

## **Project Proposal**

### **PPPs in Water Supply & Sanitation**

Universal access to safe and adequate water supply and sanitation has been recognized as a human right and it needs organized efforts from all components of the society to be achieved. Nowadays there is a renewed interest of governments in using Public-Private Partnerships (PPPs) as one of the tools to overcome the absence of or deficiencies in water supply and sanitation. PPPs can provide the financing, technology and know-how transfer and delivery mechanisms to improve the performance and quality of water and wastewater services. To this extent, PPPs are a tool that can be used to achieve the prospective Sustainable Development Goal (SDG) on water.

#### **1. Project purpose**

The purpose of the project is to develop a policy framework for an international standard on PPPs for water supply and sanitation. The project aims to improve the availability, quality, acceptability, accessibility, affordability of water and wastewater services while respecting the principles of equality and non-discrimination, accountability, sustainability, public participation, access to information and transparency.

The target and main beneficiaries of the project are national and local governments.

#### **2. Project scope**

Recognizing that PPPs are an available tool to provide water supply and sanitation services, the UNECE organized jointly with the World Bank, the European Bank for Reconstruction and Development and the Islamic Development Bank, an International Conference on Water and Sanitation PPPs on 21-22 October 2014. The conference recommended that the UNECE International PPP Centre of Excellence should focus on the identification of international PPP best practices and the development of relevant guidance tools that could contribute to the achievement of the SDG on water with a focus on safe, efficient and affordable water and sanitation services.

This project aims to provide guidance in the development and implementation of PPPs for water supply and sanitation. This project will assess different models of PPPs in water and sanitation, using the Project Team members' experience in markets where PPPs are effectively used to deliver water services, to develop a standard on PPPs for Water Supply and Sanitation. It is foreseen that the project will provide guidance on at least four categories related to the use of PPPs in the Water and Sanitation sector:

- Overall policy framework for water governance – what is specific to water PPPs?
- Economic context and subsequent choice of the type (models) of PPPs and their relation to risk allocation;
- The life of the PPP contracts from initial stages through completion;
- Transparent procurement and management processes
- The role and control mechanisms including the performance indicators; and
- The payment schemes.

The project will examine PPPs from early service levels analysis, financial analysis, scenario development, tendering, awarding, the relationship between the authorities and the private entity, the evolution if needs be, and the contract termination. The aim of the standard is to clarify a number of aspects in a PPP (inter alia, the goals, roles of the parties, impacts on risk

allocation and financing, and the necessary control mechanisms depending on the contract type) depending on the contract type: management contract, lease, affermage, concession, or divestiture.

**3. Project deliverables**

The project deliverables are:

- **A review of the existing PPPs** in water supply and sanitation: this review will identify their goals, set-up, and their impacts along the four suggested categories;
- **A Standard on PPPs in water supply and sanitation:** The Standard will set out best practice recommendations to policy makers in the development, implementation and control of water-related PPP programmes and projects.

**4. Geographical focus**

The focus is global.

**5. Project Team membership and required functional expertise**

The membership is open to experts with expertise in the area of water related PPP projects, especially in low and middle income countries. The team may also require the involvement of experts involved in water PPPs in mature markets.

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**6. Resource requirements**

Participants in the project shall provide resources for their own participation. The existence and functioning of the project shall not require any additional means from the UNECE secretariat.

**7. Timetable**

February 2015	Project initiation and approval by the Bureau of the UNECE Team of Specialists on PPPs
July 2015	First draft ready for review by key stakeholders
December 2015	Publication of the draft Standard on UNECE website for public review
December February 2016	Endorsement of the draft Standard by the TOS PPP Bureau
December February 2016	Draft standard Submitted to CECI