urban Rail Transit, Airports, Healthcare, Waste-to-Energy, and Water and Sanitation.
- Standard on a Zero Tolerance Approach to Corruption in PPP Procurement

UNECE PPP model legislation for the SDGs

- **PPP Model Law** (in development)

PPP Evaluation Methodology for the SDGs

Measuring infrastructure projects against the SDGs



UNECE

What is the PPP Evaluation Methodology for the SDGs?

- Unique platform to score infrastructure projects against the SDGs and the 5 desirable outcomes of PPPs for the SDGs.
- Unique initiative in the UN.

How was it developed?

- Developed in 2020/2021 by a global team of more than 100 experts.
- Building on existing sustainability methodologies.
- Initial testing in 2020 on 30+ pilot projects and further testing in 2021 on 60+ projects.
- Developed as a Self-Assessment Tool.

Main features

- 22 criteria and 95 indicators.
- A weighting and scoring system for these criteria and indicators.
- Flexible and adaptable

PPP Evaluation Methodology for the SDGs

22 criteria to assess projects



UNECE

Access and Equity

1. Provide essential services.
2. Advance affordability and universal access.
3. Improve equity and social justice.
4. Plan for long-term access and equity.
5. Avoid/minimise and mitigate physical and economic displacement

Economic Effectiveness and Fiscal Sustainability

6. Avoid corruption and encourage transparent procurement.
7. Maximise economic viability and fiscal sustainability.
8. Maximise long-term financial viability.
9. Enhance employment and economic opportunities.

Environmental Sustainability and Resilience

10. Reduce greenhouse gas emissions and improve energy efficiency.
11. Reduce waste and restore degraded land.
12. Water consumption and wastewater discharge.
13. Protect biodiversity.
14. Assess risk and prepare for disaster management.

Replicability

15. Encourage replicability and scalability.
16. Standardise PPP preparation and tender
17. Enhance government, industry and community capacity.
18. Support innovation and technology transfer.

Stakeholder Engagement

19. Plan for stakeholder engagement and public participation.
20. Maximise stakeholder engagement and public participation.
21. Provide transparent and quality project information.
22. Manage public grievances and end user feedback.



Self-Assessment Tool

Criteria



Indicators



Criteria	AE1. PROVIDE ESSENTIAL SERVICES	
Intent	Provide new or improved access to essential services to people.	
Applicability	This criterion is applicable to all projects that provide one or more essential services. As a result, it would be difficult to demonstrate that this criterion is not relevant or applicable to a project seeking to be recognised as a PPP for the SDGs. Therefore, projects seeking to be recognised as PPPs for the SDGs are required to address the mandatory indicators (marked with *) and are strongly encouraged to address all indicators included in this criterion (unless indicators included in this criterion are determined to be not applicable).	
Indicators		Answer
AE1.1 (*)	Is the project identifying and taking into account the real needs of the people by reference to their economic and social situation as established through the stakeholder engagement process?	4
AE1.2	Is the project contributing in an organised manner to the expansion and improvement (for example including but not limited to circular economy processes) of essential services?	3
AE1.3	Is there evidence that stakeholder lives will be / have been / are being transformed as a result of the project providing new or improved access to essential services?	1
AE1.4	Is the project avoiding, eliminating, mitigating, and/or offsetting impacts to existing essential services?	N/A
(* mandatory)		AE1 score: 50% (Satisfactory)



Choose answers (dropdown menu)

Home page	At-A-Glance	Access and Equity	Economic Effectiveness	Environmental Sust. & Res.	Replicability	Stakeholder Engagement	Results
-----------	-------------	-------------------	------------------------	----------------------------	---------------	------------------------	---------

5 desirable outcomes

People-first outcome	Score	Performance
Access and Equity	47.3%	Satisfactory
Economic Effectiveness and Fiscal Sustainability	80.8%	Excellent
Environmental Sustainability and Resilience	50.4%	Satisfactory
Replicability	75.0%	Good
Stakeholder Engagement	40.3%	Satisfactory
Overall score*	59.2%	Satisfactory

Comments

Strengths:

The project has taken into account the real needs of the people by reference to their economic and social situation.

The project has quantified the number of people who will have new or improved access to one or more essential services as a direct and/or indirect result of the project who previously had no or unsatisfactory access to these services.

For a concessions PPP: the service provided by the project is and can be expected to remain reasonably affordable for the users including if necessary, through special rules for those most vulnerable and disadvantaged.

For a government-pay PPP: the costs of the service provided by the project can be accommodated within the available public sector budget.

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

The project delivers “value-for-people” meaning the project offers net tangible and intangible benefits to society by providing services to a consistently and verifiably higher standard over the life of the project.

The project generates positive “value-for-money” meaning the costs net of benefits of the selected PPP contractual model are lower vs. a modern public procurement model.

Areas for improvement:

Consider undertaking an Environmental and Social Impact Assessment to assess and mitigate the range of direct and indirect social impacts (e.g., direct impacts on cultural, historical, recreational, or other resources and services resulting from the project and associated activities; impacts from independent secondary development or actions that may occur as a result of the project; indirect impacts on cultural, historic, recreational or other resource or services that are important to the local community) the project will have on host and affected communities (i.e., the project service area).

Consider maximising the development impact of the project and facilitating women’s empowerment throughout project procurement, project decision-making, entrepreneurship support and capacity building, occupational training and support, work flexibility and equal pay for equal work.

Consider developing and implementing an environmental management plan (EMP) to avoid, mitigate impacts to, or restore the impact area.

Consider assessing and implementing opportunities to increase government capacity (e.g. enhancing the institutional efficiency and government effectiveness, or enhancing the regulatory quality) and/or project/industry capacity (e.g. enhancing project or industry efficiency, regulatory quality, transparency, and/or the removal of barriers that had the potential to inhibit the project and/or industry to thrive).



UNECE

User's Guide to the Self-Assessment Tool

AE1 PROVIDE ESSENTIAL SERVICES

Includes mandatory indicators

Rationale

Intent	Provide new or improved access to essential services to people.
Metric	The extent to which the project provides new or improved access to essential services.
Description	<p>The SDGs are first and foremost concerned with improving access to essential services for social economic and environmental development and poverty eradication, recognising that lacking access to such services can have enormous negative impacts on people's livelihoods and wellbeing. In the context of this criterion, <u>essential services</u> include telecommunications and the Internet, education, energy, healthcare, transport (of goods and people), waste, and water.</p> <p>This criterion encourages projects to articulate and quantify the provision of essential services to people. 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.</p> <p>The provision of essential services should be aligned with city, regional and/or community development plans, and should take into account the real needs of the people by reference to their economic and social situation as established through the stakeholder engagement process. Where formal community planning documents do not exist, the project should undertake its own analyses of the real needs of the people— for example, this could be done through a stakeholder engagement and public participation process where stakeholders (including the public) identify and prioritise their real needs for the project to address.</p>
Applicability	This criterion is applicable to all projects that provide one or more essential services. As a result, it would be difficult to demonstrate that this criterion is not relevant or applicable to a project seeking to be recognised as a People-first PPP for the SDGs. Therefore, projects seeking to be recognised as People-first PPPs for the SDGs are required to address the mandatory indicators (marked with *) and are strongly encouraged to address all indicators included in this criterion (unless indicators included in this criterion are determined to be not applicable).

Indicators and guidance

AE1.1 *Is the project identifying and taking into account the real needs of the people by reference to their economic and social situation as established through the stakeholder engagement process? (*)*

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

<p>Identification stage</p> <p>To rate this indicator as “5-excellent”, a preliminary analysis of people’s needs must be done, by reference to their economic and social situation, and how the project intends to address them. There are a number of ways to determine the real needs of the people. 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, by reference to their economic and social situation. Compile any reference or source documents used. This information should be included in the project PPP development strategy, concept document, prefeasibility study or equivalent.</p>
--

Using the PPP Evaluation Methodology for the SDGs



UNECE



Resources available on the UNECE website:

(in English and Russian)

<https://unece.org/ppp/em>

- PPP Evaluation Methodology for the SDGs
- Self-Assessment Tool
- User's Guide to the Self-Assessment Tool



Thank you!

UNECE

27 September 2022

**75 YEARS
OF ECONOMIC INTEGRATION
AND COOPERATION
IN THE REGION**