



UNECE

United Nations Economic Commission for Europe

Independent Evaluation Report

Evaluation of the UNECE project:

**“Public-Private Partnerships (PPP) Initiative: PPP Toolkit
and International PPP Centre of Excellence”**

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List of abbreviations and acronyms

AAAA	--	Addis Ababa Action Agenda
EXCOM	--	UNECE Executive Committee
ICoE	--	International Centre of Excellence
MoU	--	Memorandum of Understanding
OECD	--	Organisation for Economic Cooperation and Development
ODA	--	Official Development Assistance
PPP	--	Public-Private Partnership
PF-PPP	--	People-First Public-Private Partnership
SCoE	--	Specialist Centres of Excellence
SDGs	--	Sustainable Development Goals
UNDP	--	United Nations Development Programme
UNECE	--	United Nations Economic Commission for Europe
UNEG	--	United Nations Evaluation Group
WB	--	World Bank

Executive Summary

1. This evaluation analyses the UNECE's work related to the Public-Private-Partnerships (PPP) Initiative implemented between February 2012 and July 2017: PPP Toolkit and International PPP Centre of Excellence. The purpose of the evaluation is to assess the achievement of the stated objectives, and the extent to which the project contributed to the enhancement of the UNECE PPP work programme 2012-2013, with a focus on the relevance, effectiveness, efficiency, and sustainability of the project's results, as well as the added value brought by the established partnerships.

2. The main objective of the project was to provide UNECE member States with innovative PPP delivery and financing options, strategic advice and support, and assistance in developing their PPP capabilities. The activities aimed at improving knowledge and understanding about PPPs in the member States and within the UN system as a whole. The project envisaged to contribute at increasing capacities in the member States, and - after 2015 –to support the achieving of the UN Agenda 2030.

3. The project's *relevance* is rated *Excellent* based on assessment of following factors: the existing need to provide guidance and standards relevant in the context of financing for development objectives (especially by mobilizing private capital to deliver infrastructure and public goods and services); the project's alignment with the objectives of the Economic Cooperation and Integration sub-programme of UNECE; the support requested by UNECE member States; and the contribution to virtually all the Sustainable Development Goals.

4. The activities have been implemented delivering most of the planned outputs, with the expected level of quality and timeliness. However, the logical chain between outputs, outcomes and impacts has not been fully defined, performance indicators were not set and outcome results are not measured. Accordingly, the assessment of outcome level results can only generate assumptions about the performance of the activities set, and the evaluator refrains from rating the project with the effectiveness criteria.

5. The project was implemented with a standard efficiency within the UN Secretariat, except for the higher than average project management cost. Some results have been achieved as the budget became available and the lack of constant funding required additional efforts from the implementing team. The project's *efficiency* is rated as *Partly Satisfactory*.

6. Being a best practices and standards setting project, the activities have an important *sustainability* component included. The added value provided by the International Centre of Excellence (ICoE) and the Business Advisory Board (BAB) will enhance the sustainability in case the resources will be properly planned. The Specialist Centres of Excellence (SCoE) are an effective model to ensure long lasting effects of the project in the participating member States. Thus, the project's *sustainability* is rated *Highly Satisfactory*.

Recommendations:

7. Recommendation 1: **In order to establish the People First PPPs (PF-PPP) as one of the preferred financing modality for sustainable development, UNECE should advocate the adoption of “people-first” principles across the UN System** (in the first instance at the regional level), possibly through a “One-UN” approach. This might be achieved gradually through two approaches: a) a *bottom-up approach* (having the national governments requesting this in a formalized manner through the intergovernmental negotiations process), or b) in the context of the current UN System reform, propose that UN’s Department of Economic and Social Affairs (DESA) take *the role of global coordination* on PPPs, and to UNECE the regional role. As an organization with a high degree of credibility, the United Nations took a lead role in regulating and creating standards for PPPs that would enable a wider acceptance and a more robust involvement of the private capital in financing sustainable development. Unless UNECE draws attention to the standards through a broad adoption, the project’s results will have a limited impact in mid- and long term.

--- In case UNDESA will take the lead role in coordinating PPPs for sustainable development, the following recommendations refer to technical work UNECE (through ICoE) could contribute. ---

8. Recommendation 2: **By setting PPP standards and “people-first” principles, UNECE could play the role of a “broker” between the public and the private sector in the region.** The private sector has a competitive “business advantage” compared to the public sector by employing efficient and streamlined processes, maximizing the efficiency and thus bringing more ‘value for money’. However, the private sector is less aware about sustainable development and the current SDGs. Especially the top management within the private companies started to become more aware of SDGs. Additionally, the PPPs have been under scrutiny and controversies along the time. Adopting standards and “people-first” principles, part of the misperceptions could be overcome and increase the general acceptance and operation of PPPs for sustainable objectives.

9. Recommendation 3: **A central focus of the ICoE should be on continually refining universal standards in PF-PPPs.** The UN System is best suited to draft guidelines and standards for “People First”-PPPs, as the member States’ governments and the private sector follow narrower agendas. Given its mandate, UNECE can contribute to developing standards and practices in the region. Considering the scale of already generated knowledge and the level of expertise, the ICoE could be assigned a global role, if assigned accordingly by the UN Secretariat. To achieve the standards, a mechanism of public dialogue similar to public consultations for SDGs could be envisaged, and should specifically involve non-state actors. After defining the guidelines and standards, a mechanism for voluntary legal adoption or adaptation by member States’ Parliaments should be suggested.

10. Recommendation 4: **ICoE could generate and share technical knowledge on involving private sector in managing humanitarian situations.** In the context of the unstable humanitarian circumstances in parts of the world, refugee camps for regional or international displaced people have to be created rapidly, exerting increased pressure on local population and resources. In delivering public infrastructure and

services in the camps, the private sector can be effective by delivering technical expertise and efficient cost management, thus making PPPs a potentially preferred approach. The knowledge transfer to relevant organizations on involving private capital through PPP modalities could be realized within the overall inter-agency cooperation of the UN system (possibly under DESA's coordination).

11. Recommendation 5: **When contributing to establishing a certification mechanism for (“people-first”) PPPs, ICoE should take into consideration other schemes developed by multilateral development partners.** The guidelines set out by member States for a potential certification mechanism should take into account similar (existing or developing) certification mechanisms and avoid overlapping. For example, the APMG Public-Private Partnerships Certification Program¹ (set up by six development banks) is already an established mechanism, pursuing the vision of enhancing PPP performance globally, and ICoE should explore whether a parallel PF-PPP certification would be effective enough, or rather adoption of “people-first” principles by APMG would be a better option.

12. Recommendation 6: **In order to maximize the efficiency, future project management costs should be reduced as an expenditure of the total projects.** In the case of the current project, the management cost amounted to approximately 36 percent of the total budget, a considerable level. Temporary staff and consultants incur similarly high costs and cannot manage projects according to the UN financial rules and regulations. In the current setting, a possible solution to decrease costs would be to assign several projects to one staff within the UNECE Secretariat.

13. Recommendation 7: **A similar future project should consider hosting a more interactive information and knowledge exchange between the SCoEs.** The project created and maintains a very well designed web-site² populated with rich content, but with a static design (the regional Centres deliver knowledge that is centrally managed and uploaded, although the process is complicated and records delays). A more dynamic design of the web-site could be considered in the future, in order to increase interactivity and timeliness: collaborative platform (such as SharePoint), video conferences or scheduled meetings (either among the Centres or coordinated by the Secretariat through the WebEx platform). The interactive tools could also be used in public consultation stages.

¹ <https://ppp-certification.com/>

² <https://www.uneceppp-icoe.org/>

Chapter 1: Introduction and Evaluation Methodology

1. The evaluation analyses the UNECE's work related to the Public-Private-Partnerships Initiative: PPP Toolkit and International PPP Centre of Excellence). The purpose of the evaluation is to assess the achievement of its stated objectives, and the extent to which the project contributed to the enhancement of the UNECE PPP work programme 2012-2013, with a focus on the relevance, effectiveness, efficiency, and sustainability of the results. Besides the UNECE evaluation criteria, the evaluation also looked at the partnership model and its contribution to the project's results.

2. The main objective of the project was to provide the member States with innovative PPP delivery and financing options, strategic advice and support, and assistance in developing their PPP capabilities. The activities aimed at improving knowledge and understanding about PPPs in the member States and within the UN system as a whole. The project envisaged to contribute at increasing capacities in the member States, and –after 2015 - to support the implementation of the UN 2030 Agenda for Sustainable Development.

3. The methodology for this evaluation is based on the Terms of Reference provided by UNECE (Annex 1), the UNECE Evaluation Policy³ and the UNEG “Standards for Evaluation in the UN System” comprising the afferent “Code of Conduct” and the “Ethical Guidelines”. Relevant aspects of gender and human rights analysis were also covered, based on the guidance provided by the UNEG on the matter⁴.

4. The evaluation consisted of a desk review of relevant documents including the UNECE Executive Committee (EXCOM) Form and Explanatory Note, the terminal report of the project, Specialist Centres of Excellence (SCoEs) memoranda of understanding, the “PPP Standard on zero tolerance approach to corruption in PPP procurement”, national PPP Readiness Assessment Reports and other material available for online consultation. To collect feed-back from the UNECE PPP Team, members of the ICoEs and SCoEs, and other specialists in PPP and sustainable development, an online-questionnaire⁵ was specifically designed. Semi-structured interviews were conducted to collect information from staff in UNECE office in Geneva involved in the project management, from executives of ICoE and SCoEs, and from other specialists in the area of PPP and sustainable development. It should be noted that a project document did not exist, which presented a challenge to the evaluator.

5. Following data collection, the analysis involved qualitative analysis software to sort the information according to the evaluating questions. The next step identified the intervention logic, and tried to establish causalities between intervention components and the achieved results, according to theory-based evaluation principles and experimentally using elements of the Process Tracing methodology⁶.

6. The evaluator synthesised the results of analysis and supplementary materials in a policy-oriented synthesis report, systematically covering the evaluation purpose, the agreed questions, and the specified criteria (relevance, effectiveness, efficiency, sustainability, and additionally partnerships), to produce valid and credible conclusions and recommendations. The recommendations can be used by the Economic Cooperation and Trade Division of UNECE to improve the planning and implementation of projects in UNECE more broadly, and to maximise the impact of its work and to set further direction of work for the PPP Team.

³ https://www.unece.org/fileadmin/DAM/press/pr2014/UNECE_Evaluation_Policy_October_2014.pdf

⁴ Available at <http://www.uneval.org/document/detail/980> and <http://www.uneval.org/document/detail/1452>

⁵ Available at <https://kwiksurveys.com/s/5YctjntP>

⁶ Process Tracing offers a rigorous method appropriate for *ex post* evaluations, without the requirement for baseline or counterfactual data.

7. The duration of the evaluation was of 20 working days during the period from October 2nd – October 31st, 2017. The evaluation activity has been performed by a consultant evaluator⁷ with socio-economic background, having expertise in implementation, monitoring and evaluation of international development projects (including with the UNECE), and experience with policy design and capacity building related projects in UNECE member States.

8. In the assessment process, the evaluating criteria to be assessed according to the Terms of Reference - relevance, efficiency, effectiveness, sustainability and partnerships - received one of the following ratings: *Excellent – Fully Satisfactory – Partly Satisfactory - Partly Unsatisfactory – or Unsatisfactory*. The evaluator split each evaluation criteria in sub-criteria (e.g. relevance was split in two criteria with similar weighting: strategic relevance of the UN organizations’ mandates, contribution to global goals and relevance of the project design, where the problem analysis based on member States’ requests, the logic framework and the stakeholder analysis played the central role). Each sub-criteria was noted on a scale from 1 to 5, generating an aggregate score for each main evaluation criteria.

Chapter 2: Background information

9. Trying to deliver high quality public services, every country in the world has its own specific goals, priorities, challenges, and financial constraints. A balance between revenues and constantly increasing public spending is difficult to achieve. The increased awareness on sustainable development principles, especially on environmental protection and inclusive growth, places extra pressure on the national budgets.

10. In order to reach equilibrium between the growth needs and the sustainable development principles, UN Member States adopted, the Sustainable Development Goals (SDGs) in September 2015 under the auspices of the 2030 Agenda. Under the aegis of SDGs, all countries of the world committed to achieve national targets according to their own needs, challenges and resources. To achieve the multitude of targets, the financing needs are huge. The Organisation for Economic Cooperation and Development (OECD) currently estimates⁸ that annually there is an average of US\$ 3.9 trillion of investment needed, while the current annual investment levels cover around 1.4 trillion. Accordingly, the governments and development actors have to plan how to cover the outstanding US\$ 2.5 trillion yearly financing gap.⁹

11. Achieving the proposed SDGs will require the most rational handling of each invested financial unit, with mobilisation beyond the public sector in order to succeed. The basis is made up by the current Official Development Assistance (ODA), amounting US\$ 135 billion¹⁰. Additional funds are provided through philanthropy, remittances, South-South official assistance, and foreign direct investment (FDI). Together these sources amount to nearly US\$ 1 trillion.

12. The international community recognised the role the private sector could play in financing the development goals starting with the first international conferences on financing for development: The Monterrey Consensus (2002) and the follow up conference in Doha, Qatar (2008). During the third conference held in 2015 in Addis Ababa, Ethiopia, the international community adopted the Addis Ababa

⁷ The evaluation was conducted by Mr. Marius Birsan, and was managed by the Project Manager in ECTD responsible for the implementation of the project being evaluated.

⁸ Development Co-operation Report, OECD, 2017:

⁹ Financing for Development: Progress and Prospects. Report of the Inter-Agency Task Force on Financing on Development, UN, 2017

¹⁰ From Billions to Trillions: Transforming Development Finance. Post-2015 Financing for Development: Multilateral Development Finance; World Bank, 2015

Action Agenda (AAAA), comprising commitments from all parties to support financing for the achievement of the SDGs.

13. Regarding the involvement of the private sector in development financing, Paragraph 48 of the AAAA states: “both public and private investment have key roles to play in infrastructure financing, including through development banks, development finance institutions and tools and mechanisms such as *public-private partnerships* [author’s highlight], blended finance, which combines concessional public finance with non-concessional private finance and expertise from the public and private sector [...]”. Blended finance instruments including *public-private partnerships* serve to lower investment-specific risks and incentivise additional private sector finance across key 25 development sectors led by regional, national and subnational government policies and priorities for sustainable development [...]. Projects involving blended finance, including *public-private partnerships*, should share risks and reward fairly, include clear accountability mechanisms and meet social and environmental standards”.

14. Improvement of the financing balance for development can be done on both the revenues and the expenditures sides. While the countries are encouraged to increase the levels of their internal revenues and to make the allocation function more efficient, the focus is placed on mobilising additional financing resources. The public financing through ODA funds has its limitations, as very few countries have met the target to allocate minimum 0.7 percent of their Gross National Income (as set by the international community under the guidance of OECD). The remaining funds could be partially covered by the private sector through FDI, but those are mainly focused on maximising the profits for the investors rather than on the broader benefits of sustainable development. The challenge is to persuade the private sector to get involved in implementing projects pursuing sustainable development together with the public sector, aiming at providing improved public goods and services.

15. In spite of the public consultation rounds (including private sector representatives), the private sector is less aware and knowledgeable about sustainable development principles. Especially the top management within the private companies started to become more interested of SDGs. One notable case of discussion forum was the Business and Sustainable Development Commission¹¹, a forum where Chief Executive Officers from big companies discussed about business opportunities in supporting sustainable development. Some examples already appeared, where companies create internal popularization initiatives among their employees¹², in an effort to raise awareness about sustainability, but there is no systematic or broadly accepted approach.

16. The reluctance of the private sector agents to provide financing is often due to market failures, such as problems arising from asymmetric information¹³. The asymmetry of information is acute when compared the public and the private sectors in PPPs. Additional constraints stem from lack of investor experience with particular types of investments, economic activities (for example infrastructure), or geographical areas. Attracting private finance sometimes requires closing the financial viability gap (the difference between costs and expected revenues), and using public resources complemented by legislative and institutional improvements to catalyse private financing.

17. Public-Private Partnerships are one existing modality through which the private sector can participate with funds and knowledge into delivering public goods and services, complementing the public authorities in increasing the general welfare of the population. The World Bank defines PPP as

¹¹ Business and Sustainable Development Commission

¹² <https://group.bnpparibas/en/news/sustainable-development-goals-raise-awareness-private-sector>

¹³ Asymmetric information (AI) is defined as the situation where one party to an economic transaction possesses greater material knowledge than the other party. Besides some positive effects of AI, the negative effect is that individual economic decisions are hypothetically worse than they would have been when all parties possess the same information or knowledge.

“contractual arrangement between a public entity or authority and a private entity for providing a public asset or service in which the private party bears significant risk and management responsibility¹⁴”.

18. The UNECE defines PPPs as “innovative methods used by the public sector to contract with the private sector who bring their capital and their ability to deliver projects on time and to budget, while the public sector retains the responsibility to provide these services to the public in a way that benefits the public and delivers sustainable development and an improvement in the quality of life”¹⁵.

19. The PPPs are usually long-term contractual agreements and can play an important role in closing the gaps in delivering public goods and services in situations when governments cannot finance them from state budgets. The services are employed to cover needs in economic sectors such as transport, energy, telecommunications, water, sanitation, healthcare and education.

20. PPPs have become more and more popular in several parts of the world. After the 2008 financial crisis, the amounts mobilised through PPP contracts increased to unprecedented levels (see Figure 1). The World Bank¹⁶ estimates the use of PPPs in more than 134 developing and transition economies, accounting between 15 and 20 percent of the total infrastructure investment.

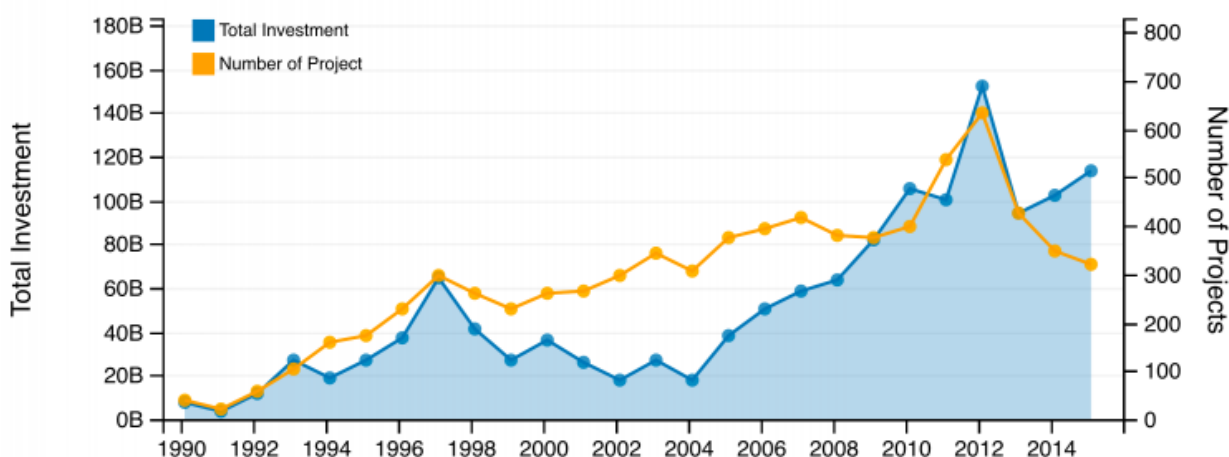


Fig. 1: Total investment (billions of US dollars) and number of PPP projects in low and middle-income countries, 1990-2015 – World Bank Private Participation in Infrastructure Database – [www. http://ppi.worldbank.org/](http://ppi.worldbank.org/)

21. In order to increase effectiveness of PPPs and achieve wider acceptance, the US-based National Council for Public-Private Partnerships (2016)¹⁷ lists seven success factors:

- 1) Recognized public figures should serve as the spokespersons and advocate for the project and the use of PPP modality (public sector champion);
- 2) There should be a statutory foundation (environment) for the implementation of each partnership;
- 3) The public sector should have a dedicated team for PPP projects or programs (dedicated structures);

¹⁴ Public-Private-Partnership in Infrastructure Resource Center: <http://ppp.worldbank.org/public-private-partnership/overview/what-are-public-private-partnerships>

¹⁵ UNECE 2008 Guidebook On Promoting Good Governance in Public-Private Partnerships

¹⁶ Independent Evaluation Group, World Bank. (2014), *World Bank Group support to public-private partnerships: Lessons from experience in client countries, FY02-12* (pp. vi,9). Washington, DC: World Bank.

¹⁷ <https://www.ncppp.org/>

4) The PPP contract should include a detailed description of the responsibilities, risks and benefits of both the public and private partners (in a detailed contract / business plan);

5) While the private partner may provide a portion or all of the funding for capital improvements, there must be an identifiable revenue stream sufficient to retire this investment and provide an acceptable rate of return over the term of the partnership;

6) It is important to communicate openly and candidly with all stakeholders to minimize potential resistance to establishing a partnership;

7) Pick your partner carefully: ...a candidate's experience in the specific area of partnerships being considered is an important factor in identifying the right partner. Equally, the financial capacity of the private partner should be considered in the final selection process.

22. The PPPs have come a long way and evolved over time. PPP experts talk about three “generations” of PPPs, considering the degree of complexity and the form of financial and risk management. The first generation of PPP was largely done as an accounting exercise to put assets ‘off the country’s balance sheet’. A second generation of PPP was developed as a means of providing better services at an overall lower cost than through traditional public procurement, giving tax payers ‘value-for-money’. Currently, a third generation of PPP is emerging where partners are more widely spread and include ‘not for profit’, philanthropic bodies.

23. PPPs can take various forms and are perceived differently across the countries of the world. For these partnerships to be widely accepted and developed, a standardization-like regulation and transparency increasing steps of the PPP modality should be taken. As the stakeholders are so diverse, the roles they play and the goals they pursue are also different. The reasons why PPPs attracted controversy were mainly due to lack of transparency, flaws in reporting and accounting models, and the unclear suitability of the PPP model based on its record and experience for implementing the SDGs.

24. The role the private sector could play, through capital and performance, is highly important in the context of global migration. Large amounts of people displaced put under pressure the local population and resources. Fast response in building accommodation facilities, water and sanitation, food supply, medical care or ensuring safety is critical. The public sector (even international organizations dealing with refugees) is delayed by lengthy procurement and bureaucratic procedures. This is an important opportunity to involve the private sector in providing efficient and reliable public services.

25. In this context, the Project aimed to fill a wide knowledge, awareness, perception and capacity building gap related to PPPs especially in the context of delivering on sustainable development in the UNECE region.

26. In this broad setting, UNECE has been working in the area of PPPs since the beginning of 2000s, by organizing numerous international conferences, awareness raising workshops and developed guides on best practice

Chapter 3: Project Design - Relevance

27. In the light of the arguments introduced in the previous chapter, PPPs present a great potential to help close the gap of financing the SDGs, to provide efficient management of public goods and services and to facilitate easier access to essential public services for all people.

28. In the past years, several organizations focused their activities on showcasing at conferences and other events studies and examples of PPPs contributing to sustainable development. For instance, in 2015, the World Bank Group created together with the Asian Development Bank (ADB), the European

Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IaDB), and the Islamic Development Bank (IsDB) the PPP Knowledge Lab - a network of multilateral development partners, complementary with UNECE network of specialist centres. The PPP Lab aims at generating knowledge about PPPs and to empower governments and their advisors to design and deliver “best in class” infrastructure projects. The Lab also developed a global certification scheme with support from KPMG’s body of knowledge. However, the Lab’s approach is was clearly linked to the SDGs, but rather focused on the private sector investment principles. Although UNECE is a member of the Lab, the expertise and capacities are underutilized, as UNECE is consulted sporadically. A new impetus could be capitalized with the new UN-World Bank Group Strategic Partnership Framework for the 2030 Agenda, signed in May 2018¹⁸.

29. Earlier in 1999, a Public – Private Infrastructure Advisory Facility (PPIAF) was created by the WB, the Governments of Japan, and the United Kingdom. By 2017, 11 partners fund PPIAF in order to provide technical assistance and knowledge grants to 135 governments across the globe, and to support the creation of an enabling environment for the provision of infrastructure services by the private sector. The donors’ decision to support the development banks can be seen as a duplication of efforts in capacity building and technical assistance activities of UNECE and adds up to the fragmentation existing in the PPP area.

30. UNECE in collaboration with the World Bank Group and other development banks organized a series of conferences – “PPP Days” – in 2010 (Manila), 2012 (Geneva), 2015 (London). The PPP Days were aimed at enabling discussions, knowledge sharing, and as a launching platform for different initiatives of the participating institutions. Additionally, the United Nations and the WB Group signed a Strategic Partnership Framework (SPF) in May 2018, confirming again the joint commitment to cooperate in helping countries implement the 2030 Agenda for Sustainable Development. The WB runs a PPP Unit, but their approach does not include the SDG principles, opposed to UNECE and its “People First” concept (described below).

31. Other organizations also try to create PPP principles and standards. The “Annemasse Declaration”¹⁹ (2015), for instance, is supported by France, the Urban Agglomeration of Annemasse, and the United Nations Institute for Training and Research (UNITAR). UNECE has also been consulted in the design stage. The Declaration aimed at exploring how PPPs can contribute to the advancement of the SDGs, particularly at the local level. Planned as a series of events, eventually only one event has been organized so far with no clear intention for continuation.

32. Another organization that plays a role in promoting private sector investment to assist developing countries in providing infrastructure is the Private Infrastructure Development Group (PIDG)²⁰, established in 2002 with support from nine prominent international official development cooperation agencies. PIDG created a series of companies, designed to harness the efficiency of the private sector and its ability to provide capital for development projects.

33. The governments can incentivise the private sector to perform also in areas traditionally covered by the public sector. The private sector has a distinct advantage through its efficient and streamlined processes, maximizing profits; it can bring more ‘value for money’. The private sector is knowledgeable about PPPs, but less so about sustainable development and SDGs. This niche can be used by UNECE to become a broker between the public and the private sector by creating standards and best practices to be adopted by its member States.

34. The United Nations Economic and Social Council (ECOSOC) mandated the Regional Economic Commissions (UNECE included) to “promote multilateral dialogue, knowledge sharing and networking at the regional level, and work together to promote intra- regional and inter-regional cooperation, both

¹⁸ UN-World Bank Group Joint Statement on Signing of a Strategic Partnership Framework for the 2030 Agenda

¹⁹ <http://www.un-ppp.org/annemasse-declaration>

²⁰ www.pidg.org

among themselves and through collaboration with other regional organisations²¹". The Terms of Reference²² state that the UNECE promotes pan-European economic development and integration through a complex set of activities and inter-governmental cooperation. UNECE plays a regional role as a hub for the dissemination of information, knowledge, standards and best practices.

35. As an organization with a high degree of credibility, the United Nations took the lead role in regulating and creating standards for PPPs that would enable a wider usage and a more robust involvement of the private capital in financing sustainable development. The UN Department of Economic and Social Affairs (UNDESA) – in its role as development pillar of the UN Secretariat - promotes and supports international cooperation in the pursuit of sustainable development for all. DESA translates global commitments in economic, social and environmental spheres into national policies and actions by providing a range of analytical products, policy advice and technical assistance. In case DESA is assigned a more active coordination role in PPPs, it could play a central and global role in establishing the PPPs as an important instrument in financing for development in the SDGs context, while UNECE (through its PPP Team) could take the lead in

36. During its seventy-fifth session held in 2015, EXCOM mandated through the Terms of Reference (ECE/EX/2015/L.8) the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP) to promote a policy, financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness in and of the member States. The support should be provided through a set of four types of activities:

- a) Promoting the knowledge-based economy and innovation;
- b) Facilitating the development of entrepreneurship and the emergence of new enterprises, and improving corporate responsibility;
- c) Facilitating effective regulatory policies and corporate governance, including those in the financial sector;
- d) Promoting public-private partnerships for domestic and foreign investment.

37. Specifically, the objectives of the current project are aligned with the guiding activities c) and d) of the Terms of Reference.

38. The important role of the PPPs in sustainable development has been affirmed during the tenth session of the CICPPP²³, when the director of the Economic Cooperation and Trade Division highlighted the important role CICPPP should play in advancing the SDGs and implementation of the Addis Ababa Action Agenda, which calls for the elaboration of guidelines on PPPs.

39. In performing these activities, the Committee coordinates its work with other UN committees and bodies (especially with the Steering Committee on Trade Capacity and Standards within UNECE²⁴), international organizations and with the governments of its member States. The civil society should also be consulted, in order to secure credibility and gain wide acceptance from tax payers, investors and beneficiaries.

40. Recognising the potential role PPPs could play in the aftermath of the 2008 financial crisis, the UNECE Committee on Economic Cooperation and Integration proposed in 2008 for EXCOM to establish a Team of Specialists on Public-Private Partnerships (ToSPPP)²⁵. The Team was established by EXCOM and mandated to disseminate best practices in PPPs, to train public and private sector officials and to provide

²¹ <http://www.regionalcommissions.org/about/the-regional-commissions/what-we-do/>

²² E/ECE/778/Rev.5

²³ ECE/CECI/2016/2

²⁴ The Terms of Reference of the Steering Committee on Trade Capacity and Standards (ECE/EX/22) make a similar remark on collaboration with the CICPPP and other committees and bodies within UN and outside UN, "in order to achieve synergies and to avoid possible overlap and duplication." The Steering committee "makes policy recommendations, develops standards for use in trade and assists member States in implementing them".

²⁵ ECE/EX/2

policy and project advice. Recognizing the growing role PPPs might play in the financing for development context, the EXCOM decided at its 87th session held in November 2016, to transform the ToSPPP into a Working Party on Public-Private Partnerships (WP PPP). This decision confirms once again the rising importance of PPPs and the continued interest of the UN on the topic.

41. In spite of the advantages it creates, PPPs are sometimes subject to criticism. One opinion is that “PPPs are used to conceal public borrowing, while providing long-term state guarantees for profits to private companies. Private sector corporations must maximise profits if they are to survive. This is fundamentally incompatible with protecting the environment or ensuring universal access to quality public services”²⁶. This kind of opinion can affect the public acceptance of PPPs and exert an increased pressure on public decision makers.

42. Until now, PPPs were seen as financial instrument, mainly pushed by the private sector and Multilateral Development Banks. Now there is an emerging broader understanding, considering PPPs towards SDGs advancement. In this context, the new generation of PPPs proposes a comprehensive approach, named “People First” (PF) PPPs. The PF-PPP concept was introduced by UNECE in 2008²⁷, further refined by 2015 and was later assumed by other institutions too. The first official reference is in the Issue Brief Series of the Inter-Agency Task Force on Financing for Development (July 2016), titled “Promoting People First Public-Private Partnerships (PPPs) for the UN SDGs. The emergence of the PF-PPP concept creates new opportunities for the UNECE, in the light of comprehensive goals for development under the SDGs subsequently adopted by the UN General Assembly in 2015. UNECE asked the governments of the UNECE member States and the private sector to propose potential PF-PPPs’ that would be ‘compliant’ with the SDGs. At the proposal of UNECE, the Specialist Centre of Excellence in Spain started to elaborate a PF-PPP criteria scale (scoring and weighting) and to draft the ToR of a potential advisory group. In three annual sessions, over 120 projects were submitted and UNECE analysed and presented them during the PPP annual meetings, The Case-Studies are used to showcase guiding principles and standards in PPP and will be used in capacity building activities.

“People First” PPP (PF-PPP)

“People First” PPPs is a new concept coined by UNECE to respond to the new questions posed by the UN goals in economic and social development. The adoption of SDGs in 2015 further emphasized the role PF-PPP could play in achieving the development goals. The concept strives to ensure that among all stakeholders, ‘people’ and their needs are in the focus.

PF-PPPs aim at creating local and sustainable jobs, promote gender equality and justice, access to water, energy, transport, and aims at achieving education for all. All these goals are to be achieved by disavowing all forms of discrimination based on race, ethnicity, creed and culture.

PF-PPPs should contribute to delivering “quality infrastructure investments” by

- Increasing access and promoting equity;
- Improving environmental sustainability;
- Improving projects’ economic efficiency and effectiveness (value for money - VfM) – doing more with less resources;
- Be replicable and fit to be up- or down-scaled;
- Being inclusive by engaging all stakeholders.

²⁶ Public Services International (PSI), “Why Public-Private Partnerships Don’t Work”, 2015. Available online at http://www.world-psi.org/sites/default/files/rapport_eng_56pages_a4_lr.pdf

²⁷ United Nations Economic Commission for Europe, “Guidebook on Promoting Good Governance in Public-Private Partnerships”, United Nations, New York and Geneva, 2008, pages 59-63

To ensure the “people-first” character of the PPPs, UNECE proposes seven steps to be fulfilled:

- put people first through actions; focus on PPP capacity building; create PPP policies; create legal frameworks for PF-PPPs; share project risks as one entity (political and legal risk covered by the state, the private sector assuming the rest); assure open competition in selecting partners (including zero tolerance to corruption); and protect the environment (adopt “green criteria”).

The greatest challenge UNECE sees in promoting PF-PPPs is to create a “One-UN” enabling environment, mainstreaming the “people-first” principles throughout the whole UN structures, policies, procedures and programmes.

43. One of the stated expected results of the project was to deliver “knowledge and skills in PPP capability development, particularly to countries that are newly embarking upon PPP programmes”. As the UNECE member States are all new to venture in PPP implementation, the project had a major relevance for them as beneficiaries.

44. Facts and Key Outputs of the project:

- The PPPs can play an increasing role in the development financing, especially considering the broad targets under SDGs and the resulting financing challenge;
- The work on enabling financing for sustainable development ultimately has effects on all SDGs, especially on SDG 17 – creating global partnerships for SDGs;
- the EXCOM established a Team of Specialists on PPPs to address the increasing relevance and potential role played by PPPs in 2008. The Team was subsequently upgraded to become a Working Party in 2017, a sign for the increased role UNECE intends to play in promoting a sustainable PPP model;
- In the online questionnaire (Annex 4), when asked about relevancy of the project to the mandate of the Economic Cooperation and Trade Division of UNECE, all respondents agreed that it is “very relevant”, with the same opinion about the relevancy of the work for the governments of the UNECE member States;
- The project’s activities serve the needs of UNECE member States by creating best practices and standards (added during the project implementation as the need arose), organizing events and workshops to increase knowledge on PPPs, by delivering PPP Readiness Assessments and by supporting ad-hoc PPP enabling measures through the Business Advisory Board;
- The activities and their direct results (outputs) strengthened the capacity of the UNECE secretariat and its network of PPP experts in assisting member States to undertake PPP projects. This was done by raising awareness on PPPs, positioning the UNECE as a player benefitting from best practices collected across the globe and by coordinating standards creation. The intergovernmental process potentially endows UNECE with leverage on political level in the region, supporting the members States in streamlining legal frameworks, best practices and standards.

45. Considering all the above facts (the need to finance global development goals, subsequently formulated and agreed as the SDGs - including through mobilizing private capital to deliver infrastructure and public goods; the alignment with the objectives of the sub-programme; the support requested by UNECE member States and the current contribution to virtually all of the Sustainable Development Goals), the project’s relevance is rated *Excellent*.

Chapter 4: Project Implementation – Effectiveness and Efficiency

Project Implementation - Effectiveness

46. The declared objective of the project as contained in EXCOM Informal Documents (2012/2 and 2012/3) was to provide the governments of UNECE member States with innovative PPP delivery and financing options, strategic advice and support, and to assist the development of their local PPP capabilities. The planned activities of the project have been implemented between February 2012 and July 2017.

47. The expected results stated in the EXCOM Form (2/2012) were:

- Developing and disseminating international best practice, knowledge and skills in PPP capability development, particularly to countries that are newly embarking upon PPP programmes;
- Offering high-level strategic advisory and planning services and capacity building support to governments of member States in implementing the PPP Toolkit;
- Facilitating ‘learning by doing’, through Best Practice Guides that showcase national adaptation and implementation of the PPP Toolkit; and
- Developing innovative and low-risk products and markets for financing PPP projects, to support the growth of the global PPP market in the post-global financial crisis environment.

48. The project had no project document and no logical framework established during the concept phase in 2011, as this was not required at that time (but subsequently introduced to all projects following an audit by the UN Office of Internal Oversight (OIOS)). Therefore, the evaluator together with the project team reconstructed a potential Theory of Change, explaining how the inputs, activities and the generated outputs could lead to the desired changes at outcomes and impact levels. The results of the project were expected to generate effects through several logical sequences:

- 1) The UNECE’s role as a global hub for the dissemination of knowledge in innovative PPP financing (acting as a global resource for UN Member States and not only for the UNECE region) was enhanced by establishing a network of resource centres and by creating best practices and standards;
- 2) The project escalated the impact of UNECE’s advisory support to transition economies by undertaking several comprehensive PPP readiness assessments (e.g. in Belarus, Kazakhstan, Moldova, Kyrgyzstan and Tajikistan). The assessments provide analysis of the countries’ situation, raised awareness in the new PPP model and improved the PPP enabling environment in these countries (e.g. revision of PPP legislation, building capacities, etc.);
- 3) Regional cooperation in PPP was boosted by high-level training events where experiences and knowledge in PPP were shared (e.g. the event held at the Finance University in Moscow, when virtually all CIS countries were represented in a high level event).

49. A capacity building project in PPP was implemented through the UN Development Account from 2006 to 2009. (Tranche 5, Project 0607D). As a result, the participating organizations – UNECE, UNECA and UNESCAP agreed to set up an International Centre of Excellence (ICoE) to meet the needs of UN Member States. The ICoE was designed to develop standards, achieve capacity development and to increase understanding and adoption of PPPs. The current project benefited from lessons learned during the

implementation of the previous one. Consultation rounds held in 2009 and 2011 concluded with the creation of a set of activities – “PPP Initiative”, consisting of the UNECE Toolkit for capacity building and the ICoE.

50. The PPP Toolkit is composed of five key components: A Guidebook on promoting good governance in PPP (2008); national PPP Readiness’ Assessment; a “How to” Manual; a Train-the-Trainers Guide; and a Best Practice Guide. All these tools are meant to be employed considering local cultures, business practices, legal systems and government processes. The agreement on tools and processes should be reached with input from a broad range of stakeholders. The ICoE has a clearly defined mission (to become a global resource to assist the national PPP capacity building programmes) and a set of values and specific objectives, defined in the Explanatory Note.

51. A support structure for the ICoE is the UNECE PPP Business Advisory Board (BAB). It was re-constituted by the UNECE Executive Committee in 2014, after a few years of activity following an UNECE decision in 2009. It has the vision to implement PPPs solutions to promote the SDGs in the UNECE region. The BAB advises the ICoE on the elaboration of international best practices and standards, and assists member States with the implementation of PPPs. The Board contains only private sector representatives, and exerts quality control before UNECE releases documents. The working mandate has been renewed by EXCOM until 2020²⁸. The results of the BAB contribution are reflected in ICoE meetings, consultative meetings and the contribution to PPP Readiness Assessment studies performed by the UNECE PPP Team in Azerbaijan, Belarus, Moldova, Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan

52. The project started with an indicative list of activities to be implemented and an envisaged budget for the first year as contained in the EXCOM Informal Document 2012/2²⁹. The activities have been gradually expanded or cancelled depending on the available funding and the situation in the partnering countries.

53. Expected Accomplishment (EA) 1: An initial discussion whether to create the Specialist Centre of Excellence (SCoE) either with ICoE within the UNECE Secretariat or to empower member States, concluded with the second option in order to respond to the requests received from the member States. Under the first expected accomplishment – Creation of pools of PPP expertise and excellence in various infrastructure sectors through Specialist Centres hosted by countries – the first Memorandum of Understanding (MoU) was signed in November 2012 with the Philippines, aiming at establishing a PPP Specialist Centre on Health. The Ministry of Health agreed a five-year contribution, but the political changes rendered the agreement void. In 2017, an NGO signalled interest to reinstate the Centre, and UNECE is looking for ways to continue the idea with a solid endorsement from the government. An attempt to establish a SCoE on Information Technology (IT) in Azerbaijan also failed. The claimed reason by the partnering side was of diplomatic nature. Both attempts generated learnt lessons acknowledged by the project team.

54. In total there are six SCoEs established according to the plan and are functioning by the end of 2017 (see box below for details). They focus each on the specialty area of the partnering structure, and are using long-time expertise both in academic research as well as in implementing PPPs related capacity building or quality assurance.

²⁸ ECE/CECI/WP/PPP/2017/2, page 8, Paragraphe 24

²⁹ ECE EXCOM Forty-Ninth Meeting, Geneva, 7 February 2012.

PPP Specialist Centres of Excellence - their roles in each sector

The Specialist Centres of Excellence have been created to identify excellence in PPPs, prepare the best practice guides and help governments building their capabilities to develop successful projects proposals. The SCoEs envisage to conduct research within their sector of experience, develop and disseminate PPP best practice in the sector, develop sector specific capability development strategies for governments and provide specialised training in PPPs.

Currently there are six operational SCoEs (and one in preparation) established to support the following areas:

Health (The Philippines). Status: cancelled. The target was to deal with demographic changes and changes in treatment and technologies over long term contracts, as they can lead to creation of underutilized hospitals.

Ports (Lebanon). The country did not recognise the role of PPPs until recently (2015-16). The relevance is determined by high budget deficits, need to invest in infrastructure, and the need to create “white and blue collar jobs” in sectors where public sector is not efficient). In addition, Lebanon is under pressure as one third of the population are refugees. The team in the country received support from business, academia, civil society, financial and business environment, UNECE and WB to push for creation of the legislative framework. The SCoE creates a database of all PPP ports in the world, focusing on case studies and creating best practices, and contributing to creating standards on PPPs for ports. The Centre organises PPP trainings for public and private players, and envisages to coagulate PPP supporters from board members, advisory boards, etc.

Governance. Japan has more than 20 years of experience with PPPs, while the partnering organization - Toyo University – has 12 years of research experience on PPPs. In spite of good results, there are limitations at implementation level (especially at local level), as decisions are taken at central level. The University focuses on reaching out Asian countries. UNECE facilitates global relevance of the work, increasing mutual benefit.

Roads, railways, urban transit, (supporting China’s “One Belt One Road” Initiative (OBOR) in Beijing), and Transport and Logistics (in Hong Kong). These two centres are relevant as the Chinese government focused on PPPs since 2014, and openly expressed the need for best practices. The Chinese Government mandated the Trade Development Council (TDC) to promote OBOR. On the other hand, China is a large market for private investment, and the experience gained is useful in other countries. There is a monography in Chinese language on PPPs and policy consultation.

Smart and Sustainable Cities (Spain). The University of Navarra started in 2001 academic studies on PPPs. They perform research and create PPP case studies on smart and sustainable cities, shared with UNECE. The Centre also contributes to UN documents. The SCoE’s interest to be part of the network is to gain an international profile, while UNECE benefits from the University’s experience.

Water and Sanitation (Portugal). Private sector capacity in delivery high quality affordable water services in urban areas is desired, but PPP capability to deliver good quality water & sanitation services is poor in rural areas is low due to market unattractiveness. The sensitivity of private sector involvement in delivering water services, has made governments tend to keep tariffs very low especially in developing countries, offering private companies little incentives to make investments.

PPP Policy, Law and Institutions (France): supports UNECE on procurement and dispute resolution, and throughout the standard development process through technical support.

Currently there is no systematic information exchange between the SCoEs. They only communicate centrally to ICoE and the information is uploaded on the project’s website.

55. The SCoEs collected information and created best-practice people-first case-studies in several areas: Agriculture and Regional Development (2), Health (2), Education (2), Water (2), Resilient Infrastructure, Renewable Energy and Energy Efficiency (3), Transport Infrastructure, Waste Management, Information Technology (2) and Smart and Sustainable Cities. In creating the case studies, the SCoEs focus on the theme relevance (challenge), the proposed solution, the impact on the SDGs and compliance to PF-PPP criteria. Through another project, UNECE envisages to create internationally agreed PF-PPP Standards. Currently, standards in seven sectors are being developed³⁰: Airports, Integrity and Transparency in PF-PPP Procurement, Health Policy, Railways, Renewable Energy, Roads, and Water and Sanitation.

56. The Centres generate additional knowledge (by providing business planning, case studies, etc.) and communicate it to ICoE and their governments in a structured manner. The relationship amongst the SCoE is not standardised and cooperation is not yet systematic. The ICoEs agreed to report annually their activities and results, but no performance benchmarking and responsibilities have been defined. Possible reasons for this are the geographical spread and the high specialization. An eventual coordination from UNECE might enhance the cooperation (by sharing publication lists, research themes and dissemination strategies) and raise the quantity and quality of the knowledge generated by the Centres. The Centres could also contribute to PPP guidelines setting presently being developed by ICoE. However, the agenda should be planned carefully in order to avoid overlapping events in the crowded schedules of the organisations hosting SCoEs.

57. EA 2.1 - A set of core best practice principles for the role of PPPs in the renovation of public buildings (specifically of the “Palais des Nations” in Geneva) was scheduled to be produced in 2013. The report involved two sessions of discussions and a fact-finding mission with UNOG senior officials to the UK government to assess the impact of PPPs in the management of ministerial buildings. In May 2013, the Team of Specialists on PPPs prepared a report. In five sections, the analysis concludes that a feasibility study was recommended to decide if a PPP contract would be more appropriate compared to regular procurement process. The risks and complexity of the PPP approach in combination with the UN regulatory framework deemed the modality as unfeasible, as justified in the Report of the Secretary General “Strategic heritage plan of the United Nations Office at Geneva”³¹. This decision triggered a lack of interest from the PPP experts that would have potentially coordinated the cogeneration of the core best practice principles for the role of PPPs in the renovation of public buildings, and the activities are still pending.

58. EA 2.2 - A set of international PPP best practice principles for enforcing zero tolerance to corruption in PPP agencies was established through an Open Development Process (ODP)³² by 2017. The PPP best practice principles were planned to be established in ten areas (e.g. transport, water and sanitation, etc.) and followed by a set of PPP capacity building and policy advisory workshops conducted by ICoE. The principles have been agreed in November 2017 during the first session of the Working Party on PPPs and adopted as the “UNECE Standard on a Zero Tolerance Approach to Corruption in PPP Procurement”³³. The UNECE conducted the guidelines drafting in order to ensure acceptance from all stakeholders.

³⁰ UNECE Project E249: “Development and implementation of PPP international standards in support of the Sustainable Development Goals”

³¹ General Assembly Document A/68/372, section D, pages 25-27.

³² The Open Development Process is defined, for example, in the ECOSOC document TRADE/R.650/Rev.4/Add.1/Rev.1 – May 2007

³³ ECE/CECI/WP/PPP/2017/4

59. EA 2.3 (additional activity) - The certification scheme seeks to present certificates to PPP agencies, which have complied with core good governance principles in PPPs. It has been separated from the EA2.2 in order to elaborate the certification mechanism into more detail. The certification scheme was put on hold in 2015. It is planned to be based on established standards through a different project (UNECE E249) and it awaits finalisation and adoption of standards and certification principles in nine areas.

60. EA 2.4 (additional activity) - International best practice principles for PPPs in healthcare and sanitation (2015) – it has been put on hold after the public review stage (a necessary step in the ODP), as health, water and sanitation are sensitive topics for the civil society. Ethics consideration for access to water and the role of the private sector in setting standards are to be thoroughly reviewed and included in the principles by UNECE and other stakeholders.

61. EA 3.1 - The BAB delivered a series of national consultative visits to advise governments in countries with economies in transition and developing countries on existing challenges in the development of PPPs and potential ways to find appropriate solutions. The visits to Azerbaijan, Belarus, Moldova, Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan contributed to creating Readiness Assessments or to facilitate adoption of MoUs. The visits were welcomed by the partner governments and appreciated as useful services provided to them, according to the project team and some beneficiaries.

62. EA 3.2 - Capacity building activities and policy advisory work was delivered by the Team of Experts in the beginning stage through

- a) a Master class (“Public-private partnerships in CIS: the best practices”) organized in partnership with the Finance University of Moscow;
- b) through a seminar to present the results of the Readiness Assessment in Kazakhstan, or
- c) by directly commenting the draft PPP law of Belarus.

These services were positively appreciated by the beneficiaries in post-event questionnaires. ICoEs work can become more visible to potential partners and beneficiaries by delivering on a more constant basis similar services.

63. Activity 3.3 - National PPP Readiness Assessments aimed at identifying the challenges that a country may face in attracting private capital for its infrastructure development, and consider sectors where potential pilot projects could be procured as PPPs. The process usually involved a fact-finding mission in the benefitting country, the drafting of the report, and workshops where either preliminary findings were discussed or the report was presented. Seven countries (Azerbaijan, Belarus, Moldova, Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan) benefitted from receiving Readiness Assessments, while Belarus is the most advanced in implementing the recommendations presented in the report.

64. One of the main added values of the project is knowledge generation and dissemination, where the modern communication technology (e.g. collaborative platform such as SharePoint) plays a crucial role, allowing interactivity. The project did not foresee in its documents any explicit activity related to the usage of this technology, best suitable for dissemination and to lower the costs. However, besides maintaining the standard web page on the UNECE’s web-site, the project did create a very well designed and managed web-site (www.uneceppp-icoe.org), populated with rich content. The SCoEs can deliver knowledge that is centrally managed and uploaded, although the process is complicated and records

delays. The project team could consider hosting a more interactive information and knowledge exchange between the SCoEs (periodical info-sessions, either direct for adjacent time zones, or through newsletters).

65. One example of successful impact result (where the outcomes of the current activities contributed) is the PPP project implemented in Belarus from extra-budgetary resources. As a result of a very good PPP Readiness Assessment, the EU Delegation funded the UNECE project E202 managed locally by the UNDP. The project facilitated the creation of the legal framework, supported the institutional building (an inter-ministerial infrastructure board and a PPP Unit) and created national capacities. At the end of the project, EBRD involved further to support the Government of Belarus in creating the tendering documentation in order to finance the reconstruction of the M10-Highway to modern standards. In 2018, EBRD will organize an event where potential investors will be presented the project documentation. For the impact level of the PPP Toolkit and ICoE's involvement in supporting the member States, the Belarus project is a concrete example of a tangible result.

66. As the set of activities did not have a project document per se, nor a logical framework, it was impossible to establish a baseline and performance indicators. Part of the activities have been implemented on a need-base or at request of the member States (as a result of the regular consultation process and proactive activities of the PPP Team), therefore indicator setting was not implemented. This makes difficult the certainty of attribution towards results, and the rating is rather empirical.

67. Facts and Key Outputs of the project:

- The PPP Toolkit is composed of five key components: A Guidebook on promoting good governance in PPP (2008); national PPP Readiness' Assessment; a "How to" Manual; a Train-the-Trainers Guide; and a Best Practice Guide. The PPP Toolkit is a solid instrument catering for a broad range of potential needs of the member States in regards to PPP, complemented by world class expertise in the ICoE;
- The project created six pools of PPP expertise and excellence through Specialist Centres hosted by five member States. The SCoEs support UNECE (through ICoE) and the hosting governments with technical input and knowledge generation;
- The development of international PPP best practices and standards together with the Specialist Centres has been achieved in one case – the PPP Standard for enforcing zero tolerance to corruption in PPP agencies. The rest of the standards are awaiting different intermediary steps to be finalized;
- The popularization of UNECE international PPP best practices materialized through a series of workshops, consultative visits and ultimately through PPP Readiness Assessments, where the ICoE (through the BAB) delivered well-received quality products;
- The activities had no Project Document per-se, but an indicative list of activities for the first year. Subsequently, as additional budget became available and new requests from member States arose, new activities have been added to the annual plans;
- The activities and the corresponding outputs have been implemented according to the plan and the objectives of the activities corresponding to the Expected Accomplishments have been achieved to a large extent. The logical link to the expected outcomes and their impact is only implied. No benchmarks have been established, the indicators have not been monitored and the

- potential results at outcome/impact level are not measured. The results could be made more accessible and credible to stakeholders by employing the Results Based Management principles;
- The governments of the member States are ultimately deciding whether and at what extent they will use the products or services delivered by the project, determining the impact of the activities.

68. The activities have been implemented delivering most of the planned outputs, with the expected level of quality and timeliness. The logical chain between outputs, outcomes and impacts has not been fully defined, as no project document was required at the time of approval. Performance indicators are not set and outcome results are not measured. Accordingly, the assessment of outcome level results can only generate assumptions about the effectiveness of the activities set. Therefore, the evaluator refrains from rating the effectiveness criteria for this project.



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Intended Outputs vs. Actual Outputs Table

Intended Outputs	Planned Activities	Actual Outputs	Comments on Actual Outputs
<p>Expected Accomplishment 1:</p> <p>Creation of pools of PPP expertise and excellence in various infrastructure sectors through Specialist Centres hosted by countries.</p> <p>Achieved: 6 Centres operational by end of 2017 (with the Centre in the Philippines cancelled and an additional Centre in China)</p>	<p><u>Activity 1.1.</u> Setting up a Specialist Centre on PPPs in Health in the Philippines affiliated to the UNECE International PPP Centre of Excellence (ICoE) (2012)</p>	<ul style="list-style-type: none"> - Memorandum of Understanding signed on 22 November 2012; - PPP in Health Manila 2012 – “Developing models, ensuring Sustainability: Perspectives from Asia and Europe”, Manila, the Philippines, 23-25 October 2012 [the Conference officially launched the Specialist Centre on PPPs in health in Manila; - Activities cancelled due to political changes in the country (PPP-Champion changed). 	<p>Not achieved.</p> <p>Lessons learnt drawn from the experience (secure initiatives from political events).</p>
	<p><u>Activity 1.2.</u> Setting up a Specialist Centre on PPPs in Roads and Highways in India (2014)</p>	<ul style="list-style-type: none"> - Memorandum of Understanding signed on 13 February 2014 	<p>Not achieved.</p>
	<p><u>Activity 1.3.</u> Setting up a Specialist Centre on PPPs in Smart and Sustainable Cities in Spain (2015)</p>	<ul style="list-style-type: none"> - Memorandum of Understanding signed on 25 February 2015 - ICoE established in Barcelona on 25,02 2015 - Partner Institution: IESE Business School, University of Navarra - List of best practice projects in smart and sustainable cities created in Nov 2015 	<p>ICoE functional.</p>
	<p><u>Activity 1.4.</u> Setting up a Specialist Centre on PPPs in Policies, Laws and Institutions in France (2015)</p>	<ul style="list-style-type: none"> - Memorandum of Understanding signed on 21 May 2015 - ICoE established in Paris in May 2015 - Partner Institutions. French Institute of international Legal Experts and Confederation of International Contractors’ Associations - Work in progress on best practices collection. 	<p>ICoE functional.</p>
	<p><u>Activity 1.5.</u> Setting up a Specialist Centre on PPPs in Japan (2015)</p>	<ul style="list-style-type: none"> - Memorandum of Understanding signed on 4 August 2015; - ICoE established in Tokyo on 04 August 2015 - Partner Institution: Toyo University, Research Centre for PPP; - Lectures and seminars, held; Case Study created, good contribution on PPP Guidelines; average results with PPP Standards contribution. 	<p>ICoE functional.</p>
	<p><u>Activity 1.6.</u> Setting up Specialist Centre on PPPs in China (2016)</p>	<ul style="list-style-type: none"> - Memorandum of Understanding signed on 25 January 2016; - ICoE established in Beijing and Hong Kong on 22 April 2016 - Partner Institutions: City University of Hong Kong and Tsinghua University, 	<p>- ICoE functional, focusing on PPP standards in roads, urban transit;</p>

		<ul style="list-style-type: none"> - with the support of National Development and Reform Commission - National Forum in Qingdao held, with more than 800 participants (+400 online participants). An International Forum was organised for “One Belt One Road” Countries, with more than 500 participants; - Training sessions for PPP professionals organised in 2017 - PPP Session organised in Hong Kong in My 2017. 	- Collaboration of the ICoE in Hong Kong and Beijing.
	<u>Activity 1.7.</u> Setting up a Specialist Centre on PPPs in Water and Sanitation in Portugal (2017)	<ul style="list-style-type: none"> - Memorandum of Understanding signed on 17 May 2017 - ICoE established in Lisbon in June 2017 - Work in progress on best practices collection. 	- ICoE functional.
<p><u>Expected Accomplishment 2:</u></p> <p>Development of international PPP best practices and standards/recommendations together with the Specialist Centres</p> <p>Achieved: the (core) best practices in public building renovation and zero tolerance to corruption) have been finalized. The Best practice principles in health and the certification scheme have been put on hold by the time of evaluation.</p>	<u>Activity 2.1.</u> A set of core best practice principles for the role of PPPs in the renovation of public buildings (2013)	<ul style="list-style-type: none"> - Report on the feasibility of using PPPs for the renovation of the “Palais des Nations”, May 2013; - http://www.unceppp-icoe.org showcasing achievements of ICoEs and SCoEs 	<ul style="list-style-type: none"> - Partially achieved. The Report was delivered in 2013. - The general “Best Practice principles” are pending due to lack of interest on the topic.
	<u>Activity 2.2.</u> A set of international PPP best practice principles for enforcing zero tolerance to corruption in PPP agencies (2017)	<ul style="list-style-type: none"> - PPP Standard on a zero tolerance approach to corruption in PPP procurement published in 2017 - Necessary steps: a) project proposal; b) call for participation; c) principles drafting; d) public review of principles (incl. By OECD, WB, NGOs); e) working party to assess the principles in Nov 2017; f) use principles in practice. 	- Achieved. Adopted in Nov 2017 – principles to be implemented.
	<u>Additional Activity 2.3:</u> A certification scheme that seeks to present certificates to PPP agencies which have complied with core good governance principles in PPPs (2015)	- Separated from corruption standards (2.2) and put on hold in 2015 – awaiting finalisation and adoption of standards (2.4) and certification principles.	<ul style="list-style-type: none"> - Not achieved - To be achieved through a separate project.
	<u>Additional Activity 2.4:</u> International best practice principles for PPPs in healthcare and sanitation (2015)	- The draft version of the principles was put on hold after the public review stage.	<ul style="list-style-type: none"> - Not achieved - Health, water and sanitation are sensitive topics for the civil society (e.g. ethic consideration for access to water and the role of the private sector in setting standards).

<p>Expected Accomplishment 3:</p> <p>Enhanced implementation of UNECE international PPP best practices in countries</p> <p>Achieved: all activities implemented by the end of 2017.</p>	<p><u>Activity 3.1.</u> National consultative visits of the PPP Business Advisory Board to advise governments on existing challenges in the development of PPPs in countries with economies in transition and developing countries</p>	<ul style="list-style-type: none"> - Consultative visit of the BAB with the Government of Belarus in Minsk on 24-25 September 2015 to provide feedback on the prioritisation of PPP projects (travel of UNECE staff, BAB members and consultancy fees); - PPP Dialogue between the BAB and the Government of China (NDRC) in Beijing on 14 December 2016 (the BAB meeting contributed to the UNECE signing a second Memorandum of Understanding with China on 14 May 2017 to provide capacity building on existing changes in the development of PPPs to UNECE member States along the Belt and Road initiative - Other consultative visits and advisory services have been provided to governments of Belarus, Kazakhstan, Moldova, Tajikistan, Georgia (2012), Ukraine (2015), Kazakhstan (2016), Russia, Spain (2016), Liechtenstein (2017). 	<p>Achieved</p> <p>2015: MDA cancelled second round</p>
	<p><u>Activity 3.2.</u> Project-focused capacity building activities and policy advisory work</p>	<ul style="list-style-type: none"> - Master class “PPPs in the CIS: best practices”, Moscow, Russian Federation, 11-12 December 2012; - Comments and observations by PPP experts on the draft PPP law of Belarus, April 2012; - Consultation and dialogue on the UNECE PPP Readiness Assessment of Kazakhstan follow-up seminar to the PPP readiness assessment held in Astana on 9 April 2014. 	<p>Achieved. Three capacity building sessions convened</p> <p>Activities implemented with good feedback;</p> <p>- No outcome-level indicators created, to measure the potential impact of the capacity building activities.</p>
	<p><u>Activity 3.3.</u> National PPP Readiness Assessments aimed at identifying the challenges that a country may face in attracting private capital for its infrastructure development, and consider sectors where potential pilot projects could be procured as PPPs.</p>	<ul style="list-style-type: none"> - National PPP Readiness Assessment in Belarus: <ol style="list-style-type: none"> 1.1. Fact-finding mission, Minsk, Belarus, 19-23 March 2012 1.2. Workshop on the development of PPPs in Belarus: UNECE National PPP Readiness Assessment, Minsk, Belarus, 9-10 July 2012 1.3. National PPP Readiness Assessment Report with policy recommendations; - National PPP Readiness Assessment in Moldova: <ol style="list-style-type: none"> 2.1 Workshop on the development of PPPs in Moldova: UNECE National PPP Readiness Assessment, Chisinau, Moldova, 9-10 October 2012 2.2. National PPP Readiness Assessment Report with policy recommendations - National PPP Readiness Assessment in Kyrgyzstan <ol style="list-style-type: none"> 3.1 Fact-finding mission, Bishkek, Kyrgyzstan, 10-14 September 2012 -National PPP Readiness Assessment in Tajikistan <ol style="list-style-type: none"> 4.1. Fact-finding mission, Dushanbe, Tajikistan, 24-28 September 2012 	<p>Achieved – 9 Assessments completed</p> <p>The PPP Readiness Assessment in Belarus has been followed by a full-fledged project, focusing on legal framework creation, capacity building and institutional support. EBRD has been involved at the end of the project to create tendering documentation for an infrastructure project.</p> <p>-</p>

		<ul style="list-style-type: none"> -National PPP Readiness Assessment in Kazakhstan <ul style="list-style-type: none"> 5.1. Fact-finding mission, Astana, Kazakhstan, 14-17 October 2013 5.2. Follow-up seminar on the PPP Readiness Assessment in Kazakhstan, November 2013 - National PPP Readiness Assessment in Kyrgyzstan (2013) <ul style="list-style-type: none"> 1.1 National PPP Readiness Assessment Report with policy recommendations - National PPP Readiness Assessment in Tajikistan (2013) <ul style="list-style-type: none"> 2.1. Workshop on the development of PPPs in Tajikistan: UNECE National PPP Readiness Assessment, Dushanbe, Tajikistan, 17-18 September 2013 2.2. National PPP Readiness Assessment Report with policy recommendations - PPP Assessment in Turkmenistan (2013) <ul style="list-style-type: none"> 3.1 PPP Assessment Report with policy recommendations - PPP Assessment in Azerbaijan (2013) <ul style="list-style-type: none"> 4.1 PPP Assessment Report with policy recommendations 	
Activity 4. Project assistance and support: Project assistance, support and evaluation		<p>Full time temporary project support staff (P3 level) to support the project manager in the administration and management of the Project, inter alia:</p> <ul style="list-style-type: none"> - Manage the cooperation between the UNECE and the State Corporation “Bank for Development and foreign Economic Affairs (Vnesheconombank)” including CIS Training Centre established in the Financial University of the Russian Federation; - Organize PPP readiness assessment missions and follow-up activities; - Provide support to on-going activities of the UNECE International PPP Centre of Excellence, including the organization of substantive meetings, work plans and preparation of other related documentation together with the UNECE staff; - Provide support in the development of the UNECE PPP standards and recommendations; - Contribute to the development and strengthening of cooperation with other international, regional and national organizations, programmes and other entities dealing with PPPs; and - Contribute to fund-raising activities. 	N/A

Table 1: Intended Outputs vs. Actual Outputs and Outcomes



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Project Implementation - Efficiency

69. The activities implemented were funded by the Development Bank of the Russian Federation (Vnesheconombank), the Dutch Ministry of Infrastructure and Environment (in-kind contribution through a gratis personnel for three years) and Toyo University of Japan. The total budget amounted over US\$ 600.000. Initially, approx. US\$ 470.500 were foreseen in the EXCOM approval form in 2012 for the first years of the project.

70. The activities were designed and implemented as the area of work evolved without having an initially agreed set of activities, as the donor did not earmark the funds. The assessment of the spent funds compared to the implemented activities and achieved goals is made in retrospect. Besides the personnel cost, the biggest part of the expenditure was used to fund activities of the International PPP Centre of Excellence in Geneva and overall upgrading and evolution of PPP work (cost of experts, travels, organising workshops, performing studies) in cooperation with the donor. Considering the needs identified by the member States and the type of products and services delivered, the resources were appropriately spent.

71. In order to increase the efficiency of these activities, more member States and public sector actors could have been engaged. As the project is unique in its approach and no benchmarking is available, it is not possible to establish an optimal cost-benefit ratio and to conclude how many more services were to be delivered to increase the efficiency.

72. As the activities have been implemented as funding became available, additional time and energy had to be spent on securing funds. Discussions with donor in the beginning should clarify funding for project management and core activities. The project management cost amounted to approximately 36 percent of the total project budget. Although not directly comparable with other UN organizations due to different project management set-ups, the management cost proportion to the total project's value is high (even considering that one project manager also provided substantive input). However, for project management, permanent staff will continue to be considered, as external consultants cannot be used for project management purposes in the UN Secretariat. Additionally, they do not optimally ensure institutional memory and do not have the authority to manage regular budget funds. UNECE (in consultation with the donor in case of extra-budgetary funding) should ponder in the design stage whether the project management costs take up a disproportionate amount in the total budget. In case staff is too expensive compared to project size and budget, one person could be assigned to oversee multiple projects in order to keep management costs down (by splitting the personnel cost among several projects)

73. Besides the internal staff assigned to coordinate and implement activities, the project has been managed by a full time temporary project support, who also provided substantive input. In addition, the Dutch Government assigned free of charge a part-time senior consultant for three years, while Toyo University delegated a support staff for five years. The contribution from the delegated staff is appreciated as very helpful by the project management and contributed to increasing efficiency. However, this in-kind support is variable and can not be considered as a reliable project resource.

74. Facts and Key Outputs of the project:

- The activities have been implemented according to the available resources, following the standard procedures and procurement regulations in UN. Most of the members of the ICoE, BAB and SCoEs have been working pro-bono during various stages of activities, maximising the efficiency. Only the high proportion of the project management costs in the total budget (36%, not considering the work performed pro-bono by consultants or delegated personnel) is an indicator to be improved in a future similar project;
- Considering the needs expressed by the member States, the project should be scaled up to make a more visible impact, eventually as a One-UN approach. This would entail larger human and financial resources needed.

75. The project was implemented with a standard efficiency for the UN, except for the high project management cost. Some results have been achieved as the budget became available and the lack of constant funding required additional efforts. The project's efficiency is rated as *Partly Satisfactory*.

Chapter 5: Sustainability

76. The central idea of the PPP Toolkit and ICoE is to collect, consolidate and disseminate knowledge on PPPs through the member States and beyond, and to raise awareness on the usage of PPPs in the context of SDGs. The project document embedded the sustainability element at several levels: creating a knowledge base captured in the best practices, increasing capacities by training people, and creating the SCoEs. No formal risk analysis framework was created.

77. The PPP Toolkit (with its five components) is a solid instrument, ready to be used by UNECE in any member State at request, and even beyond the geographical area of interest. This comprehensive instrument will be effective and support the sustainability provided following preconditions are met: political will in the member States, and the macroeconomic and political stability are ensured.

78. The sustainability of the activities will play an even more important role with the popularization of the 'people-first' PPPs, in the context of financing of the SDGs. The UNECE activities (through the PF-PPPs) are a bridge between the private sector and the SDGs financing. This aspect of sustainability will be enhanced in case the UN System decides to promote PF-PPP in a centralized manner.

79. The ICoE is a well-established structure and will continue to coordinate the work of the SCoEs, as well to deliver content work as Readiness Assessments – through BAB – when members States will request this service. Governments have recognized the quality of the delivered services and products, and new countries (including those beyond the UNECE region) requested these services (e.g. Ghana, Nigeria, and Liechtenstein). However, member States where UNECE's work is highly relevant (e.g. Community of Independent States – CIS) did not yet manage to establish SCoEs. UNECE should explore into more detail this situation to understand the causes and possible solutions, including by developing standards on how to select proper partners for functional SCoE. The next big focus for ICoE should be on creating universal standards in PF-PPPs, in order to increase the sustainability of its work.

80. One example of sustainability of the activities, services and products provided through the current project is the UNECE project "Capacity Development to Support the Implementation of Public Private Partnership (PPP) in Belarus", implemented between 2013 and 2015. The project supported the government in creating a legal framework for PPPs, facilitated the creation of an inter-ministerial infrastructure board (tasked with strategic decisions) and a PPP-Unit (responsible with technical work), and delivered a series of trainings and workshops to increase capacities. This comprehensive approach

(mainly a result of the excellent PPP Readiness Assessment delivered by BAB) created the conditions of a successful project and the model is being considered in creating a capacity building package in PPPs. Another example of practical involvement of the ICoE is the support to the Regional Urban Area of Barcelona to prepare a PPP model in transport together with CAF Development Bank of Latin America.

81. Following the success of the PPP project in Belarus, the ICoE (through the BAB) initiated the creation of the report on Best Practices in PPP Capacity Building. The document summarizes the lessons learned and, based on the knowledge of experienced people in the sector - makes recommendations on the design and implementation of future similar projects. The draft document has been presented in November 2017 during the annual session of the Working Party on PPPs. The final document is expected to be available in November 2018. The Best Practices have been included in the Guiding Principles and could be useful not only for UNECE, but to any organization intending to support or implement PPP projects.

82. Building on the institutional structures, the expert network and on the knowledge created by the project, similar activities have been implemented/are under implementation by UNECE. For example, the project E226 “Competitiveness, innovative policies and public-private partnerships: Capacity building for civil servants and business associations” is considered to be a follow-up project of the current one. Other complementary projects³⁴ address similar needs, and ensure continuity in delivering on current needs, increasing project’s sustainability.

83. A new important actor when it comes to financing large infrastructure projects (where private capital is crucial) is the People’s Republic of China, with programmes like the “One Belt, One Road” initiative. The country expressed openly the need to learn from successful PPP projects and needs good practices and high standards in order to attract private capital from the international markets. Through the two SCoEs established in China, UNECE secured a pioneering role and the potential to raise the PPP profile on one of the most dynamic markets and with great potential impact on achieving SDGs. The major impact derives from the population size and the progress achieved in achieving the Millennium Development Goals, from the financial influence and from the new role took up by China as an emerging donor.

84. Another potential area with growing importance and where PPPs have not yet been systematically employed is delivering public infrastructure and services in refugee camps. The increasing flux of nationally or internationally displaced people exerts high pressure on local populations and infrastructure. Providing fast infrastructure (housing facilities, water and sanitation, roads) and services (food and medication supply, medical services, education, safety) could be done efficiently by the private sector, financed by public funds through PPP modality. UNECE could employ the existing expertise to develop principles, standards and best practices in this area too. The results could be used either by member States in case need arise, or could be offered to other UN organizations involved directly.

85. Given the rising needs and growing importance of PPPs, the standardization and regulation will play an important role. The UN System (through DESA, whose role is explained in paragraph 32) is best suited to take up this role, given its global mandate. In this context, the sustainability of UNECE’s work on PPPs will be enhanced. If the UN does not take up the central role, the sustainability of UNECE’s work will be limited only to the interested countries (mostly well established markets), while the

³⁴ Examples of projects addressing PPP-related needs: “Strengthening capacity of CIS countries to advance their use of public-private partnerships (PPPs) to achieve the Sustainable Development Goals”; “Development and implementation of PPP international standards in support of the Sustainable Development Goals”

relevance for the emerging countries will be limited by the weak interest of the investors and financial markets.

86. Facts and Key Outputs of the project:

- Being a best practices and standards setting project, the activities have an important sustainability component included. Collecting, refining and disseminating information through a network of specialist centre created in partnership with other institutions is an activity that has the potential to continue for a long period of time;
- The PPP Toolkit is a standalone instrument already established and ready to be used in interested countries;
- The ICoE and BAB are structures with a great potential to promote PPPs in the future, if the needed resources are properly planned for;
- Several projects are implemented by UNECE building on the results of the current one.

87. Being a best practices and standards setting project, the activities have an important sustainability component included. The added value provided by ICoE and BAB will enhance the sustainability in case the resources will be properly planned (especially when it comes to pro-bono support from specialists on PPP). The SCoEs are an effective model to ensure long lasting effects of the project in the respective member States. Thus, the project's sustainability is rated *Highly Satisfactory*.

Chapter 6: Partnerships

88. The project benefited from partnerships at two levels: strategic partnerships (with international organizations involved in supporting the public-private arrangements for sustainable development) and operational partnerships (with academia, professional or political bodies, on order to establish ICoEs).

89. Given the complexity in delivering public services and goods, the context of financing for development and the importance of SDG 17 ("Strengthen the means of implementation and revitalize the global partnership for sustainable development"), the partnership model to raise the profile of PPPs is crucial.

90. The paragraph 133 of the AAAA foresaw the creation of an Inter-Agency Task Force on Financing for Development containing major institutional stakeholders and the United Nations System, including funds, programmes and specialized agencies. The Financing for Development Office of the UNDESA serves as the coordinator and substantive editor, with World Bank Group, IMF, WTO, UNCTAD and UNDP playing important roles.

91. At the beginning of the project, but not part of it, UNECE organized a 4-day event – PPP Days 2012 – in partnership with WB, WB Institute, ADB, ADB Institute, IFC and the Swiss State Secretariat for Economic Affairs. It was one of the largest events in the UNECE's history, with 89 Governments represented by over 800 participants. The series of PPP Days have been initiated in 2006 by the World Bank Institute. Similar events took place in 2010 (organized by ADB) and 2015 (organized by EBRD). The UNECE's role in this series of events is enhanced by the unique intergovernmental body – the Team

of Specialists (later upgraded to the Working Party on PPPs). This comparative advantage could be highlighted by UNECE and try to establish itself as a leading entity in the UNECE region.

92. Even before becoming a Working Party, the ToSPPP had established high level contacts with international partners - World Bank Group and other Multilateral Development Banks (such as EBRD, EIB, Eurasian Development Bank, ADB and laDB). The partnerships are not formalized, and clear roles have not been defined. As they are major funding agencies in infrastructure investment, UNECE should pursue strategic collaboration, defining clear roles for each partnership. For example, the World Bank's PPP Knowledge Lab is a network of multilateral development partners, complementary with UNECE network of specialist centres. The PPP Lab developed a global certification scheme, with support from KPMG's body of knowledge, and UNECE should position its certification programme in a complementary way, to avoid overlapping

93. The PF-PPPs are a new opportunity to increase the awareness of and acceptance of PPPs. The PF-PPP guiding principles could be created by UNECE in partnership with other international organizations and with contribution from the private sector. To become widely accepted (at least within the UN System, contributing to advancing the "One-UN" model), the principles should be endorsed centrally (by DESA or by the Inter-Agency Task Force).

94. The partners chosen to support the ICoEs are academic institutions (in Japan, China, and Spain), a ministry (Portugal), and professional bodies (France and Lebanon). The interviews carried with partnership coordinators reveal a high level of contentment from the partner's side, convinced of the benefits possibly generated by the partnership. In their view, both the UN System as well as the hosting countries will benefit from the knowledge products and best practices generated under the current project and beyond.

95. The cooperation with the partnering organizations are formalized through Memoranda of Understanding. The MoUs describe the objectives of the collaboration, tasks and responsibilities of the parties, indicative schedule of the working programme, expect duration, and other legal considerations. There is a "performance reporting" expected in most of the MoUs, defined by "Reporting on substantive activities to the UNECE secretariat". Due to the voluntary nature of the cooperation and the resources brought in by the partners, no other measurable performance indicator and benchmarking has been added.

96. Facts and Key Outputs of the project:

- The partnerships established to enhance the results of the current project are created together with global players with high profiles in designing and operationalizing policies, especially on financing for development topic (WB Group, EBRD); the alliances are a necessary step in creating global partnerships and in generating PF-PPPs, especially in the current context of the SDGs (see SDG 17 - Partnerships for the goals);
- The partnerships created under the framework of the ICoEs are established together with academic centres, rarely with professional bodies or ministry. The nature of partners ensure a high quality of the knowledge generated and a high sustainability, given the long-term orientation with stable partners. No proper performance measurement or benchmarking has been established.

Chapter 7: Gender Equality and Human Rights

97. The ICoEs' activities generated knowledge and offered technical assistance in a highly specialised area, and it does not have a direct impact on the final beneficiaries from the gender equality perspective: ultimately, all society at large would benefit from the long-term impact of the project.

98. In the process of generating best practices, standards and services for the member States, both women and men have been involved, although no prerequisite was mentioned in the project proposal. A project implemented in Belarus as a result of this activities foresaw in the planning stage "the principles of gender equality will be incorporated in the national training programme on PPPs, including the selection and recruitment of national experts to perform assessment and evaluation of the PPP projects"³⁵. However, at the project's level, the indicators did not monitor any gender-disaggregated data.

99. On the human rights dimension, the involvement of right holders has been envisaged during the public consultation stages in the standards-setting process. The mechanism to involve civil society through proper dialogue and consultations is a necessary step to achieve acceptance both from duty bearers and right holders.

100. A further step is to foresee public consultations during the environmental and social impact assessments, part of the due-diligence process for designing or implementing projects delivering public goods and services.

Chapter 8: Conclusions and Recommendations

Conclusions

101. The objectives of the project were to provide the UNECE member States with guidance on innovative PPP delivery and financing options, strategic advice and support, and assistance in developing their PPP capabilities, although this was not elaborated in a project document with a logical framework.

102. The activities have been concentrated on generating and disseminating knowledge in order to raise the profile of the PPPs in the context of financing for achieving internationally agreed development goals (SDGs after 2015). The PPPs could play an important role to achieve SDGs through drawing in the private sector with funds and management capacity. However, PPPs are just one way of providing financing for development and should not be perceived as a panacea, as the background analysis chapter examines.

103. Four factors justify the project's relevance: (i) the need to finance global development goals (subsequently formulated and agreed as the SDGs) - including through mobilizing private capital to deliver infrastructure and public goods; (ii) current contribution to virtually all of the Sustainable Development Goals; (iii) the support requested by UNECE member States; and (iv) the alignment with the objectives of the Economic Cooperation and Trade Integration sub-programme of UNECE.

³⁵ UNECE project "Capacity Development to Support the Implementation of Public Private Partnership (PPP) in Belarus", 2013 – 2015; UNDP Project Document

104. The activities have been gradually implemented as the budget became available and as the member states requested support (resembling a “PPP boutique”). The activities have been largely implemented as planned, as detailed in the Effectiveness Chapter. Several activities have either been delayed or reprogrammed, proving the team’s capability to adapt to the necessities.

105. Besides trainings and workshops, the most prominent products are the “PPP Standard on a zero tolerance approach to corruption in PPP procurement” and a series of PPP Readiness Assessments in several member States. These products have been complemented with capacity building activities, and represent the major outputs of the PPP Toolkit and ICoE.

106. Most of the planned results have been achieved, and the results are positive at the outputs level. However, the lack of baseline indicators and no monitoring of the results at outcome level makes the judgement of project’s effectiveness unreliable. The efficiency is highly satisfactory, slightly affected by the high proportion of project management costs within the total budget. The sustainability is estimated as having a similar rating, being a solid model to continue the positive results for a longer term. These conclusions are based on the analysis performed in the respective chapters, where the information analysed is summarized in key findings.

107. The partnership model was appropriately chosen: strategic collaboration with other international organizations having interest and practice in combining the private sector’s resources with public sector’s goals, and operational collaboration with academia and professional bodies to support the establishment of ICoEs.

108. The experience with setting up a SCoE in the Philippines revealed that Ministries of Foreign Affairs should be firstly involved when designing partnerships and agreeing MoUs. This first step should be carefully negotiated and the partner countries should be clearly presented the potential benefits. The first step should be followed by a technical stage when all details are formalized and agreed.

109. In the process of creating standards in sectors where many people are potentially affected (such as health and sanitation), the private sector should input its vast experience delivering efficiently results. The lead role should be taken by the public sector (notably the UN organizations), in order to ensure impartiality and to attract general acceptance.

110. The UNECE has a comprehensive approach to combine world-class technical expertise with the proven long-established capacity to bring together policy makers, able to decide on embedding the technical proposals within policy making among its member States. The intergovernmental dialogue and negotiations mechanisms are important for generating political will, to alter national legal frameworks towards streamlining technical processes.

111. The PPP theme, and broadly blended finance, are a very complex topics and with many implications both on the demand and supply side. So far, there are many actors and initiatives dealing with them, and a coordination is needed given their rising role. Within the UN System, DESA appears to be most suited to take the lead role in adopting and setting globally agreed standards and practices.

Recommendations:

112. *Recommendation 1: In order to establish the PF-PPPs as a main financing modality for sustainable development, UNECE should advocate the adoption of people-first principles at least across the UN System (in the first stage) through a “One-UN” approach.* This might be achieved gradually either through a bottom-up approach (having the national governments requesting this in a formalized manner) or by proposing UN a general adoption of PF-PPP standards through internal (political or technical) mechanisms. As an organization with a high degree of credibility, the United Nations took take the lead role in regulating and creating standards for PPPs that would enable a wider acceptance and a more robust involvement of the private capital in financing sustainable development. An additional advantage of UNECE is the unique intergovernmental body – the Team of Specialists (later upgraded to the Working Party on PPPs). This comparative advantage should be further capitalized by UNECE in being the leading entity on PF-PPP matter.

113. *Recommendation 2: By setting PPP standards and “people-first “principles, UNECE could play the role of a “broker” between the public and the private sector in the region.* The private sector has a competitive “business advantage” compared to the public sector by employing efficient and streamlined processes, maximizing the efficiency and thus bringing more ‘value for money’. However, the private sector is less aware about sustainable development and the current SDGs. Especially the top management within the private companies started to become more aware of SDGs, Additionally, the PPPs have been under scrutiny and controversies along the time. Adopting standards and “people-first” principles, part of the misperceptions could be overcome and increase the general acceptance and operation of PPPs for sustainable objectives.

114. *Recommendation 3: A central focus of the ICoE should be on continually refining universal standards in PF-PPPs.* The UN System is best suited to draft guidelines and standards for “People First”- PPPs, as the member States’ governments and the private sector follow narrower agendas. Given its mandate, UNECE can contribute to developing standards and practices in the region. Considering the scale of already generated knowledge and the level of expertise, the ICoE could be assigned a global role, if assigned accordingly by the UN Secretariat. To achieve the standards, a mechanism of public dialogue similar to public consultations for SDGs could be envisaged, and should specifically involve non-state actors. After defining the guidelines and standards, a mechanism for voluntary legal adoption or adaptation by member States’ Parliaments should be suggested.

115. *Recommendation 4: In the context of the unstable humanitarian circumstances in parts of the world, refugee camps for regional or international displaced people have to be created rapidly, exerting increased pressure on local population and resources. In delivering public infrastructure and services in the camps, the private sector can be effective by delivering technical expertise and efficient cost management, thus making PPPs a potentially preferred approach. The knowledge transfer to relevant organizations could be realized within the overall inter-agency cooperation of the UN system. In this context, ICoE could generate and share technical knowledge on involving private capital in managing humanitarian situations.*

116. *Recommendation 5: When establishing a certification mechanism for (“people-first”) PPPs, ICoE should take into consideration other schemes developed by multilateral development partners.* The guidelines set out by member States for a potential certification mechanism should take into account

similar (existing or developing) certification mechanisms and avoid overlapping. For example, the APMG Public-Private Partnerships Certification Program³⁶ (set up by six development banks) is already an established mechanism, pursuing the vision of enhancing PPP performance globally, and ICoE should explore whether a parallel PF-PPP certification would be effective enough, or rather adoption of “people-first” principles by APMG would be a better option.

117. **Recommendation 6: In order to maximize the efficiency, future project management costs should be reduced as an expenditure of the total projects.** In the case of the current project, the management cost amounted to approximately 36 percent of the total budget, a considerable level. Temporary staff and consultants incur similarly high costs and cannot manage projects according to the UN financial rules and regulations. In the current setting, a possible solution to decrease costs would be to assign several projects to one staff within the UNECE Secretariat.

118. **Recommendation 7: A similar future project should consider hosting a more interactive information and knowledge exchange between the SCoEs.** The project created and maintains a very well designed web-site³⁷ populated with rich content, but with a static design (the regional Centres deliver knowledge that is centrally managed and uploaded, although the process is complicated and records delays). A more dynamic design of the web-site could be considered in the future, in order to increase interactivity and timeliness: collaborative platform (such as SharePoint), video conferences or scheduled meetings (either among the Centres or coordinated by the Secretariat through the WebEx platform). The interactive tools could also be used in public consultation stages.

³⁶ <https://ppp-certification.com/>

³⁷ <https://www.unceppp-icoe.org/>



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Annex 1: Terms of Reference

Terms of Reference for the Evaluation of the UNECE project: “Public-Private Partnerships (PPP) Initiative: PPP Toolkit and International PPP Centre of Excellence”

I. Background

The UNECE project “Public-Private Partnerships (PPP) Initiative: PPP Toolkit and International PPP Centre of Excellence” was funded by the Development Bank of the Russian Federation (“Vnesheconombank”), the Dutch Ministry of Infrastructure and Environment (in-kind contribution through a gratis personnel for 3 years) and Toyo University of Japan. The project was implemented by UNECE from February 2012 to July 2017. The main objective of the project was to provide member States with innovative PPP delivery and financing options, strategic advice and support, and assistance in developing their PPP capabilities.

To achieve the project’s objective, the following activities were implemented:

1. The creation of the UNECE International PPP Centre of Excellence in Geneva (ICoE) as an instrument to improve knowledge and understanding about PPPs in member States and within the UN system as a whole;
2. The setting up of a number of International PPP Specialist Centres of Excellence affiliated to the ICoE to collect case studies and best practices;
3. The setting up of the UNECE PPP Business Advisory Board to assist member States with PPP implementation and the promotion of a broader concept of PPPs, including its social and environmental impacts; and
4. The overall upgrading and evolution of the UNECE PPP work in support of achieving the UN SDGs: from preparing training modules and organising ad hoc capacity building activities to developing international PPP standards for the UN SDGs and organising targeted capacity building and project training programmes.

II. Purpose

The purpose of this evaluation is to assess the project’s achievement of its stated objectives, and the extent to which the project contributed to the enhancement of the UNECE PPP work programme 2012, with a focus on the relevance, effectiveness, efficiency, and sustainability of the project’s results. An assessment of the sustainability of partnerships with member States and other stakeholders, including the Multilateral Development Banks (most notably, the World Bank Group and the EBRD) developed from the project should also be considered.

III. Scope

The evaluation will cover the full period of the project implementation from February 2012 to July 2017,

and the project as defined by the project document.

The evaluation will engage international PPP experts, representatives of international organizations (World Bank Group, EBRD), and all stakeholders involved in project implementation. UNECE member states will also be a key stakeholder in the evaluation design.

Gender and human rights aspects of the project's design and results will be considered in the evaluation, taking into account guidance provided by the United Nations Evaluation Group on the matter (available at <http://www.uneval.org/document/detail/980> and <http://www.uneval.org/document/detail/1452>)

IV. Issues

The evaluation will seek to report on relevance, effectiveness, efficiency, and sustainability of the project. Key questions that the evaluation seeks to answer include:

Relevance

1. To what extent were the project's major achievements/outputs consistent with the UNECE mandate to support member States in building their capacity to deliver infrastructure projects and public services through the PPP model?
2. To what extent did the project serve the needs of its main beneficiaries: the member States?
3. To what extent were the project outputs listed above relevant to strengthen the capacity of UNECE secretariat and its network of PPP experts to assist member States to undertake PPP projects?

Effectiveness

1. To what extent were the expected accomplishments of the project achieved?
2. What were the challenges/obstacles to achieving the project objective and expected accomplishments?
3. Give advice (if any) on how the expected accomplishments of the project could have been more effectively achieved?
4. To what extent did implementation of the project support the overall objectives of the UNECE regular programme of work? What were the tangible measures that can be attributed to supporting or enhancing the regular programme?
5. To what extent did the creation of the UNECE International PPP Centre of Excellence (ICoE) in the framework of the project contributed to the evolution and upgrading of the UNECE PPP work leading to the development PPP standards and guidelines for the UN SDGs?
6. How successful was the ICoE to motivate countries to host affiliated Specialist PPP Centres? How are the Specialist Centres contributing to the UNECE PPP work? What are the risks involved in creating PPP specialist centres? Did the UNECE ICoE successfully mitigate these risks?

Efficiency

1. Were the available resources appropriate to the scale of the project and the needs identified by member States?

2. Were the human and financial resources allocated to the project used efficiently and commensurate to the project results?

Sustainability

1. To what extent will the major achievements/outputs of the project continue after its completion?

2. How likely is the stakeholders' engagement and partnerships forged as a result the project to continue after its completion, be scaled up, replicated or institutionalized?

3. How will the achievements/outputs of the project pave the way for future work on PPPs?

4. To what extent did the UNECE PPP Business Advisory Board contribute to build and strengthen the PPP enabling environment and project development capabilities of member States (including the establishment of new institutions, enactment of laws, and identification of projects)?

Partnerships

1. Were the partners brought together by the project relevant to promote PPPs, including in the context of the SDGs? – who are all partners??

2. How well are responsibilities and competencies delineated and employed among the partners in a complimentary fashion?

3. Has this partnerships strategy been effective to achieve the desired achievements/outputs?

4. Partnerships with different bodies such as the World Bank Group, EBRD, ADB, EIB etc., were identified as centrally important to achieve the ICoE's goals. How far should the ICoE play a role in (a) educating other UN bodies about PPPs; and (b) assisting partners to better understand the significance of the UN SDGs?

V. Methodology

The evaluation will be conducted by an independent consultant. The evaluation will be carried out using a review of all relevant documents, a survey and targeted interviews of key project stakeholders and UNECE staff.

A tailored **survey** will be sent to all participants of the project meetings and the UNECE staff involved in the project. The survey will be prepared by the evaluation consultant. It will seek information that would allow addressing the questions listed in section IV.

The **interviews** will take place via phone and skype. The UNECE project manager will provide the list with contact details.

The UNECE project manager will provide support and further explanation to the evaluation consultant when needed, and ensure that all information needed is provided to the consultant

The evaluation consultant will write a **report** on the results of the evaluation based on these terms of reference. The structure, length and quality elements of the evaluation report should follow the guidelines outlined in the UNECE evaluation policy.

VI. Evaluation Schedule

Develop a timetable for the following phases of the evaluation:

A. Preliminary research: September 2017 (by evaluation consultant)

B. Data Collection: questionnaire and interviews by evaluation consultant (by evaluation consultant): September 2017.

C. Data Analysis: September 2017 (by evaluation consultant)

D. Draft Report: 15 October 2017 (by evaluation consultant)

E. Final Report: 31 October 2017 (by evaluation consultant)

VII. Resources

An external evaluation consultant identified through the UNECE evaluation roster will be hired to conduct the evaluation. The evaluation will be managed by a P4 Economic Affairs Officer in the PPP Team (the UNECE project manager). The UNECE Programme Management Unit will provide guidance on the process for the preparation of the evaluation.

VIII. Intended Use/Next Steps

The evaluation will be consistent with the UNECE evaluation policy. The results will be used in the planning and implementation of new capacity building projects in Eastern Europe, the Caucasus and Central Asia in the future and also beyond the region. The results of the evaluation, and the UNECE management response will be made publicly available on the UNECE website.

IX. Criteria for Evaluators

The evaluator should have:

- At least 5 years of experience of evaluation, project management, social and demographic statistics
- Demonstrated methodological knowledge of evaluations, including quantitative and qualitative data collection and analysis for end-of-cycle project evaluations
- Proficiency of written and spoken English

Annex 2: List of Documents Reviewed

- EXCOM Form and Explanatory Note, and the Final /Terminal Report
- List of the UNECE-led activities under the project;
- Memorandum of Understandings (2012 – 2017);
- PPP Standard on a zero tolerance approach to corruption in PPP procurement;
- Synopsis of the draft UNECE national PPP readiness assessment (May 2012);
- National PPP Readiness Assessment Reports, (2012-2015);
- Web-sites:
- <https://www.unece.org/info/open-unece/pmt/extra-budgetary/economic-cooperation-and-integration/e182-public-private-partnerships-ppp-initiative-ppp-toolkit-and-international-ppp-centre-of-excellence.html> and
- <http://www.uneceppp-icoe.org/>
- Other relevant documents, expert’s reports, web-sites, etc.

Annex 3: Questionnaire for face-to-face and online interviews

Evaluation of the UNECE project:
“Public-Private Partnerships (PPP) Initiative: PPP Toolkit and International PPP Centre of Excellence”

Questions Guideline – October 9th, 2017

Stakeholders – UNECE relevant staff, Experts on PPP, members of ICoE, etc

How would you rate the **Relevance** of the project towards the scope?

- To what extent were the project’s major achievements/outputs consistent with the UNECE mandate to support member States in building their capacity to deliver infrastructure projects and public services through the PPP model?
- To what extent did the project serve the needs of its main beneficiaries: the member States?
- To what extent were the project outputs listed above relevant to strengthen the capacity of UNECE secretariat and its network of PPP experts to assist member States to undertake PPP projects?
- What is the relevance of the activity for the broader work of UNECE?
- To what extent are the objectives of the activity still valid? How can the activity be replicated in the UNECE region? Or in other regions?

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Were the actions to achieve the results **Efficient?** (Have things been done right?)

- Were the available resources appropriate to the scale of the project and the needs identified by member States?
- Were the human and financial resources allocated to the project used efficiently and commensurate to the project results?
- Were all activities organised efficiently and on time? Were the results achieved on time?
- To what extent the resources were used economically? How could the use of resources been improved?

=====

Were the actions to achieve the results **Effective?** (Have the right things been done?)

- To what extent were the expected accomplishments of the project achieved?
- What were the challenges/obstacles to achieving the project objective and expected accomplishments?
- Give advice (if any) on how the expected accomplishments of the project could have been more effectively achieved?
- To what extent did implementation of the project support the overall objectives of the UNECE regular programme of work? What were the tangible measures that can be attributed to supporting or enhancing the regular programme?
- To what extent did the creation of the UNECE International PPP Centre of Excellence (ICoE) in the framework of the project contributed to the evolution and upgrading of the UNECE PPP work leading to the development PPP standards and guidelines for the UN SDGs?
- How successful was the ICoE to motivate countries to host affiliated Specialist PPP Centres? How are the Specialist Centres contributing to the UNECE PPP work? What are the risks involved in creating PPP specialist centres? Did the UNECE ICoE successfully mitigate these risks?

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Are the results **sustainable**? Will the results lead to benefits beyond the life of the existing project?

- To what extent will the major achievements/outputs of the project continue after its completion?
- How likely is the stakeholders' engagement and partnerships forged as a result the project to continue after its completion, be scaled up, replicated or institutionalised?
- How will the achievements/outputs of the project pave the way for future work on PPPs?
- To what extent did the UNECE PPP Business Advisory Board contribute to build and strengthen the PPP enabling environment and project development capabilities of member States (including the establishment of new institutions, enactment of laws, and identification of projects)?
- To what extent will the benefits of the activity continue after its completion, without overburdening recipient countries and stakeholders?

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Partnerships

- Were the partners brought together by the project relevant to promote PPPs, including in the context of the SDGs?
- How well are responsibilities and competencies delineated and employed among the partners in a complimentary fashion?
- Has this partnerships strategy been effective to achieve the desired achievements/outputs?
- Partnerships with different bodies such as the World Bank Group, EBRD, ADB, EIB etc., were identified as centrally important to achieve the ICoE's goals. How far should the ICoE play a role in (a) educating other UN bodies about PPPs; and (b) assisting partners to better understand the significance of the UN SDGs?

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Further questions to clarify **cross-cutting issues**, as per HRGE in Evaluation guidance:

- Who is benefiting and who is not? (male/female, age groups, different socio economic groups)

- How effectively have equality and gender mainstreaming been incorporated in the design execution of the Programme?
- To what degree are approaches such as a human rights based approach to programming, gender mainstreaming and results-based management understood and pursued in a coherent fashion?
- How would you describe the cooperation with the counterparts (Governments, International Organizations, national institutions, other international technical entities)? Has the partnership strategy been appropriate and effective?

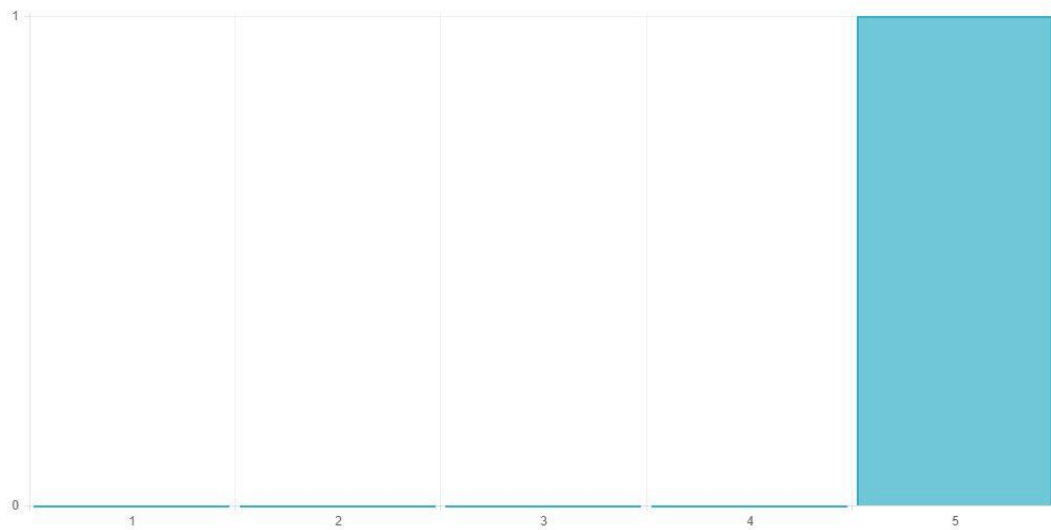
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Annex 4: Online Questionnaire Results (as of February 28th, 2018)

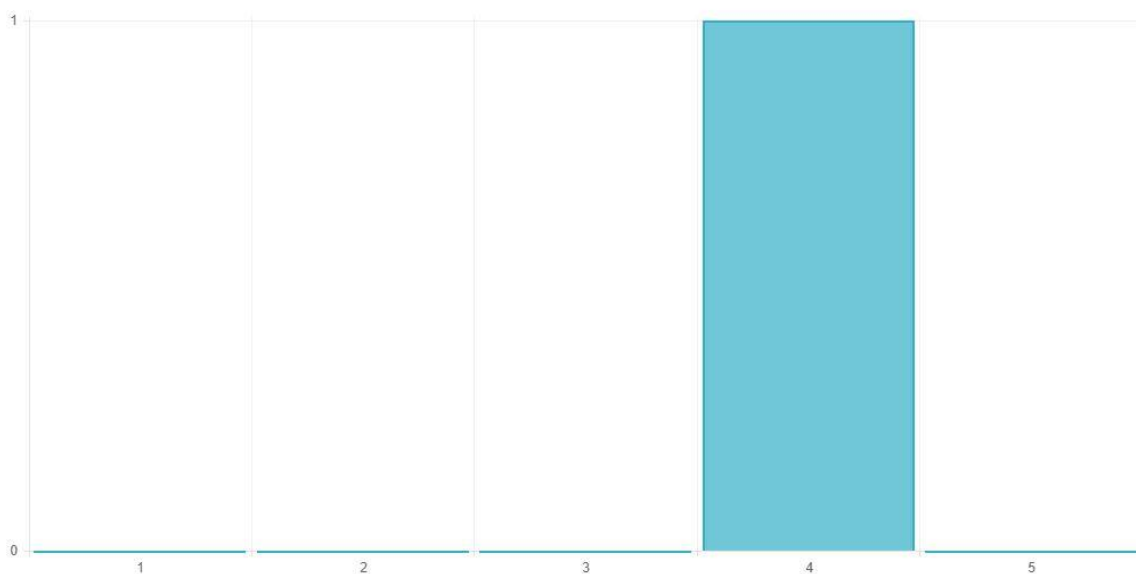
In your opinion, how relevant is the project for the UNECE's mandate to support member States in building their capacity to deliver infrastructure projects and public services through the PPP model?

↗	1	2	3	4	5	Standard Deviation	Responses	Weighted Average
Not relevant at all - Very Relevant	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0.4	1	5 / 5
								5 / 5



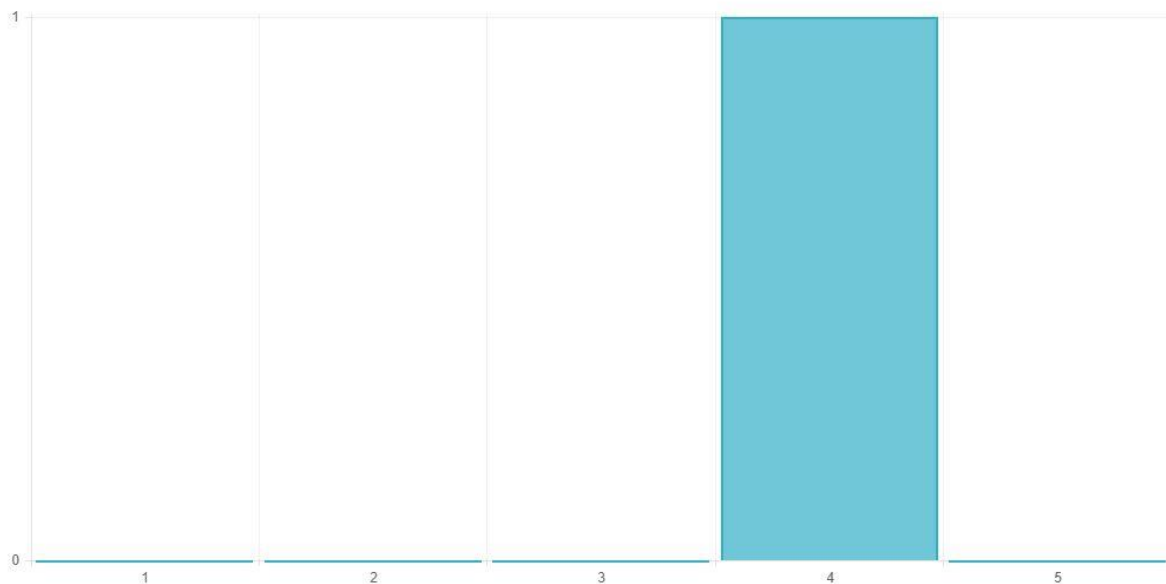
In your opinion, to what extent did the project serve the needs of the member States?

↗	1	2	3	4	5	Standard Deviation	Responses	Weighted Average
Not useful at all - Very useful	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	0.4	1	4 / 5
								4 / 5



As far as you are aware, how effective was the support provided by UNECE in establishing Specialist PPP Centers?

↶	1	2	3	4	5	Standard Deviation	Responses	Weighted Average
Not effective at all - Very effective	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	0.4	1	4 / 5
								4 / 5



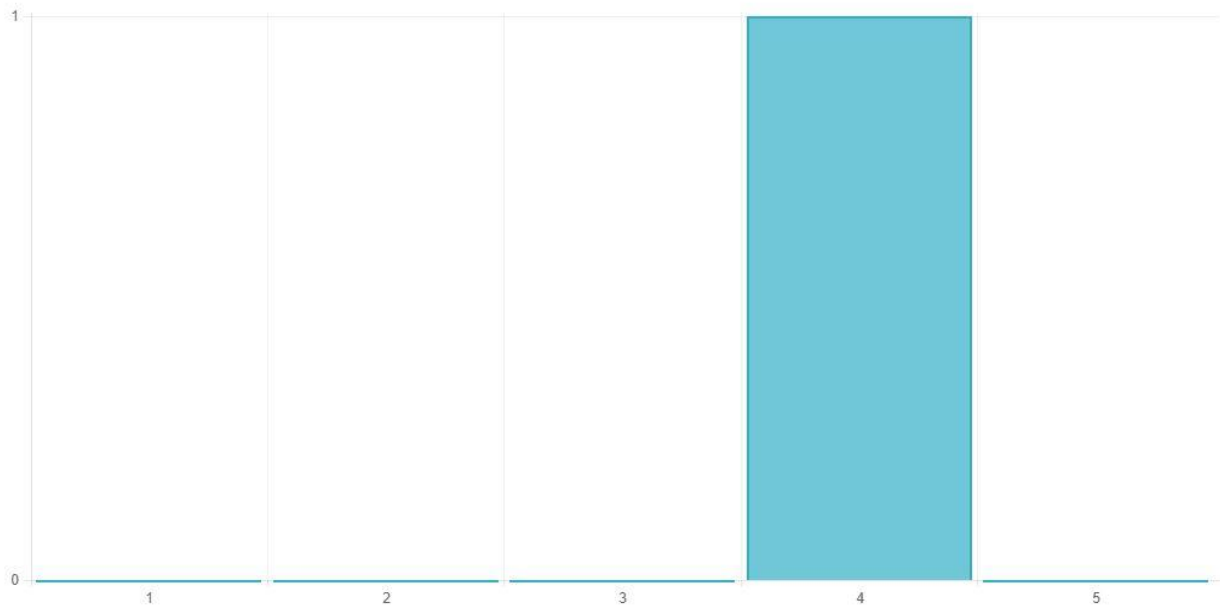
In your opinion, how could the Specialist PPP Centers contribute to a) UNECE's work on PPPs, and b) to increase the role PPPs can play in advancing the SDGs?

Text Responses

- Awareness for the SDGs
 - Improvement of PPP arrangements
 - Facilitate political decision making regarding PPP programmes
 - Reach peri-urban areas, vulnerable groups with inclusive PPP projects
- [Show Less Responses](#)

How likely is the stakeholders' engagement in Specialist PPP Centres and partnerships forged as a result of the project to continue after its completion, be scaled up, replicated or institutionalised?

↶	1	2	3	4	5	Standard Deviation	Responses	Weighted Average
No chance - Highly Probable	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	0.4	1	4 / 5
								4 / 5



In your opinion, what role should play the UNECE International PPP Centre of Excellence in a) educating other UN bodies on PPPs; and b) assisting partners to better understand the significance of the PPPs in the SDGs context?

Text Responses

<ul style="list-style-type: none"> - By delivering case studies and real examples, UN may become more aware of the importance of PPP for the SDGs - By promoting forums, conferences and public meetings, UNECE may sensitize partners and stakeholders
Show Less Responses