

Multi-stakeholder participation to guarantee the sustainability of SDG-oriented Infrastructure PPPs:

How to promote and ensure implementation on the grounds of UNECE's new PPP package conducive to the realization of essential public service infrastructure concessions/PPPs projects flows and SDGs

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CSEND Background:

CSEND is an ECOSOC-accredited organization with Special Consultative Status since 2014. It is an active member of the High-Level Political Forum (HLPF) for the Post 2015 Development Goals (SDGs, adopted on 23/9/2015) and is also accredited with WTO (2000-), UNFCCC (2003-), WIPO (2019-) and UNEP (2021-). It has been a WAPPP member since its inception and Raymond Saner, Co-founder and Director of CSEND, was a Member of the UNECE PPP Bureau (2019-2021).

Main Messages:

The new UNECE text states: "Involving reliable and independent experts to develop Public- Private Partnerships projects in support of the Sustainable Development Goals in low and middle-income countries¹". The International Specialist Centre of Excellence on PPP Law, Policy and Institutions of France proposes that the Working Party could consider setting up a project team to elaborate a standard for this purpose, namely the selection and employment of reliable and independent experts to develop pipelines of PPPs for the SDGs in low and middle- income countries.

How to develop SDG-compliant PPP Infrastructure? According to the IMF², investments to achieve the SDGs are needed in education, health, roads, electricity, water and sanitation. For emerging market economies, the average additional spending required represents about 4 % of their GDP. Raising this amount is challenging but doable since these countries can rely on their resources to finance the SDG targets.

However, the challenge is much greater for low-income developing countries, where the average additional spending would need to be 15 % of their GDP!!! and 40+ DCs and LDCs are very much indebted: Due to the high-risk premium, financial markets are not accessible. PPPs represent therefore a viable alternative.

¹ Revised note by the UNECE Bureau, 18 September 2023, ECE/CECI/WP/PPP,2023/9, originally written by Marc Filet

² IMF Study 2019 (Vitor Gaspal et al.)

What Guidance is provided for SDG-based PPP infrastructure development by International Organisations?

The SDG Target 17.17: Public, private, and civil partnerships, as defined by the 2030 Agenda consist in “Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships³”.

The World Bank Group (WBG) is the sole curator of the SDG 17.17.1 indicator since 2015. This indicator 17.17.1 is currently a Tier III and Tier II indicator (Tier III = no data, no method, and at the same time Tier II = PPPs split into physical versus social infrastructure). IFC (part of WBG) designs, arranges, and commercially benefits from PPP projects. Still, the WBG has lagged in defining a Tier I indicator for 17.17.1. This appears damageable given the over 40 highly indebted DCs/LDCs in need of guidance as to what is a good or bad (high-risk) PPP.

UNECE is the sole UN Regional Commission with a PPP department. It has developed a model law on Concessions/PPP by the SDGs and a Commentary. UNECE website states⁴ that “The main objective of the Public-Private Partnerships (PPPs) area is to increase the expertise of governments to identify, negotiate, manage and implement successful PPPs projects. This is done through the exchange of knowledge and experiences of PPPs by Member States, including experts from public and private sectors”. However, no mention is made of CSOs and multi-stakeholder involvement as per the 2030 Agenda of 2015. Other International Organisations include UNCITRAL (Guide on Public-Private Partnerships, Legal Guidance for Governments – 2019), EBRD (Public-Private Partnerships/Concessions, Regulatory Guidelines for Governments – 2020), as well as other MDBs, many of which use SOURCE, an online infrastructure project development software. None of the above include detailed comments on the participation and involvement of CSO in PPP Infrastructure

Some guidance for SDG-based PPP infrastructure development by WAPPP and CSEND members

The creativity, know-how, technology, and financial resources from *all of society* are necessary to achieve the SDGs in every context⁵. The essential message lies in the meaning of PPPs: it should encompass Value for Money (Business), Value for Society (SDGs), and Value for Future Generations (Environment and Social Justice). This means no expert solutions only, but rather solutions based on the participation of governments & the private sector AND Civil Society- as the latter will benefit AND pay for the PPPs financially (tax) and personally (environment, landscape, living conditions changes after a PPP Infrastructure Project)

³ <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N15/291/89/PDF/N1529189.pdf>

⁴ <https://unece.org/ppp>

⁵ <https://www.undp.org/sustainable-development-goals>

Success & Failures:

two examples of multi-stakeholder strategies for SDG-based PPP infrastructure in the Water Sector:

- Revolts against water privatization in Cochabamba, Bolivia, 2000.
Although privatization is not exactly PPP, this case was typical of poor consideration of the social needs of the consumers. Following to excessive water tariff increases consecutively to the private sector taking over the responsibility of public service, the population revolted in what was dubbed the “Water war”. Demonstrations were countered by the army resulting in 6 fatal casualties. Despite the 200 USD million investment, the privatization had to be revoked and the assets transferred to the local community.
- Netherlands Polder System & Renewable Energy wind farms in the Noordoostpolder.
Throughout the remarkable history of the NL polder systems⁶, a plethora of government, non-government, and private parties with intense negotiation practices make up the polder governance arena. The oldest of such organizations are the “water boards” with the mandate to provide safety from water threats for all citizens. The physical and institutional polder culture is a crucial aspect of the Dutch national identity.

Next steps forward

- The International Specialist Centre of Excellence on PPP Law, Policy and Institutions of France together with WAPPP and CSEND should be given the mandate to develop training manuals and advisory guidance notes based on case examples on how to design and implement SDG-based PPP infrastructure projects in DCs and LDCs.
- We need a PPP Observatory to support the implementation of the mandate and to know what works and what does not work. No evaluation of PPPs has been done so far by the WBG and other IOs. Time to move to accountability and science-based PPPs.
- CSOs must be asked to give their assessment of a PPP/Infrastructure Project.
- Given the SDG principles of participation, inclusion, and transparency, it is advisable to rename PPPs as Public, Private, and People Partnerships (PPPP).

Additional literature

“Making PPPs fit the 2030 Agenda”, a CSEND-WAPPP joint publication.

Raymond Saner • Marc Frilet • Jean-Christophe Barth- Coullaré • David Baxter • Ziad Alexandre Hayek • Domingo Penyalver • Mateu Turró, 54 pages.

<https://www.csend.org/publications/agenda-2030/518-making-ppps-fit-the-2030-agenda>

<https://unece.org/sites/default/files/2021-11/Informal%201.pdf>

PPPs & SDGs: the missing Stakeholder is Civil Society

R. Saner, 2021, Springer Nature Switzerland AG

<https://www.csend.org/publications/agenda-2030/540-ppps-and-sdgs-the-missing-stakeholder-is-civil-society>

https://doi.org/10.1007/978-3-319-31816-5_4320-1

⁶ FAO: <https://www.fao.org/family-farming/detail/en/c/283291/>

