

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE
WORKING PARTY ON PUBLIC-PRIVATE PARTNERSHIPS (WP PPP)

Draft

UNECE PEOPLE-FIRST PPP IMPACT ASSESSMENT TOOL

**Implementing the United Nations 2030 Agenda for Sustainable Development
through effective
“People-first Public-Private Partnerships”**

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1 I. Avant propos

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

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

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

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

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

16 *... which require a new 'People-first' approach.*

17 In this context, the United Nations Economic Commission for Europe (UNECE) has developed the
18 [People-first PPP approach](#) and [10 guiding principles](#) to provide a model that will foster access to
19 essential public services for all with sustainable development as its objective and putting people at
20 the core.

21 Evaluation methodology as a compass for People-first models of PPPs

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

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

26 *... that can measure impact and score projects ...*

27 People-first PPPs are defined according to five specific outcomes: access and equity; economic
28 effectiveness; replicability; environmental sustainability and resilience; and, stakeholder
29 engagement. These generic outcomes can be analyzed, and have benchmarks elaborated added that
30 can be scored to assess the extent to which projects are People-first.

31 *... using the methodology to foster improvements in the projects themselves.*

32 It is important that the methodology is used to improve projects. Some projects will be evaluated
33 and might not meet the criteria. But users of the tool – typically governments - can adjust their
34 projects accordingly. In addition, realistically few projects can deliver on each of the five rather
35 specific outcomes.

36 **The evaluation methodology is not merely a calculus or a ‘pass or fail’**

37 *The methodology should however not be used as a slide rule to describe projects as either ‘good’ or*
38 *‘bad’, ‘pass or fail’ but rather...*

39 This methodology should be used incrementally as a path finder to move projects towards People-
40 first solutions and outcomes.

41 *... integrated into a robust Programme to promote People-first PPPs, ...*

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

45 *... building a data base of People-first PPP projects ...*

46 UNECE has a substantial database of case studies that showcase elements of the People-first
47 outcomes that make people the main beneficiaries and which have sustainable development as the
48 core. These projects can become ‘flagships’ to inspire Governments in other countries.

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

51 Projects can always be improved upon and challenges are constantly changing. Models need to be
52 tested and adjusted. Learning is a continuous exercise and the evaluation methodology can
53 contribute to this process.

54 **Measurable, neutral, adaptable benchmarks are the key to an effective evaluation methodology**

55 *The benchmarks should be both qualitative and quantitative ...*

56 Benchmarks have been elaborated for each of the five outcomes, that leaves as little as possible to
57 subjective interpretation. A major challenge to developing any evaluation methodology is whether
58 the evaluation that is done using such a methodology, can be genuinely presented as ‘non-biased’.

59 *... although not too many.*

60 Realistically, the people who should be using the evaluation methodology to adjust their projects to
61 make them closer to the People-first approach, will be less inclined to use the methodology if it is
62 too complicated, with too many indicators.

63 **Governments need support to properly use the methodology and to develop actual projects**

64 *This process to mainstream and scale up the People-first model is only just beginning....*

65 People-first PPP is, after all, a new model that is getting started, often in the most challenging of
66 environments.

67 *... and there are not quick fixes but requires all stakeholders to work together in new forms of*
68 *partnerships over long periods of time.*

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

72 *No man is an island; and in the same way, no single project can be ringfenced.*

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

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

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

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

81 Support needs to be offered to countries wishing to use the methodology in order to deliver
82 impactful projects. Such support to Governments needs to be project-based and comprehensive if
83 the evaluation methodology is to deliver high valued quality, People-first projects. It is important
84 that the methodology is implemented through support and capacity-building project facilitation in
85 order to assist Governments and to help them meet their SDG targets.

86 The People-first PPP Evaluation Methodology should thus not be the 'end of the story'. Rather it
87 must be the beginning.

88 **II. Introduction**

89 The following is a description of a tool composed of a self-assessment and a certification scheme
90 (see further details below) for evaluating PPP projects that aspire to be described as 'People-first'.
91 This Evaluation Methodology¹ consists of three elements:

- 92 (i) Benchmarks and evaluation criteria that demonstrate achievement in each of the five
93 People-first PPP outcomes;
- 94 (ii) A weighting and ranking of these outcomes along with other issues pertinent to scoring;
95 and,
- 96 (iii) A scoring system that can provide various stakeholders² with the evaluations needed to
97 revise and adjust their project designs and operations to make them more compliant with
98 the People-first outcomes and the SDGs.

¹ The UNECE PPP standards, methodologies, guiding principles, best practices, declarations and recommendations are endorsed and adopted by acclamation by the UNECE intergovernmental bodies – the Working Party on Public-Private Partnerships and the Committee on Innovation, Competitiveness and Public-Private Partnerships – and do not impose any obligations on member States as their implementation is entirely voluntary.

99 The benchmarks identified below are grouped under each of the five outcomes that together
100 constitute what is called ‘People-first’ PPPs, namely:

- 101 1. Access and equity;
- 102 2. Economic effectiveness and fiscal sustainability;
- 103 3. Environmental sustainability and resilience;
- 104 4. Replicability; and
- 105 5. Stakeholder engagement.

106 This document draws extensively from other methodologies, namely the EASIER³ methodology and
107 its accompanying Practical Guide⁴ based on the People-first outcomes developed by the Specialist
108 Centre of Excellence on PPPs in Smart and Sustainable cities in Barcelona, Spain, affiliated to the
109 UNECE International PPP Centre of Excellence; and Envision⁵, sustainable infrastructure framework
110 and rating system developed and administered by the Institute for Sustainable Infrastructure (ISI)⁶.

111 **III. Benchmarks and evaluation criteria for the People-first outcomes**

112 **1. Access and Equity**

113 **Definition**

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

² Mainly governments, but the tool is also suited for the private sector, lenders and civil society.

³ EASIER methodology (P. Berrone, J.E. Ricart, A. I. Duch, V. Bernardo, J. Salvador, J- Piedra Peña and M. Rodríguez Planas, an Evaluation Model for Public-Private Partnerships Contributing to the Sustainable Development Goals”, Sustainability 2019, April 18, 2019). More information at <https://www.mdpi.com/2071-1050/11/8/2339>.

⁴ Practical guide to answer EASIER evaluation (2019), Specialist Centre of Excellence on PPPs in Smart and Sustainable Cities, IESE Business School, Barcelona, Spain.

⁵ Envision is used to evaluate the sustainability and resiliency of all types and sizes of civil infrastructure. Originally developed in joint collaboration between the Institute for Sustainable Infrastructure (ISI) and the Zofnass Program for Sustainable Infrastructure at the Harvard University Graduate School of Design, it has been used to evaluate billions of dollars of infrastructure development globally: www.sustainableinfrastructure.org.

⁶ ISI, Washington, DC, United States, is a non-profit education and research organization founded in 2010 by the American Public Works Association (APWA), the American Society of Civil Engineers (ASCE) and the American Council of Engineering Companies (ACEC): www.sustainableinfrastructure.org

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

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

122 **Benchmarks**

123 The following four benchmarks have been identified for the access and equity outcome, namely:

124 1.1 Provision of basic quality services to previously unserved groups.

125 1.2 Affordability of the services to all citizens (universal access).

126 1.3 Advance equity and social justice.

127 1.4 Access and equity during project life cycle.

128 **Evaluation criteria**

129 A total of 22 evaluation criteria were developed to accompany the four benchmarks and these are
130 listed below under each benchmark.

131 1.1 Provision of basic quality services to previously unserved groups:

132 1.1.1 Does the project directly or indirectly improve access to basic quality infrastructure services
133 (e.g., water, waste, transportation, education, healthcare, energy) that are aligned with
134 city, regional and/or community development objectives? (e.g. number of people with new
135 access to a basic service as a direct or indirect result of the project, who previously had no
136 access to this service)

137 1.1.2 Does the project directly or indirectly provide access to a basic quality infrastructure
138 service, where this service was not previously accessible or where service was
139 unsatisfactory or of poor quality? (e.g. number of people with improved access to a basic
140 service as a direct or indirect result of the project who previously had unsatisfactory access
141 to this service)

142 1.1.3 Is the utility or IT service continuously available on a 24-hour basis?

143 1.1.4 Has the project extended its services to the local or affected communities?

144 1.1.5 Have stakeholder lives been transformed as a result of better and more equitable access to
145 the service? (i.e. to establish whether access contributes to the human wellbeing of the
146 overall population, including the more vulnerable population)

147 1.2 Affordability of the service to all citizens (universal access)

148 1.2.1 Is the service easily affordable for all users, including marginalized and most vulnerable
149 groups of the population?

150 1.2.2 Has it been found necessary to protect poorer members of the community through
151 subsidies or other similar schemes?

152 1.2.3 Has a Poverty Impact Assessment (PIA) been conducted for the project's intended service
153 area?

154 1.2.4 Have measures to improve affordability to low-income users been identified, and are there
155 plans to implement and monitor these measures for ongoing effectiveness (e.g., to ensure

156 users are able to continue to afford the service(s) provided) throughout the life of the
157 project?

158 1.2.5 Has the project defined indicators for effective access compared with nominal access (e.g.,
159 number of people user of a service vs. those with physical access to the service but who are
160 unable to afford to pay for the service(s) provided).

161 1.3 Advance equity and social justice:

162 1.3.1 Does the project provide equal access to the users, including marginalized and most
163 vulnerable groups of the population (i.e. youth, women, elderly, people living below
164 poverty line, ethnic minorities, persons with disability etc.)?

165 1.3.2 Does the project take into account the historic context of equity and social justice for the
166 area(s) it is intended to serve?

167 1.3.3 Has the project assessed and explicitly addressed the social impacts the project will have on
168 the affected communities?

169 1.3.4 Can the project demonstrate that both benefits and impacts of the project will be
170 distributed equitably throughout affected communities?

171 1.3.5 Does the project address or correct an existing or historical injustice?

172 1.3.6 Have the public and private members of the project team make commitments to equity and
173 social justice within their institutions/organizations? (Commitments to equity and social
174 justice in this case may refer to non-discrimination clauses, commitments to diversity and
175 inclusion, pay equity, etc.).

176 1.3.7 Has the project comprehensively assessed accessibility needs?

177 1.3.8 Has the project incorporated measures to address accessibility needs?

178 1.3.9 Is there a plan in place to monitor accessibility and implement corrective measures as
179 needed throughout the life of the project?

180 1.4 Access and equity during project life cycle:

181 1.4.1 Does the risks matrix incorporate access and equity issues that could prevent maintaining
182 expected level and quality of service over the project life cycle?

183 1.4.2 How does the project anticipate the maintenance and evolution of access to the service
184 over contract duration? (including life cycle, maintenance, renewals and technical
185 evolutions etc. and in countries with high demography increase)

186 1.4.3 Does the project have a monitoring mechanism to achieve a satisfactory level of access and
187 equity?

188 2. Economic Effectiveness and Fiscal Sustainability

189 Definition

190 Economic effectiveness and fiscal sustainability refer to the project's contribution to economic
191 growth and development through good quality jobs, technology and innovation, women
192 empowerment etc. It also stems from the project's ability to utilize efficiently all economic assets,
193 generate profitability from affordable tariffs, while allowing sustainable budget and effective debt
194 management by the public party.

195 Because corruption is one of the biggest challenges to the achievement of People-first PPPs, the
196 UNECE has developed a Standard on a Zero Tolerance Approach to Corruption in PPP Procurement

197 which contains anti-corruption principles and recommendations specifically targeted toward PPPs.
198 By implementing this standard, governments can put procedures and processes in place to lower the
199 risk of corruption taking place, therefore building trust with all stakeholders involved in a project.

200 **Benchmarks**

201 The following five benchmarks have been identified for the economic effectiveness and fiscal
202 sustainability outcome, namely:

203 2.1 Anticorruption measures and open and transparent procurement.

204 2.2 Economic viability and fiscal sustainability of the infrastructure.

205 2.3 Financial viability, including the profitability, of the project.

206 2.4 Quality employment and economic opportunities for all.

207 2.5 Contribution to innovation and technology transfer.

208 **Evaluation criteria**

209 A total of 25 evaluation criteria were developed to accompany the five benchmarks and these are
210 listed below under each benchmark.

211 2.1 Anticorruption measures and open and transparent procurement:

212 2.1.1 Generally, has the UNECE Standard on a Zero Tolerance Approach to Corruption in PPP
213 Procurement (ZTC) been complied with?

214 2.1.2 Have approvals (of the project, PPP contract and private sponsor/shareholder) been
215 processed according to law (government approval under a proven legal framework, or
216 special law enacted by parliament for a one-off project, etc.) and in full transparency?

217 2.1.3 Was the project awarded through an open and transparent competitive tender or, in case
218 of an unsolicited proposal, subject to the safeguards stipulated in the above-referenced
219 ZTC?

220 2.1.4 Is there an absence of evidence of corruption or undue influence (from judicial sources or
221 credible opposition or media sources)?

222 2.1.5 Was the PPP the result of a structured process (e.g. involving experienced advisors)
223 resulting in a balanced contract (e.g. ensuring tariff affordability and appropriate risk
224 allocation)?

225 2.1.6 Are project costs and, where applicable, obligatory upfront payments to the public
226 authority strictly related to the infrastructure project implementation?

227 2.2 Economic viability and fiscal sustainability of the infrastructure:

228 2.2.1 Will the infrastructure project deliver net tangible and intangible benefits to society by
229 providing services to a consistently higher standard (e.g., quality school infrastructure
230 leading to improved educational outcomes; improved cleanliness of the hospital leading to
231 lower in-hospital infection rates) and can these benefits be verified (e.g. through
232 certification, ISO or otherwise)?

233 2.2.2 Will the infrastructure project generate positive value-for-money (applying an appropriate
234 discount rate for the country, sector and nature of the project, e.g. 'green' projects) by
235 comparing the costs (e.g. higher cost of funds and other externalities) and benefits (e.g.
236 fixed price certainty, shorter implementation period, higher design and technical standards

- 237 applied, consistent maintenance, whole life costing of the infrastructure etc.) of the PPP
238 model vs. a public procurement model ?
- 239 2.2.3 Has the fiscal sustainability of the PPP contract and creditworthiness of the public authority
240 been positively assessed (and openly disclosed to interested parties) including the burden
241 of any direct payment (availability payment or otherwise), the fiscal return to the public
242 authority (from taxes accrued directly or indirectly from the project) and the potential
243 burden of the debt (where contingent liabilities are involved in case of PPP contract
244 termination)?
- 245 2.2.4 (Where needed) Has technical assistance been sought from another government or an
246 international agency or competent advisors (domestic or international) to help prepare the
247 project?
- 248 2.2.5 Is the project designed to maximise socio-economic impact by facilitating women
249 empowerment (decision making, occupational training, entrepreneurship support etc.) and
250 taking into account the needs of vulnerable groups?
- 251 2.3 Financial viability, including the profitability, of the project:
- 252 2.3.1 Is the project's private sponsor/shareholder of adequate technical, financial and
253 reputational standing to successfully finance, implement, operate and maintain the project
254 over its life, including having access to necessary resources, financial and otherwise?
- 255 2.3.2 Will the revenues under the PPP contract derived from tariffs, affordability payments or
256 otherwise enable the project to cover operating & maintenance costs and repay the capital
257 invested (debt & equity, including interest and shareholder return as applicable)? Are tariffs
258 secured by an acceptable regulatory regime? Are payments to be made by the public
259 authority (where applicable) committed (or guaranteed) by an acceptable counterparty
260 (sovereign, special fund or budget or otherwise)?
- 261 2.3.3 Is the contractual risk allocation deemed appropriate (namely the party more able to
262 control a specific risk is deemed to bear that risk under the contractual arrangement),
263 including inter alia country, inflation and currency risks, construction and operating risks,
264 demand and price risks?
- 265 2.3.4 Is the project's tariff (where applicable) deemed affordable for intended users (comparing
266 with average household income), including no material adverse effect on the lower income
267 quartile of the affected population (subject to any existing social safety net applicable)?
- 268 2.3.5 (Where possible) Have the phasing of project development been considered, the design
269 requirements been specified or other risk mitigation measures been implemented as a way
270 to limit execution risks?
- 271 2.4 Quality employment and economic opportunities for all:
- 272 2.4.1 Are there many direct and sustainable jobs (commensurate to country characteristics,
273 project size and services offered) to be created locally by the construction, operation and
274 maintenance of new facilities (engineering staff, construction staff, professional staff,
275 technical maintenance and cleaning personnel etc.) in line with SDG8?
- 276 2.4.2 Is there significant indirect employment to be generated locally by the project?
- 277 2.4.3 Are quality jobs involved, in line with the ILO Decent Work Indicators and representing a
278 competency upgrade in the local market, and are training plans proposed to allow local
279 people to successfully apply to such positions?

- 280 2.4.4 Are there detailed plans (including KPIs) in place to ensure diversity of the workforce, for
281 example women, youth, people with disabilities etc.
- 282 2.4.5 Are there commitments for the protection of women’s rights and non-discrimination (e.g.
283 enforcement of ILO regulation, equal pay, access to education and other essential services,
284 prevention of violence and harassment against women etc.)?
- 285 2.5 Contribution to innovation and technology transfer:
- 286 2.5.1 (Where applicable) Does the project contribute to achieving industrialization (SDG9) and
287 sustainable agriculture (SDG2) (including the development of technological capabilities
288 recommended in both cases)?
- 289 2.5.2 Is there a transfer of know-how through the use of best international practice, new
290 technology or an innovative business model, in either case in the context of the local
291 market?
- 292 2.5.3 Does the project increase revenue and/or reduce costs (or otherwise) over its whole
293 lifecycle through optimized design, resource efficiency, appropriate commercialisation or
294 an innovative business model, in either case in the context of the local market and
295 according to local constraints and capabilities?
- 296 2.5.4 (Where applicable) Does the project allow competition between different technologies by
297 measuring the impacts and results which each technology brings?

298 **3. Environmental sustainability and resilience**

299 **Definition**

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

303 Resilience refers to “the ability of a system, community or society exposed to hazards to resist,
304 absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and
305 efficient manner, including through the preservation and the restoration of its essential basic
306 structures and functions through risk management” (United Nations International Strategy for
307 Disaster Reduction, 2017).⁷

308 **Benchmarks**

309 The following seven benchmarks have been identified for the environmental sustainability and
310 resilience outcome, namely:

311 Environmental sustainability:

312 3.1 Atmospheric environmental sustainability.

313 3.2 Land Environmental Sustainability.

314 3.3 Water Environmental Sustainability.

315 3.4 Biodiversity Sustainability.

316 Resilience:

⁷ The UN organization is now called the United Nations Disaster Risk Reduction (UNDRR).

- 317 3.5 Disaster management strategy.
318 3.6 Strengthening community and institutional capacity on disaster mitigation.
319 3.7 People first community driven development programme aligned with national disaster
320 mitigation legal framework.

321 **Evaluation criteria**

322 A total of 28 evaluation criteria were developed to accompany the seven benchmarks and these are
323 listed below under each benchmark.

324 3.1 Atmospheric environmental sustainability:

- 325 3.1.1 Percentage of expected CO2 equivalent GHG emissions reduction compared to global
326 norms.
327 3.1.2 Does the project have a plan incorporating mitigation measures such as tree plantations or
328 other products capable of capturing the CO2 and methane generated by the project?
329 3.1.3 Percentage reduced energy consumption per unit of output/ service for the project over a
330 year compared to the national norms.
331 3.1.4 Percentage improved Energy Performance Index (EPI) of buildings in the project measured
332 by the total energy consumed in a building over a year divided by total built up area
333 compared to the national norms.

334 3.2 Land environmental sustainability:

- 335 3.2.1 Percentage reduced raw material intensity in the project compared to the national norms.
336 3.2.2 Percentage reduction in solid (including hazardous) waste generated per unit of output or
337 service per year compared to the national industrial norms.
338 3.2.3 Percentage of solid (including hazardous) waste disposed compared to the solid (including
339 hazardous waste) generated by the project as in ESR 2.2.
340 3.2.4 Percentage of degraded land restored out of the total degraded land within the project
341 area.

342 3.3 Water environmental sustainability:

- 343 3.3.1 Percentage reduced fresh water consumed per unit of output/service in the project
344 compared to the national norms.
345 3.3.2 Percentage of wastewater treated compared to the total wastewater generated by the
346 project.

347 3.4 Biodiversity sustainability:

- 348 3.4.1 Percentage of degraded ecosystems in the project's impact area restored/ enhanced by
349 establishing green cover out of the total impact area.
350 3.4.2 Does the project have an environmental impact assessment (EIA) and an environmental
351 management plan (EMP) identifying and quantifying the biodiversity (to the extent feasible)
352 and incorporating appropriate mitigation measures such as afforestation, animal
353 movement corridors etc.?

354 3.5 Disaster management strategy:

- 355 3.5.1 Does the project identify funds from different sources and provide a budget for Asset
356 Losses to be met by the project?

- 357 3.5.2 Does the project identify funds from different sources and provide a budget for Wellbeing
358 Losses to be met by the project?
- 359 3.5.3 Is there a well-articulated Disaster Management Strategy with Disaster Financial
360 Inclusiveness prepared for the project (that incorporates all the elements described for the
361 benchmark)?
- 362 3.5.4 Is there a risk map for types and scale of different disasters indicating loss of assets and
363 number of persons likely to be affected by the disaster?
- 364 3.6 Strengthening institutional and community capacity on disaster mitigation:
- 365 3.6.1 Funds to turnover (%) allocated for disaster research and capacity development.
- 366 3.6.2 Is there a plan for strengthening stakeholder disaster awareness through a capacity
367 development for adaptation, mitigation and technology transfer, and development actions?
- 368 3.6.3 Is there a plan for developing pre-disaster early warning systems and sensors?
- 369 3.6.4 Is there a plan to prepare a web-based interactive map of high, medium and low alert areas
370 (identified in the risk map), to propagate confirmed hazard information on real-time basis
371 through social media platforms?
- 372 3.6.5 Does the project propose to use sustainable construction methodologies including
373 identifying natural barriers and flood buffering structures?
- 374 3.6.6 Does the project consider assessing identification of changes in land-use planning and use
375 of appropriate building codes for disaster resilience?
- 376 3.7 People-first community development program aligned with National Disaster Mitigation Legal
377 Framework:
- 378 3.7.1 What plan does the project have to assess poverty related measures?
- 379 3.7.2 What plan does the project have to establish the community socio-economic resilience
380 indicator?
- 381 3.7.3 Does the project identify preparatory actions before, emergency actions during and
382 recovery and reconstruction actions after natural disasters?
- 383 3.7.4 Is there a defined Community Driven Development Program during and after disaster
384 recovery and reconstruction to enhance community participation?
- 385 3.7.5 Is there a national Disaster Mitigation Law that has been established or is there an
386 operationalized integrated policy/ strategy/ plan to address disaster and climate change
387 resilience?
- 388 3.7.6 Does the project define an institutional arrangement with qualified staff for disaster
389 emergency response?

390 **4. Replicability**

391 **Definition**

392 Success in achieving the SDGs will come by scaling up programmes and projects. This will require a
393 considerable number of People-first PPPs. Such scalability can be achieved if the projects are
394 replicable. Replicability is the way in which a project can lead to the development of further projects.
395 This can be done by a project itself training local staff and public administrations. At the same time,
396 such scalability cannot come at the expense of higher environmental costs (i.e. litter, waste, air soil,
397 noise and water pollution).

398 The training provided by the private partner contributes to the better development of the project
399 itself as enhanced local skills lead to a higher quality of projects in so far as the staff is better
400 qualified, can also enhance global partnerships as well as promoting regional cooperation.

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

406 **Benchmarks**

407 The following three benchmarks have been identified for the replicability outcome, namely:

408 4.1 Replicability and scalability of PPP projects.

409 4.2 Capacity building enhancing the replicability and sustainability.

410 4.3 Enhancement of governance and institutions.

411 **Evaluation criteria**

412 A total of 10 evaluation criteria were developed to accompany the three benchmarks and these are
413 listed below under each benchmark.

414 4.1 Replicability and scalability of PPP projects:

415 4.1.1 Is the project replicable, allowing potential economies of scale for a PPP programme and
416 affording wider benefits across the economy?

417 4.1.2 Is it possible to replicate or enlarge the project without any significant social cost (while
418 ensuring that such scaling up would not be deemed to be anti-competitive in terms of
419 procurement guidelines/transparency rules and other regulations)?

420 4.1.3 Is it possible to replicate, enlarge or expand the project without any significant
421 environmental cost (while ensuring that such scaling up\expansion would not be deemed
422 to be anti-competitive in terms of procurement guidelines/transparency rules and other
423 regulations)?

424 4.1.4 Is the structure of the project sufficiently simple, straightforward and innovative in order
425 for it to be replicated across sectors and industries?

426 4.2 Capacity building enhancing the replicability and sustainability:

427 4.2.1 Project/industry capacity: Does the PPP project benefits include providing\facilitating
428 training by the private partner and/or its financiers to the public administration,
429 independent professionals and/or to local communities, businesses and private sector that
430 resulted in building local capacity (that is, service/works can now be delivered by local
431 personnel without foreign assistance or personnel); and can those benefits be verified (e.g.
432 through certification of trained personnel, trainings module elaboration, education
433 facilities, number of trainings provided or otherwise)?

434 4.2.2 Government capacity: Has the project resulted in obtaining capacity building programs,
435 trainings or educational activities from donors, third parties or gaining technical assistance
436 from another government or an international agency that lead to creation of local
437 capacities within PPP Unit\public and\or private sector, and\or academia?

438 4.2.3 Local community capacity: Does the project contribute to transfer of knowledge and skills
439 to local communities, local businesses, building of local capacity for vulnerable social
440 groups; does it contribute to empowering women, ensuring equal access for all women and
441 men to affordable and quality education, and protection of human rights?

442 4.3 Enhancement of governance and institutions:

443 4.3.1 Are there any improvements in regulatory quality (legal regulations, public policies or
444 administrative rules etc.) as a result of the project that would lead to possibility to replicate,
445 scale up or expand PPP projects without significant financial, social and environmental
446 costs?

447 4.3.2 Are there any enhancements of government effectiveness, transparency (zero tolerance to
448 corruption practices) and local capacity (of PPP Unit\line ministries, central and local
449 governments\public and private sector) resulting from the PPP project?

450 4.3.3 Are there new or improved industry standards\sectoral standards (including but not limited
451 to best practice guidelines, standards, manuals and toolkits) adopted or enhanced based on
452 transfer of knowledge and adaptation of best international practices to the local context as
453 a result of the project that would lead to replicability of the PPP projects\scalability at
454 lower financial, social, environmental costs?

455 **5. Stakeholder engagement**

456 **Definition**

457 Stakeholder engagement is arguably the most important ingredient for successful project delivery,
458 and yet is often regarded as a fringe activity or one that can be outsourced to business-as-usual
459 functions. It is therefore important that it is the first consideration in the initial design of the project.
460 Project managers depend on people to respond to the outputs and benefits that they deliver. People
461 will only respond if they are engaged. Thus, best practice in stakeholder management is typically
462 about how the government and private sector reach out to stakeholders to make them feel part of
463 the project.

464 However, arguably, stakeholder engagement in People-first PPP is a bit more than this. Who, for
465 example, are the stakeholders in the projects and precisely how should they be engaged? It also
466 means creating the right incentives for stakeholders' engagement and encouraging investors to
467 recognise its value. The difficulty is that much of the value will be recognised by the wider
468 community and not necessarily by the private investor directly. Hence the importance of the 'Public'
469 inclusion in PPPs, allowing the government to realise that there are wider social, environmental and
470 economic values that can be realised through an inclusive stakeholder engagement. This underlies
471 the strategic necessity of People-first PPPs in order to achieve the SDGs, particularly for the people
472 that are typically 'left behind'.

473 A more significant type of engagement and more in tune with the ethos of 'People-first' is engaging
474 directly with the communities affected by the projects: get them mobilized even in some type of
475 collective body. The latter can be a conduit for the community's views on the project and these can
476 be addressed by the sponsor in open and transparent dialogues on the project.

477 It is worth noting here the relevance of SDG 17, which refers to strengthening global partnerships to
478 support and achieve the ambitious targets of the 2030 Agenda. This goal reinforces the need for
479 multi-stakeholder engagement, including national governments, the international community, civil
480 society, the private sector and other actors. It recognises that more needs to be done to accelerate
481 progress.

482 **Benchmarks**

483 The following four benchmarks have been identified for the stakeholder engagement outcome,
484 namely:

485 5.1 Stakeholder engagement and participation in project decision-making.

486 5.2 Impact of stakeholder contributions to the project.

487 5.3 Transparent, understandable and quality information about the project.

488 5.4 Putting social, cultural, economic and environmental benefits back to the community.

489 **Evaluation criteria**

490 A total of 19 evaluation criteria were developed to accompany the four benchmarks and these are
491 listed below under each benchmark.

492 5.1 Stakeholder engagement and participation in project decision-making:

493 5.1.1 Have all relevant stakeholders been identified (including from marginalized and vulnerable
494 groups and the communities affected by the project) and included in the project decision-
495 making?

496 5.1.2 Has a Stakeholder Engagement Plan, or similar, been developed during the project
497 identification stage and followed in a timely manner?

498 5.1.3 Have stakeholder meetings been held on an inclusive and regular basis during the whole
499 lifecycle of the project?

500 5.1.4 Is there a mechanism for stakeholders to provide feedback and raise their concerns that is
501 inclusive and accessible?

502 5.1.5 Are the views of the wider community being captured through a method that is accessible
503 to everyone?

504 5.2 Impact of stakeholder contributions to the project:

505 5.2.1 Were the views and feedback of all stakeholders reviewed and fully considered, at all stages
506 of the project?

507 5.2.2 Have there been metrics/key benefits (social and cultural, economic and environmental),
508 devised which demonstrate that stakeholder engagement has had an impact?

509 5.2.3 In the context of problems and challenges affecting the project, are there instances where
510 stakeholders and managers have reached agreements, such as joint declarations?

511 5.3 Transparent, understandable and quality information about the project:

512 5.3.1 Is relevant information about the project readily accessible to all stakeholders in a
513 transparent way?

514 5.3.2 Have reports been published regularly on the outcomes (summary and agreements) of the
515 stakeholder engagement meetings, and provided by an independent oversight committee?

516 5.3.3 Has the information provided by the project been verified, as to its veracity?

- 517 5.4 Putting social, cultural, economic and environmental benefits back to the community:
518 5.4.1 Economic: As a result of stakeholder engagement, were local suppliers, e.g. woman-led
519 companies, used by the project?
520 5.4.2 Economic: Were investments made on local training facilities and special courses devised
521 for prospective employees?
522 5.4.3 Cultural: As a result of stakeholder engagement, did the project contribute to local culture
523 and education?
524 5.4.4 Cultural: As a result of stakeholder engagement, were local cultural sensitivities taken into
525 account in the project identification, development and implementation, e.g. appearance,
526 design, location, languages?
527 5.4.5 Environmental: As a result of stakeholder engagement, what measures were taken to
528 minimize the disruption caused by the construction?
529 5.4.6 Environmental: As a result of stakeholder engagement, are there local environmental
530 benefits that could be derived through the project?
531 5.4.7 Social: Were measures taken to protect the safety of construction workers?
532 5.4.8 Social: Has there been emergency support given to local communities to mitigate the huge
533 impact of COVID-19?

534 **IV Weighting and scoring of the outcomes**

535 **Weighting and scoring**

536 Equal weighting is the default setting with 100 points being allocated to each outcome for a total
537 score of 500 points. Another option is to assign points to each outcome in proportion to the number
538 of benchmarks. This aspect of the Evaluation Methodology will be further elaborated during the
539 testing phase of the self-assessment tool (see further below), during which time a number of actual
540 infrastructure projects in different phases of development (e.g. design, construction, operation) will
541 be evaluated.

542 **Other factors that should be scored**

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

545 (a) Statement of intent. This would involve the parties structuring the project, coming together
546 and stating explicitly their intention to generate positive social and environmental impacts
547 from the project. This could also be achieved by reference in the statement to the SDGs
548 and/or the People-first PPP model.

549 (b) Verifiable and measurable data. It is important that the outcomes of the project be tied to
550 specific metrics and measured against a base case or benchmark. Examples of specific
551 metrics might be the number of jobs created under (b) the outcome “economic
552 effectiveness” and under (a) “access and equity”, litres of water purified. In addition,
553 project data that could be verified by an independent source would merit also an additional
554 score. This means establishing proof that the invested capital itself is positively correlated
555 with the intended outcome. Proof of verification requires scientific and/or statistical tests

556 linking impact to outcome. For example, if the stated benefit is cleaner drinking water, and
557 measurement includes the number of litres of available clean water, supporting data
558 showing proof that the investment made (that is, in better quality pipes) led to this
559 outcome, would be important.

560 (c) Location of the project. Obviously, a project taking place in a challenging region or country
561 where there is a lack of all types of infrastructure and where poverty is especially prevalent
562 should receive a different score from a project taking place in a developed country.

563 **Other points about presenting the project**

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

569 To this end, it is proposed that in the methodology a space should be found for a reply from the
570 project's sponsors that demonstrates how the project can change peoples' lives for the better: the
571 more personal and direct, the better will be the message. Such a short paragraph about the project
572 can also be used to illustrate the People-first approach in a database and website.

573 **V Implementation**

574 The benchmarks and the evaluation criteria will provide a foundation to develop two distinct
575 elements, namely:

- 576 1. A self-assessment tool; and
- 577 2. A certification scheme.

578 **Self-assessment tool**

579 The self-assessment tool offers a tremendous mechanism for implementation. The tool will offer
580 applicants to get a score on their infrastructure projects by completing an online questionnaire
581 based on the benchmarks and evaluation criteria. This tool will be initially developed as an Excel
582 platform for testing purposes before it is integrated into an online platform, such as the SOURCE
583 platform operated by with the Sustainable Infrastructure Foundation (SIF).⁸

⁸ At the request of the member States, the UNECE secretariat is collaborating with the Sustainable Infrastructure Foundation (SIF) and its SOURCE software in the implementation of this methodology. SIF is not-for-profit NGO funded by the Multilateral Development Banks and provides practical guidance to countries in project development.

584 The self-assessment tool would be provided free of charge as an international public good and it will
585 be available in 2020.⁹

586 **Certification scheme**

587 A certification or validation scheme would assess the compliance of projects with the UN SDGs. To
588 get a People-first PPP designation, applicants (government entities, the private sector, lenders, civil
589 society organisations) will need to demonstrate that the infrastructure project complies with the
590 UNECE People-first PPP evaluation methodology. The model will be based on similar existing
591 certification or validation schemes and will include a series of checks and balances to ensure the
592 scheme is credible, reliable, accessible without excessive bureaucracy, while at the same time
593 complying with the United Nations rules and regulations.

594 **VI Next steps**

595 The comments and feedback received during the public review stage¹⁰ will be factored into a revised
596 evaluation methodology with a view to have a wholesome document finalised and presented to the
597 Bureau of the Working Party on PPPs in time for the next Working Party session in December 2020.

⁹ The testing phase of the self-assessment tool is done over the summer months (June to August 2020). This phase will also be useful to test the benchmarks, the evaluation criteria and the scoring against actual case studies from the UNECE database of case studies collected since 2015 and showcased in various UNECE PPP events. The self-assessment tool is expected to be formally launched at the Working Party session in Geneva in December 2020.

¹⁰ The 60-day public review stage runs from 12 June to 12 August 2020.

598

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