

**WASD-Geneva/Thematic Panel
(Knowledge Partnerships)**



**Implementing the SDGs by
subnational governments- urgent
need to strengthen administrative
capacities**

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Outline

- ❖ **The Context: SDGs**
- ❖ **SDGs at national & subnational level**
- ❖ **Need to finance SDGs**
- ❖ **High expectations on PPPs**
- ❖ **Risks and opportunities of PPPs**
- ❖ **Conclusions**

Local Level?



- **Different forms of local government within countries:** state, province, region, department, county, prefecture, district, city, township, town, borough, parish, municipality, shire, village → **administrative structures vary (centralization vs. decentralization)**
- **Common services/public goods:** basic education, social services, urban planning, local infrastructure, water supply, public transport, waste management, housing, local economic development, sewage and public order and safety



Local Government and the Urban Context

- **SDG 16.6:** Develop effective, accountable and transparent institutions at all levels
- **SDG 16.7:** Ensure responsive, inclusive, participatory and representative decision-making at all levels

Financing the SDGs



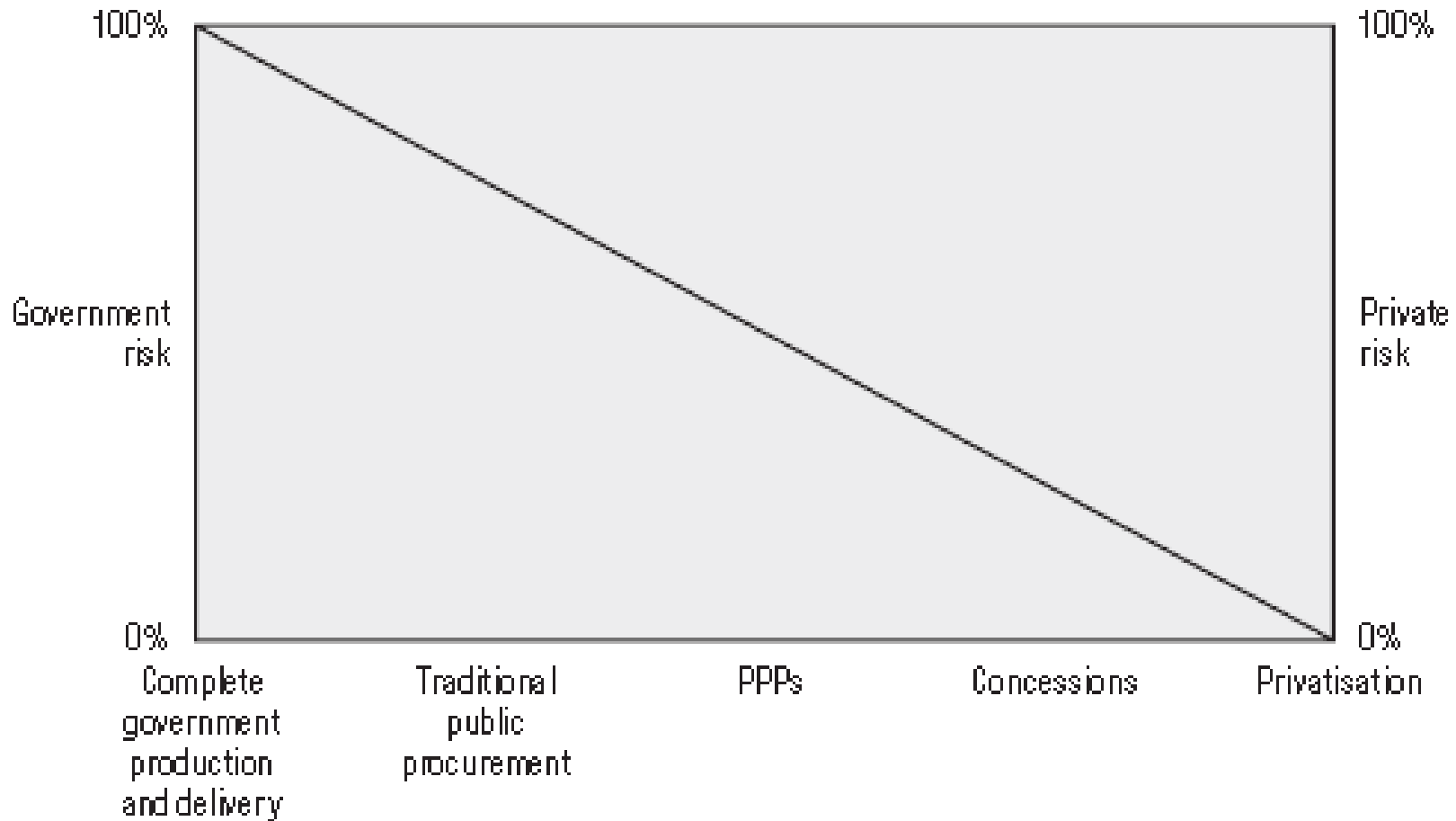
SDGs and Agenda 2030

Transforming our world: the 2030 Agenda for Sustainable Development” on 25 September 2015. The resolution consists of 17 Goals and 169 Targets covering crucial areas of global development agenda that countries have agreed to implement at the General Assembly meeting in New York.

The crucial role of financial investment

According to the 2014 World Investment Report (WIR) by the United Nations Conference on Trade and Development (UNCTAD), approximately \$ 4 trillion will be required every year in developing countries alone for the SDGs to be achieved by 2030. Given the current levels of investment in all SDG-related sectors by both public and private bodies, developing countries face a funding gap of \$2.5 trillion per year

Public and private participation classified according to risk and mode of delivery



Source: OECD (2008), Public-Private Partnerships: In Pursuit of Risk Sharing and Value for Money, OECD Publishing, Paris. P.21.

Policy Options



Type of policy	Risk to Government	Risk to private sector
Government Production and Delivery	100%	0%
Traditional Public Procurement	70%	30%
PPP	50%	50%
Concessions	30%	70%
Privatisation	0%	100%
	Need for Policy Accountability	Need for Regulatory Mechanisms
(adapted from OECD 2008)		



Implementing and Financing SDGs through Partnerships

Funding gap

It is unlikely that government budgets and official development aid will be able to compensate fully for this funding gap. In government, so investments made by the private sector will be crucial in assisting the realization of the SDGs.

SDG goal 17

Partnership for the goals

Target 17.17 Encourage and promote effective **public, public-private and civil society partnerships**, building on the experience and resourcing strategies of partnerships.



The risk of indebtedness and ill defined indicators



TARGET

INDICATORS

17.17

Encourage and promote effective public, public-private **and civil society partnerships**, building on the experience and resourcing strategies of partnerships

Data, monitoring and accountability

17.17.1

Amount of US dollars committed to public-private and civil society partnerships

17.4

Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt

17.4.1

Debt service as a proportion of exports of goods and services



PPP Nomenclature

1. **Build & transfer (BT)**
2. **Build-lease & transfer (BLT)**
3. **Build-operate-& transfer (BOT)**
4. **Build-own-& operate (BOO)**
5. **Build-transfer & operate (BTO)**
6. **Contract-add-&operate (CAO)**
7. **Develop-operate & transfer (DOT)**
8. **Rehabilitate-operate & transfer (ROT)**
9. **Rehabilitate-own-& operate (ROO)**

Policy Options



IF a country has low income tax, low wealth tax, low VAT, and non-functioning tax collection = financing of SDGs limited to a) PPPs-Concessions-Privatisations or b) foreign aid-ODA c) loans from MDBs or d) loans from capital markets – a,c,d need to be repayed or country counts on debt forgiveness at Paris Club.

Counter example of above are
Scandinavian countries

Assessment criteria of SDG-PPPs



Criteria	Score	Remarks
People (threshold ≥ 10)	(0-15)	
Provides capacity building (training) by the company inside their project and outside among critical stakeholders including consumers		
Ensures consumer protection at the project site as well as externally		
Prosperity (threshold ≥ 10)	(0-15)	
Focuses on small projects that provide opportunities for local SMEs to provide goods and services		
Offers benefits to local government in terms of taxes and levies in a transparent manner to limit possible corruption		

Criteria	Score	Remarks
Planet (threshold ≥ 10)	(0-15)	
Project is of low carbon emissions and low agriculture GHS		
Include alternative energy technology as much as possible and feasible		
Peace (threshold ≥ 10)	(0-15)	
Project promotes understanding and respect among all (peace)		
Project promotes a safe and faire environment that will lead to stability needed to attract private investors (long term peace)		

Conclusion



- PPPs means getting money today to be paid back in the future by the next generation, so it is not right to backload the due payments **without giving the citizens and the young generation the ability to take part in the decision making process.**
- To implement the SDGs, each government is supposed to set its triple bottom line goals, communicate them to their citizens, make the goal setting inclusive and participatory and provide for means to review and monitor the implementation of the SDGs from 2015 to 2030.
- **A PPP Observatory is needed.** It could add information on PPPs that are often missing or not fully reliable, could support UNECE and other International Organisations but also governments and civil society stakeholders involved in PPPs, help the PPP-SDG process stay on course and ensure that implementation of PPPs align themselves with SDG principles.



Good Governance

- Implementation of SDGs at local level requires **good governance**
- Effective when: **participatory, accountable, transparent, efficient, inclusive and respect rule of law → SDG 16.6**
- **Close proximity** suggested between local government and citizens → **direct interaction → SDG 16.7**



THANK YOU!