



Instructions to Project Team Leaders developing the Standards

Note by the Secretariat:

Project Team Leaders have asked the UNECE Secretariat for instructions on how to work with the teams and elaborate the international PPP Standards. Accordingly, the Secretariat has prepared the document below focusing on three of the tasks a Project Team Leader should undertake in the elaboration of international PPP Standards. These are namely: (i) establishing the Project Teams; (ii) drafting the Standards; and (iii) achieving approval for the Standard from the intergovernmental process.

The following instructions also describe the role of the Secretariat and the ways in which many of these tasks in fact are done jointly by the Secretariat and the Project Team Leader. They also define the 'bigger picture' and clarify the role the Project Team Leaders play in elaborating Standards within the overall context of achieving the United Nations Sustainable Development Goals (SDGs).

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Background

The UN has set a challenge to the world, namely, to eradicate extreme poverty by 2030 and make the planet safe for future generations once and for all, leaving no one behind. In this context it has identified PPP as a modus for achieving the UN SDGs. The UNECE PPP work is part of a global initiative to make PPP contribute to this goal. In the face of disappointment on how PPP has worked in many countries, the UNECE has championed a change to the structure of PPP to make them 'People First' in order to maximise their contribution to sustainable development. And in order to scale up the impact of 'People First' PPPs, it moreover is active in elaborating Standards which *inter alia*, can make projects replicable especially in low income countries, where the needs for People First PPPs are greatest.

Furthermore, in developing these Standards, the UNECE has established with hosting Governments' approval, international PPP Specialist Centres of Excellence around the world to develop best practices and gather PPP models in specific sectors relevant to the SDGs, such as water and sanitation or on more global and transversal issues such as policy, law and institutions that can spearhead efforts to transform economies and eradicate poverty.

People First PPP

While PPPs have been given a high degree of support in the UN SDGs -Goal 17 - their use is not without controversy. Indeed, in calling for Guidelines, the Addis Ababa Action Agenda (AAAA) refers to some weaknesses and makes several caveats about their use. UNCTAD XIV also calls for Guidelines on PPPs as well as noting some 'policy dilemmas' PPP gives to policy makers. The PPP model, however defined, is important because the ambitious goals contained in the UN SDGs cannot be realised unless the private sector is mobilised - and on a massive scale.

UNECE, for its part, has been working in the area of PPPs for almost twenty years. In 1997 the first generation of PPP projects were largely Build Operate and Transfer (BOT) models, with the term Public-Private Partnership (PPPs) only emerging a few years later. Various PPP models that originated in France such as the Concession and Delegation of Public Service as well as the Private Finance Initiative PFI scheme largely implemented in the UK, are now deployed worldwide. The models are above all, a procurement tool that, while quite successful in delivering projects on time and to budget, and safeguarding public interest was not used extensively for poverty alleviation as envisaged in the UN SDGs.

Accordingly, the UNECE seeks to transform the PPP model and make it 'fit for purpose' for the UN SDGs. And so that there are no doubts that the PPP model needs to have this development impact, it has renamed the model as 'People First PPPs'.

'People First PPPs' are seen as synonymous with the purposes of the UN SDGs. They are those projects which, out of all the stakeholders, put 'people' as the main beneficiaries of the projects. They should thus increase access to water, energy, transport, and education especially to the socially and economically vulnerable members of society. They should promote social cohesion, justice and disavow all forms of discrimination based on race, ethnicity, creed and culture. Their focus should be improving the quality of life of communities, fighting poverty and creating local and sustainable jobs. Projects moreover should contribute to ending hunger and promote women's empowerment. Accordingly, the new criteria, for evaluating them are "accessibility"; "equity"; "efficiency"; "effectiveness", "sustainability" and "replicability".

International PPP standards

UNECE's Standards are, first and foremost, to implement the UN SDGs by setting templates that can make 'People First' projects a reality and sufficiently numerous worldwide to have an impact. Every country where national PPP standards have been developed and used, they have led to PPPs becoming mainstream in that country. Likewise, the international PPP Standards should be used in the same fashion, that is to make 'People First PPP' the mainstream model used around the world for poverty eradication and sustainability.

International Standards are taken by countries seeking to mainstream PPPs and adapt them to their own national socio-economic conditions and specific legal and juridical circumstances. They are however NOT obligatory nor have in any way to be 'signed off' by Member States. They are one hundred per cent voluntary. They also fill a gap because up until now, international guiding standards on the PPP models that are best applicable in different sectors do not exist. Each time a government seeks a PPP model to solve a particular problem; it must undertake its own very time consuming and costly investigation.

Of course, there are those who would argue that even voluntary Standards will not have much impact because the PPP model cannot be revised nor reformed sufficiently to make it suitable for development. But this is precisely the challenge: for unless the People First model becomes a reality for the UN SDGs, the goals and ambition underlining the 2030 Agenda for Sustainable Development will not be achieved.

Critical for this purpose are international PPP Standards which are: credible, ethical, inclusive, timely and excellent. Accordingly, the PPP Standards should be:

- Elaborated by inclusive and diverse teams consisting of men and women from governments, private sectors, and representatives from civil society.
- Approved by the intergovernmental process so that they are not aligned with any single private company or any single government in this case the UNECE Working Party on PPPs, and its Bureau (composed of elected offices nominated by governments) through the UNECE PPP Secretariat based in Geneva.
- Empirically and evidence based on international best practice and the gathering of transformational PPP case studies
- Supported by clear timelines in view of the need to achieve the SDGs and have real results by 2030.

International Specialist Centres of Excellence

Making credible and ethical Standards is a huge exercise and no singly body is able to do this. Accordingly, the need is for international Specialist Centres of Excellence affiliated to the UNECE International PPP Centre of Excellence to support and contribute to their development. UNECE has created several. These bodies are completely different to national PPP units. They do not elaborate the Standards themselves; but they are critical in providing the support to Project Teams doing this work. They provide international best practices, research, information on experts and organisation, civil society organisations and a host of other supporting activities.

They are also important in the successful dissemination of the Standards, once they have been approved. After all, the exercise is not an academic one. The task is to use these Standards to develop real transformational 'People First' PPP projects.

1. Establishing the Project Team

The overall challenge and goal here is to create the best possible team undertaking the work on Standards that will achieve high quality excellent and credible products which are attractive to a wide stakeholder community.

Thus, the Project Team's membership should not be confined to a small narrow group of individuals sharing the same backgrounds and perspectives. Rather, the membership needs to be as diverse as possible and the Project Team Leader should work closely with the Secretariat in identifying the right members. The other task of the Team Leader is to get the Standards approved (see 3 below) and this is more likely to happen where the membership is both top level AND respects diversity.

Accordingly, members should have

- a high level of expertise in the field of PPPs that is the subject of the proposed Standard is required, and as attested to by higher education qualifications, proven national or international experience in the field and/or widely recognised or demonstrated commitment or contributions to the field;
- An appropriate range of skills in the matters covered by the proposed Standard;
- Balance between public and private representation, including academia, industry, NGO, and governments, and balance between men and women; and from diverse regional and/or geographic origins and global perspectives; and very importantly;
- All members participate in their individual capacities not as representatives of organisations they are from.

In describing in full the work of the Team Leader in this initial phase, it is worth spelling out the steps - one by one - by which the project proposal for the Standard itself is approved, a task that is done between the Secretariat and the Team Leader:

- The Standard 'begins' when a group or an individual informs the Secretariat of its proposal to develop a Standard in a specific area and writes this into a Standard format called a Project Proposal Document. The Secretariat reviews it to see if the language is correct and the subject matter fits with the overall mandate.
- The Secretariat appoints the Team Leader – this is done because the Secretariat has to ensure both the excellence in the output, which requires a top level person qualified in the area and with ample experience and also that there is sufficient geographical balance - clearly Project Team Leaders cannot all come from the same country.
- The Secretariat then helps the Team Leader obtain three governments' support for the Project Proposal. The Team Leader is also expected to help in finding support and at a minimum the Team Leader should try and obtain his or her own country's support.
- Once the approval has been received by three governments (who simply send their approval on the perusal to do the work to the Secretariat by email), the Project Proposal goes to the Bureau of the intergovernmental body. The latter will normally approve it so that the work can formally start.
- The Secretariat then sends out a 'call for participation' to invite experts to apply to become members of the Project Team. Here the Project Team Leader who will probably know most of the experts in the area better than the Secretariat, has to play a large role in the selection process. In addition, the Team Leader with the Secretariat also has to ensure that membership is diverse, with a balance between public and private representatives, between male and female and between persons from developed and developing countries. One or more representatives of the civil society organizations (CSOs) need to be members of the Team.
- Overall, Project Teams consist of a membership of between 20 and 30 individuals. All are selected as individuals not as representatives of their organisations. This means that if for some reason they can no longer contribute to the team, they must resign and cannot replace themselves with a member of their organisations. Members of the team will be requested to sign a Code of Conduct and the Intellectual Property Rights policy before being formally approved as members of the team. Annex 4.2 and 4.3
- Once the team is formed, under the leadership of the Team Leader, it starts the work of the team in preparing the Standard.

2. Drafting the Standard

The following are the main challenges for Team Leaders in drafting the Standard.

- Needs to relate to a specific SDG or set of SDGs;
- Must be a specific type of Standard:
- Needs to be evidence based;
- Must be of high quality and substantive, that is, they identify for policy makers the key issues and priorities in delivering a successful PPP project or programme;
- Should be clearly written and concise;
- Should be easy to apply (e.g. contain forms and models which have the best chances to be implemented).

SDG related

The introduction to the document should state how the standards should contribute to the UN SDGs. This should also have been mentioned already in the original Project Proposal that has been previously approved. This goal needs to underpin what the Project Team is in the business to accomplish.

The team will then identify the relevant SDGs related to the Standard under preparation; identify international best practices and case study projects that contribute to achieving the SDGs in question; and based upon this analysis and relevant input, identify the core elements that are necessary for inclusion in the Standard.

The Standard should provide indicators of SDG compliance to measure results and meeting of goals.

Type of Standard

Standards can be categorised into three types:

- ‘Chapeau’ Standards that address universal PPP topics that apply across sectors.
- ‘Policy’ Standards that address policy approaches to implementing PPPs within a sector.
- ‘Project’ Standards that present specific approaches to achieving SDGs in a sector through PPPs.

Team Leaders should ensure that their teams keep to just one of these types. For example, each Standard will refer to the legal conditions for the project’s success but these conditions should only be referred to briefly and to those specific legal conditions existing in that particular sector. Other policy and legal standards covering all PPPs will at the same time be done, and overlap and inconsistency needs to be avoided.

Evidence based

Often Governments are unsure about using the PPP approach for various reasons; they need evidence that will convince them to go forward. Thus it is important that the Standard rests on sound empirical foundations. As a result, draft Standards must:

- Reflect international best practices.
- Be based on a significant sample of real world experience.
- Demonstrate lessons learned and the pros and cons of PPPs.

For the project Standard type, it is advisable that the Standard is based on actual projects that have taken place over the last five years. And these should be listed at the beginning of the Standard to clearly show

that the recommendations in the Standard are based on these projects. Such projects can be good cases, transformational in the sense that the case had a major impact and also bad cases that proved unsuccessful.

In addition, it is suggested that, especially where there is no data to base their Standards, the Team Leader organises with the UNECE Secretariat, the drafting and sending out of a questionnaire. In the case of preparatory and research work for one Standard, a questionnaire was prepared and sent out and over 200 replies were received.

High quality and substantive

The Team Leaders should ensure that there is constant discussion with experts and organisations set up in related areas so that they can make contributions to the work of the team and ensure that its output will be of the high quality and substantive.

Clearly written and concise

The Team Leader may appoint a Rapporteur who is specially designated to assist the Team Leader and Project Team with compilation and editing of content and text for the draft Standard. Rapporteur(s) may also be asked to assist with transcribing working meetings and/or conference calls and providing other written records and reports of the Project Team.

PPPs can be complex and present new and very challenging issues for government officials. Often, government officials also need sector-specific specialized knowledge, and terms and terminology. As a result, governments need practical, user friendly standards that demystify PPPs and put them in plain language and should not be over technical and no longer than 15 pages.¹

Easy to apply

Governments need approaches, in particular PPP delivery forms and models that can be immediately put in place to accelerate development and achieve the SDGs. Standards must therefore:

- Identify challenges and solutions;
- Identify the typical mix public and private investment and performance in the sector;
- Identify and describe sector specific legal challenges, requirements, and solutions;
- Identify key stakeholders and approaches to handling stakeholder issues in the sector;
- Suggest PPP forms that can bring actual private investment to public infrastructure and service projects; and

3. Gaining Approval for the Standard

The ultimate task of the Team Leader is to make sure that the Standards, that he or she is responsible for, are approved by the intergovernmental process. This involves the following:

- The Standards should be balanced.
- They should have met all the stages in the process of its approval.
- The cases used are authentic and validated.
- The production of a Standard is done in a timely fashion.

¹ Standards should follow the [UNECE template](#). An annotated outline of a standard is being developed by the Secretariat.

The content should be balanced

Governments can be presented with overly positive and glossy, or overly negative and conclusory, views of PPPs. The challenge is to provide an unbiased, neutral depiction of both the pros and cons of PPPs in the sector, including an accurate portrayal of the spectrum of risks and returns. Standards must therefore:

- Maintain the inclusiveness, consensus building, and independence that is expected of the United Nations;
- Exhibit balance in the recommendations by transparently stating the pros and cons;
- Explain the upsides and downsides of the PPP alternative versus the traditional public project delivery approach;
- Explain the costs (including the hidden) of PPPs;
- Show what has worked and what has not through examples; and
- Highlight that the Standard is not intended to provide every answer to every issue that may arise for governments.

Each stage in the approval has been achieved

There are seven stages to a Standard being approved (see annex) and the Team Leader should be aware of these different stages and seek to ensure that each stage has been fully accomplished. One of the stages concerns the 60-day public review when the Standard is put on the internet. Here the Project Team Leader needs to read the comments made and log them, either revising the text in accordance with the comment or to demonstrate clearly why the comment did not merit a change to the text.

These comments are available to everyone to read including the members of the Bureau who approve the Standard. They will have to determine whether the Team Leader has adequately dealt with the comments.

The cases used are authentic and the information about them is veracious

Complaints can be made that the cases used for the Standards are biased or inaccurate. Thus, the Team Leader must ensure that the information about the cases is authentic and clearly validated.

The production of the Standards should be done in a timely fashion

Standards that take an inordinate amount of time to prepare are ones which tend to be less likely to be approved. Team Leaders should consequently adhere to the timing set out in the project proposal and at regular intervals demonstrate satisfactory progress towards the conclusion of the Standard. Drafts should typically take no longer than six (6) consecutive months to prepare, and any delay should be communicated to the Secretariat by the Project Team Leader.

4. Annexes

1. [*Process for developing international standards in PPPs*](#);
2. [*Intellectual Property Rights Policy governing the development and use of UNECE PPP Standards*](#);
3. [*UNECE Code of Conduct for PPP Project Teams developing International PPP Standards*](#); and
4. The role and functions of the Bureau of the Working Party on PPPs and the Technical Steering Committee in the development of international PPP standards for Sustainable Development Goals²

² The role and functions of the Technical Steering Committee have been approved by the Bureau in July 2016