



# **Implementing People First PPPs for the SDGs: International best practices and recommendations for Ukraine and neighboring countries**

**June 5-6, Kiev, Ukraine**

**New trends in PPP development in the context of  
Sustainable Development Goals: the People First  
approach**

# Introduction: Context and challenge

- ✓ 2015: Adoption of the UN 2030 Agenda and its 17 Sustainable Development Goals (SDGs).

- ✓ SDG 17 calls for a stronger commitment to partnership and cooperation to achieve the SDGs:

*Goal 17: Partnerships for the Goals - “Revitalize the global partnership for sustainable development”*

⇒ **Need to mobilize efforts of governments, businesses and civil society to achieve the 2030 UN Agenda**

# Why we should embrace the People-first PPP model

- ✓ **Objective:** Achieve the UN SDGs by mobilizing investment in infrastructure and public services
- ✓ **What is at stake:** Fill the infrastructure gap while complying with the SDGs.
- ✓ **Challenge:** The “traditional” PPP model is not suitable for the SDGs:
  - Focusses on “value for money”
  - Is not used to help eradicate poverty nor to support environmental sustainability
  - Can cause significant economic damage in low-income countries
- ✓ **Solution:** Adopt a new model of PPP that brings not only “value for money” but also “value for people”
  - ⇒ **The current PPP model needs to change to become a more effective and valuable tool to meet the challenge of the UN 2030 agenda**

# UNECE's campaign to rebrand the PPP model

- ✓ The PPP model has been:
  - **Rebranded** from a “value for money” tool to become more fit for purpose for the SDGs
  - **Broadened** to include social, financial and environmental standards and leave no one behind
  - Termed as **‘People First’**
  
- ✓ UNECE is working towards:
  - Raising **international awareness** of the People-First PPP model
  - Promoting a **large-scale adoption** of the People-first approach
  - Developing new **Guiding Principles** to help governments implement the People-first PPP model

# Towards Guiding Principles on People-first PPPs for the SDGs (1)

- ✓ The existing international guidance
    - Focuses on how to create legal and regulatory frameworks and establish PPP related institutions
    - Is informative rather than normative
    - Is not aligned with 2030 Agenda
  - ✓ Paragraph 48 of the Addis Ababa Action Agenda calls for the promulgation of Guidelines for the appropriate structure and use of PPPs:

*“[...] We also commit to holding inclusive, open and transparent discussion when developing and adopting guidelines and documentation for the use of public-private partnerships[...].”*
- ⇒ **Need to elaborate unified guidelines that will assist policy makers in bringing about PPPs that will put people first and achieve the SDGs**

# Towards Guiding Principles on People-first PPPs for the SDGs (2)

- *The **5 criteria** that define People-first PPPs go beyond the traditional quantitative analysis of projects and focus on the **qualitative dimension** of projects before, during and after implementation.*

People-first PPPs can deliver a pipeline of projects that:

- ✓ Improve **access and equity** to infrastructure and public services
- ✓ Are **economically effective**
- ✓ Invest in **resilience and climate change**
- ✓ Are **replicable**
- ✓ Ensure large **stakeholder engagement**

# Principle 1: Projects and Policies

*Myth: PPP is about individual projects*

Our position says **No!**

People First PPP to become **transformative** has to follow the following rubric:

- ✓ New **People-first approach** to put infrastructure projects onto a higher level
- ✓ Improved **policy framework** (incl. technology, data, etc.) to deliver higher quality projects
- ✓ Empowering **cities and local stakeholders** - coordinated with national levels

# Principle 1: Projects and Policies

***“Governments should develop ‘People First PPPs’ as part of the comprehensive, scaled-up transformative Programme of Action to deliver the SDGs and the various climate agreements”***



## Principle 2: Capacity building

*Myth: Just bring in personnel into government who have private sector skills*

Our position says **No!**



Delivery of PfPPPs has to:

- ✓ Be by **public civil servants** with public sector ethos
- ✓ Be inspired by **case study evidence-500 PfPPP campaign**
- ✓ Be stronger with **good quality** of consultants
- ✓ Avoid officials once trained to move to private sector

## Principle 2: Capacity building

***“Governments as a priority should use every way to scale up their capacity building efforts based on an Action Plan at different levels, all targeting the creation of more effective People-First Projects”***

## Principle 3: Improving the legal framework

*Myth: PPPs is just an agreement*

Our position says **No!**

A **legal framework** is required - fewer, better, simpler: Focus on the social side; **five sine qua nons** needed:

- ✓ **Zero tolerance to corruption**
- ✓ Level playing field for **sustainable procurement**
- ✓ **Repatriation** of profits
- ✓ Disputes that go to **international arbitration**
- ✓ **Right of citizens** to being consulted and heard

## Principle 3: Improving the legal framework

***“Legal frameworks have to be improved: a lot to do and while they have to protect investor’s rights; they also need to protect citizens rights in infrastructure projects”***

## Principle 4: Transparency and accountability

*Myth: Access to full information on the project,  
undermines commercial secrecy*

Our position says **No!**

- ✓ Full **disclosure project information** improves **public trust**
- ✓ **Boost performance**-people know indicators of projects
- ✓ Private sector wants **more information** of the **selection process**

## Principle 4: Transparency and accountability

***“Successful and sustainable PfPPPs  
require substantial transparency and  
accountability at all stages”***

## Principle 5: Risk and de-risking

*Myth: The private sector provides infrastructure assets at no costs nor risks to the government*

Our position says **No!**



- ✓ Private sector must accept a different **risk/reward ratio**
- ✓ Improved **governance and predictability** by governments in doing business
- ✓ **Targeted regulation**
- ✓ Partner with **NGO community** (in countries where no private investor will go!)

## Principle 5: Risk and de-risking

***“Low-income countries have extra risks that lead private sector’s reluctance to invest: governments need to incentivize private sector to take longer-term perspectives and less returns in the short-term”***



# Principle 6: Procurement, promoting value for people

*Myth: The private sector only looks for easy and quick returns*

Our position says **No!**

- ✓ Private sector can and want to achieve **stronger KPIs**
- ✓ They want to do **more not less projects** based on mutual trust
- ✓ **People-First criteria (social, environmental and economic criteria)** needs to be integrated into award mechanisms

## Principle 6: Procurement promoting value for people

***“The criteria for selecting the right bid  
need to be broadened to include “Value for  
People”, not just Value for Money”***

## Principle 7: Resilience and climate change

*Myth: Climate change does not pose any threats to infrastructure nor puts barriers in the way of world's poor to essential services*

Our position says **No!**



- ✓ The poor are the **most vulnerable**
- ✓ Risks are associated across **all infrastructure sectors**
- ✓ PfPPPs can provide **technological innovation** (e.g. solar)

## Principle 7: Resilience and climate change

***“PPPs are needed in resilient infrastructure because of the huge costs in climate change adaptation and new technologies required”***

## Principle 8: Innovative finance - Impact investing

*Myth: PPPs puts profit before people*

Our position says **No!**

- ✓ **Impact investing is moving forward** as sustainable financing becomes a serious trend in the banking industry
- ✓ Private individuals wish to see **social impact** from their investments
- ✓ **Better metrics** are needed to show real impact of projects in support of the SDGs

## Principle 8: Innovative finance - Impact investing

***“Impact investing has great potential harnessing a new willingness of investors to do well and do good”***



# Thank you

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