

# What Role for NGOs and Civil Society in Next Level PPPs?

Impact Public Private Partnership Conference  
**SOS CHILDREN VILLAGES INTERNATIONAL**

**Prof. Raymond Saner**

University of Basel & Director, CSEND, Geneva

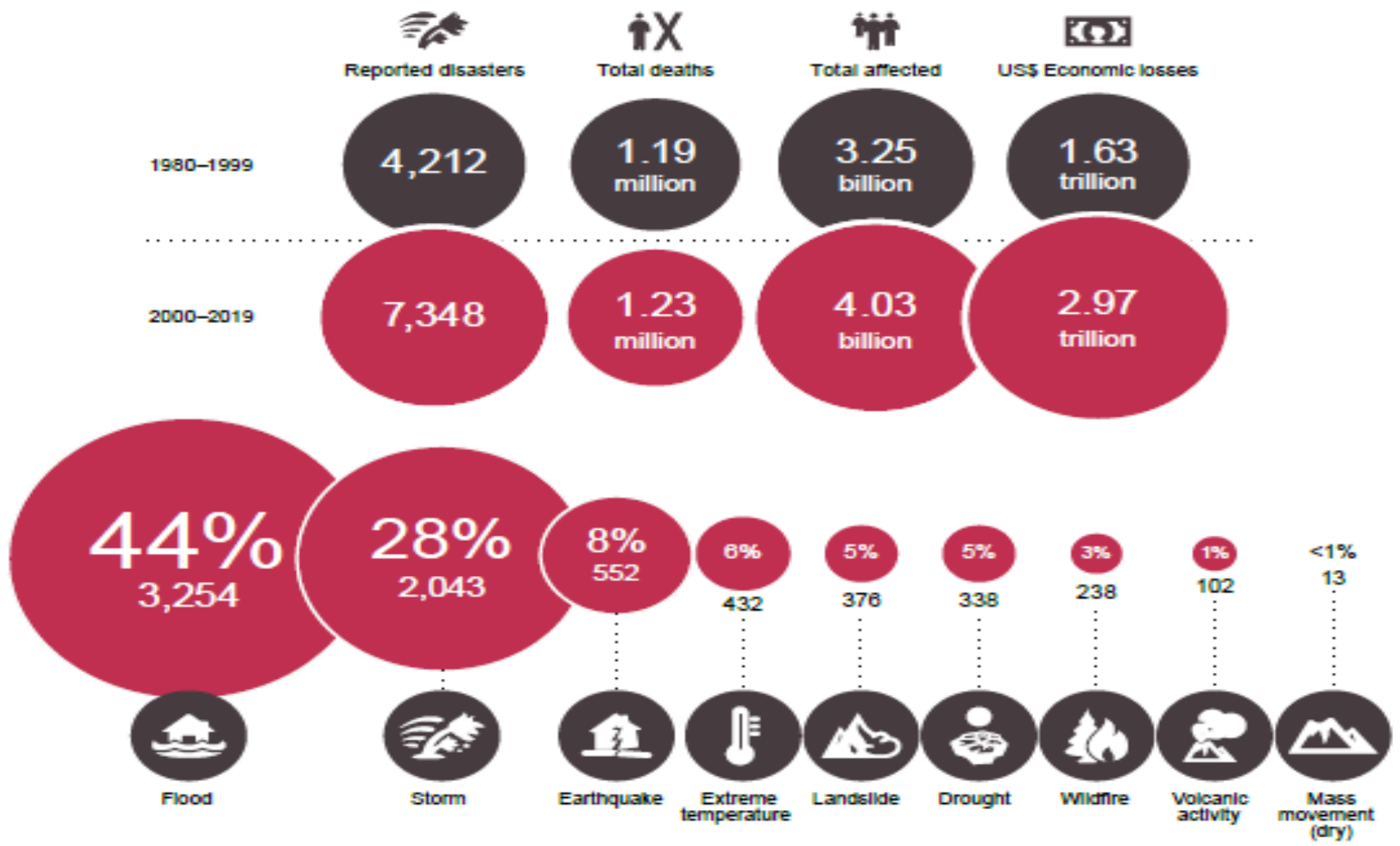
10<sup>th</sup> November 2021

## Section 1

# TRADE & DEVELOPMENT- REBUILD POST COVID & FACING CLIMATE CHANGE -

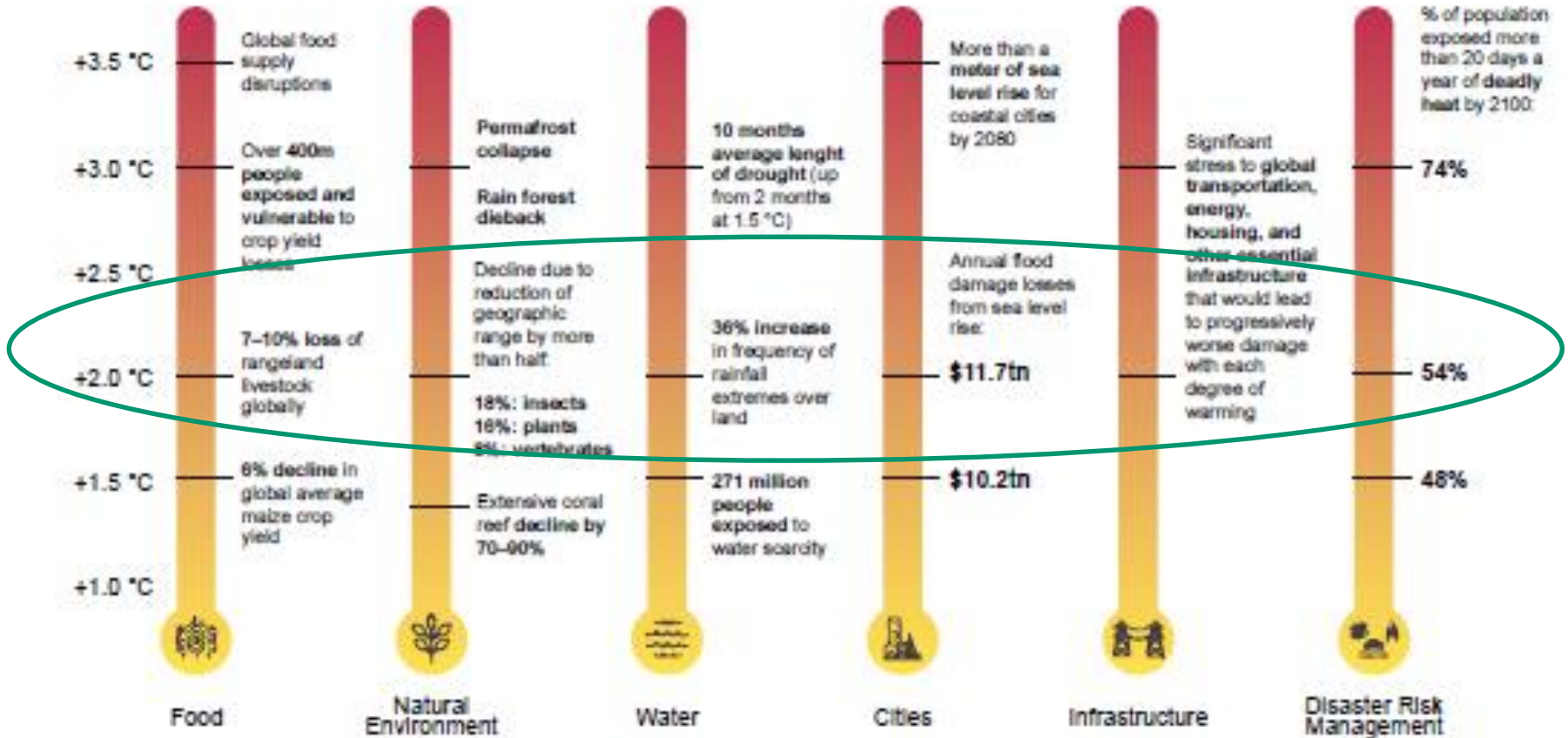
# TRADE AND DEVELOPMENT REPORT 2021

## FROM RECOVERY TO RESILIENCE: THE DEVELOPMENT DIMENSION, UNCTAD, Geneva Nov 2021



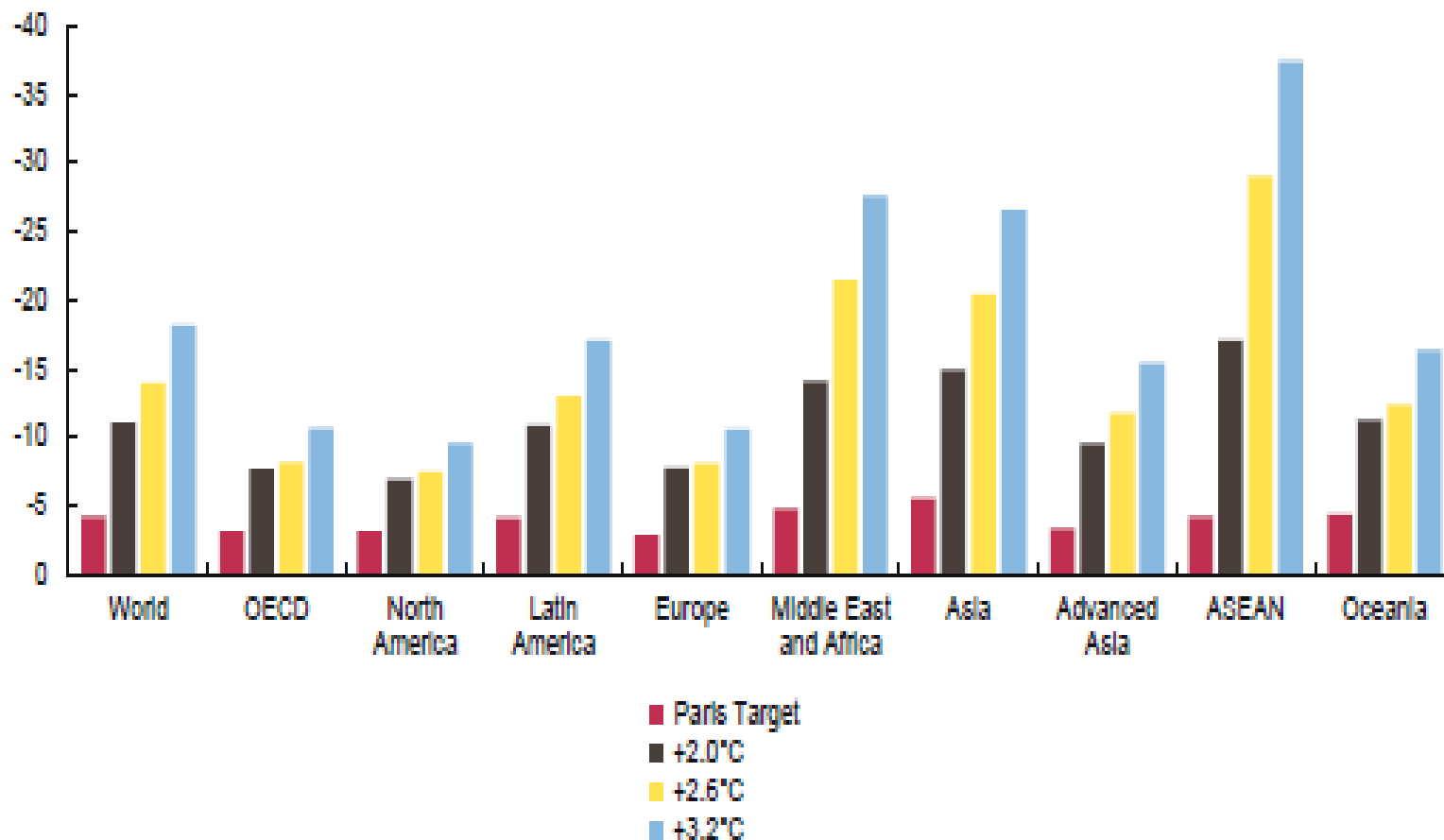
Source: CRED and UNDRR 2020.

# TRADE AND DEVELOPMENT REPORT 2021 FROM RECOVERY TO RESILIENCE: THE DEVELOPMENT DIMENSION, UNCTAD, Geneva Nov 2021



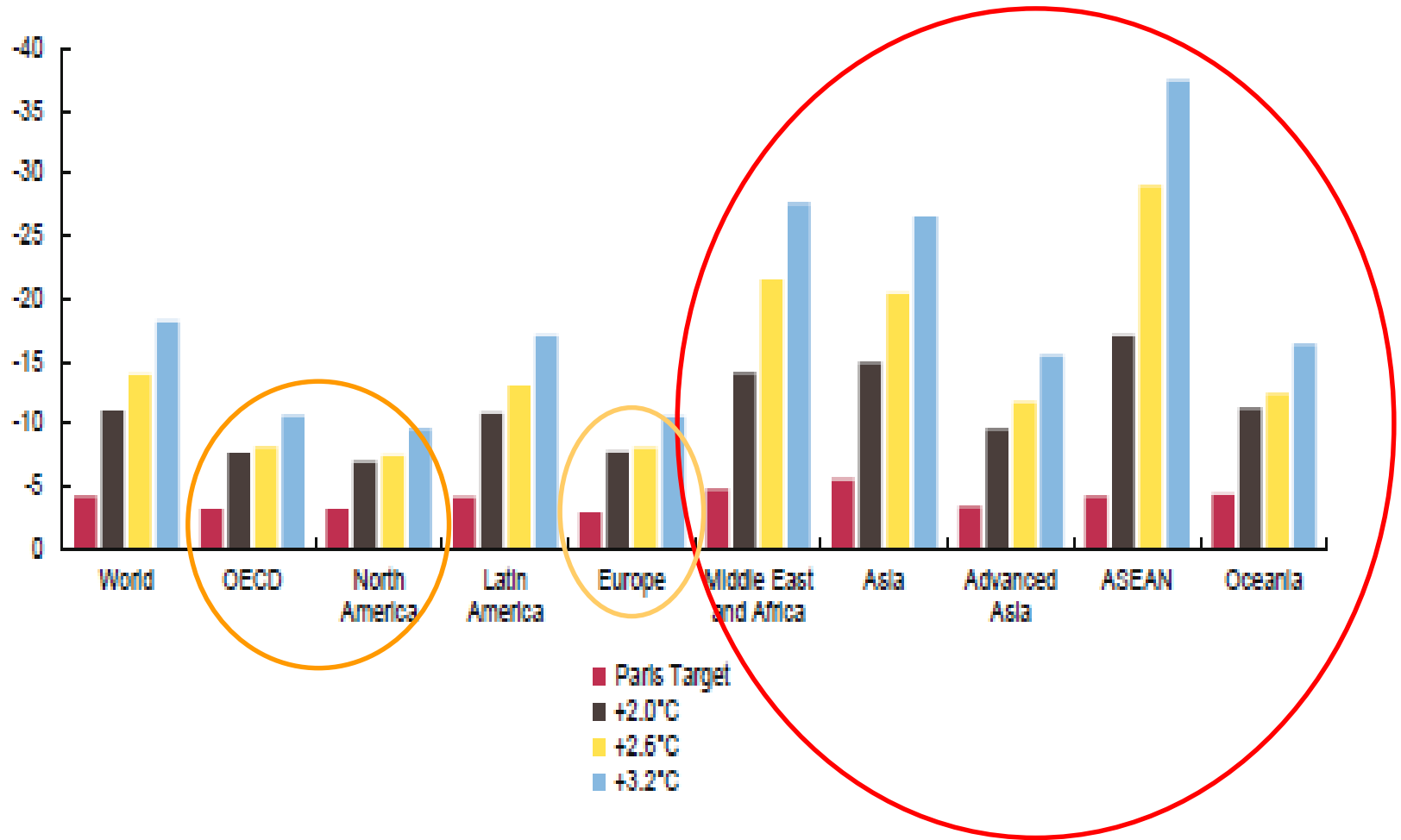
Source: World Resources Institute, adapted from the IPCC and others.

# TRADE AND DEVELOPMENT REPORT 2021 FROM RECOVERY TO RESILIENCE: THE DEVELOPMENT DIMENSION, UNCTAD, Geneva Nov 2021



Source: SwissRe, 2021.

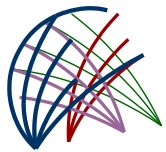
# TRADE AND DEVELOPMENT REPORT 2021 FROM RECOVERY TO RESILIENCE: THE DEVELOPMENT DIMENSION, UNCTAD, Geneva Nov 2021



Source: SwissRe, 2021.

## Section 2

# POST COVID IMPACT



Diplomacy

Dialogue

# Private Investment, the SDGs and Recovery from Covid-19



- **Global economic output is projected to decline by -4.9 % in 2020 (IMF)**
- **10.5 % job losses globally equivalent to 305 million full-time in developed countries and 1.6 billion workers in the informal economy – almost half of the global workforce – at risk of losing their jobs and their livelihoods (ILO)**
- **Due to COVID-19 pandemic, annual financing gap to achieve the SDGs to balloon by 70 per cent to US\$4.2 trillion in 2020. (M. Moheildin, UNDESA)**
- **Sovereign debt reaching unprecedented levels and fiscal space squeezed of the public sector cannot close financing gap alone. Threat of sovereign default**
- **FDI levels suffering a 42% drop in 2020, the COVID-19 crisis risks derailing global efforts to achieve the SDGs altogether.**
- **Africa, only 11% infrastructure financed by private sector (ECA)**



## Section 3

# NEED FOR INFRASTRUCTRE INVESTMENT

# Different Infrastructure Investments

**Physical Infrastructure:**  
energy, transportation, telecom, water

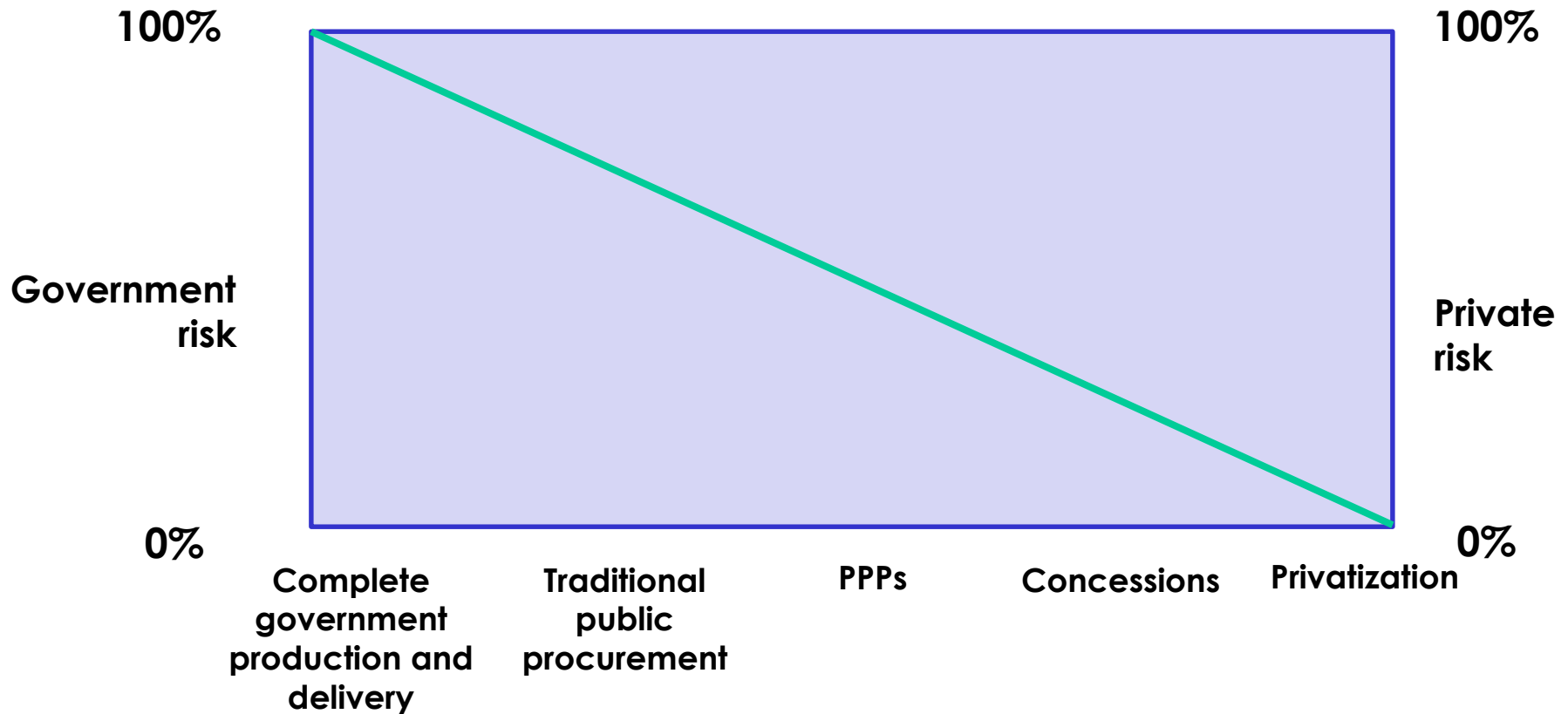
**Social Infrastructure:**  
health, education, social services

**Political Infrastructure:**  
Institutions, Laws, Administrations

**Security Infrastructure:**  
Armed Forces, Police, Prison System

Source: CSEND (2014), Monitoring of SDG Implementation Infrastructure and Methodology: Proposal for Action,  
[http://www.csend.org/images/articles/files/Monitoring\\_SDG\\_Infrastructure\\_\\_Methodology.pdf](http://www.csend.org/images/articles/files/Monitoring_SDG_Infrastructure__Methodology.pdf)

# PPPs 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 Choices



1. Government finances and implements (provided tax income is sufficient, regular and equitable)
2. Traditional Procurement- transparent, corruption free, professional but Government should be competent in negotiating and managing private sector partner
3. Privatisation- but there should be no market failure- should not create privately owned monopoly, would be government failure- risk of rent seeking
5. PPPs- should move from “Value for Money” to “Value for Money (VM) + Value for Society (VS) + Value for Future Generations (VFG)” (SDGs!)
6. SDGs: participation of stakeholders, inclusivity, and transparent processes.

# Financing – option PPPs.. ?? What kind of PPP? For what objective?



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)

Source: CSEND (2014), Monitoring of SDG Implementation Infrastructure and Methodology: Proposal for Action, [http://www.csend.org/images/articles/files/Monitoring\\_SDG\\_Infrastructure\\_Methodology.pdf](http://www.csend.org/images/articles/files/Monitoring_SDG_Infrastructure_Methodology.pdf)

## Section 4

# PPPS – PAST, PRESENT AND FUTURE

# Option: Co-Creation of Financing and PPPs.



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

**CSEND: nothing prevents us from creating partnerships including private and public sector with cooperatives and civil society!!!**

# Money, People, Future?

Mateu Turró & Domingo Peñalver, 2021

- **Value for Money** focuses on the financial impact for the public promoter (provided the project reaches its objectives). Strong focus on budgetary issues (and macroeconomic constraints)
- **Value for People** is based on S/E Matrix. Fairness in the distribution of costs and benefits. A multi-faceted view, with participation of interested parties, including the different administrations
- **Value for the Future** incorporates the impact of the project on future generations
- ***A proper analysis must incorporate the fairness of the PPP arrangement both for the different present stakeholders and for future users/payers***



# Money, People, Future?

Mateu Turró & Domingo Peñalver, 2021

- **The Intergenerational Redistributive Effects Model (IREM) compares the benefits for future generations with their actual financial costs (as users and taxpayers)**
- **It depends on the financial model adopted and could support the use of PPPs that distribute more fairly the financial burden over time**

## Section 5

# PPP – NEED FOR MONITORING

# Need for a robust and transparent monitoring system (1)



1. Higher order intent of monitoring supports and catalyses an **institutional learning process** in all countries, whether developed or developing.
2. Monitoring is not an extension of fiduciary control but rather an **essential management tool for organizing and managing** the SDG implementation process.
3. For monitoring to contribute to sustainability, it should involve civil society!!

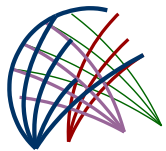
# Reasons for a robust and transparent monitoring system (2)



3. Governmental, private, and non-governmental national-level actors need to have the authority and **reliable information** to shape, reframe and reconcile the competing sets of SDG priorities and objectives.
4. Monitoring means **constant and consistent data collection** based on participation of state and non-state actors allows for the realistic assessment of progress and for reorganization of SDG implementation whenever necessary.

## Section 5

# PPPS – MULTI-STAKEHOLDER PARTICIPATION TO MAKE A PPP SUSTAINABLE



Diplomacy  
Dialogue

# Assessment grid of SDG-PPP (R.Saner, 2017)



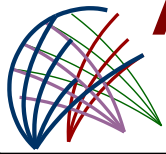
<b>Title of the PPP project:</b>	
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Overall remarks on evaluation of the case:

Criteria	Comment
PPP is in concurrence with SDGs	yes

Assessor's name	Criteria	1	2	3	Total Score
Raymond Saner	(Threshold)				

SDG-PPP assessment grid  
developed by Raymond Saner,  
2016



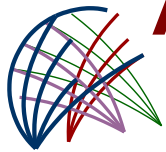
# Assessment grid of SDG-PPP

(R. Saner, 2017)



Diplomacy Criteria	Score	Remarks
<b>Dialogue</b> <b>General Criteria</b> (threshold $\geq 12$ )	(0-20)	
Increases <b>access</b> to essential services to low income countries		
Improves <b>efficiency</b> and filling the capability gap in the public sector that exists in such countries		
Promotes <b>equity</b> and a less unequal society both in terms of income and in terms of women's empowerment		
<b>Replicability</b> (a characteristic in a project) which allows for scalability and real impact – something which also requires capacity building by the company inside their project and outside among critical stakeholders including consumers		

Criteria	Score	Remarks
<b>General Criteria (cont'ed)</b> (threshold $\geq 12$ )	(0-20)	
Makes services <b>affordable</b> to the poor while at the same generating a reasonable ROI to private sector investor , value to society and value for future g		
Provides <b>capacity building</b> by the contractor (private or social entity) inside their project and outside among critical stakeholders including consumers		
<b>Makes the planet sustainable</b> , mitigating the risks and creating a resilient infrastructure		



# Assessment grid of SDG-PPP

(R. Saner, 2017)

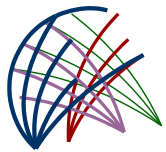


## Diplomacy

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

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



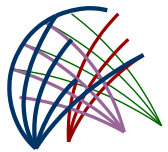


Diplomacy  
Dialogue

# When to use the Assessment Grid and with whom?



- 1. For social infrastructure investment and management, stakeholders are often not informed of risks and benefits of PPPs nor of the alternative options to finance infrastructure**
- 2. If governments change often (eg.civil unrest), the new government often is not informed about infrastructure development nor about PPPs and hence relies on foreign experts who can be expensive and often leave after completion of their job leaving the government in uncertainty what to do and how to work with private sector and civil society thereby increasing possibility of failure**



Diplomacy  
Dialogue

# When to use the Assessment Grid and with whom?



**3. or governments might be autocratic, presidents stay on for many years and government jobs are assigned to trustworthy people close to the government leader but not necessarily competent in infrastructure development and prone to rent seeking which can lead PPPs astray**

**4. For both hypothetical situations, a solution could be for knowledgeable stakeholders (CSOs, Academics) to inform, advise, build trust, share information, offer training but not to act in condescending manner- could backfire.**

# Thank you



*Be a Partner for  
Development!*