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PPPs and SDGs, the Missing Stakeholder Is Civil Society



Raymond Saner
CSEND, Geneva, Switzerland

Synonyms

[Multistakeholder assessment of PPP alignment with SDG principles \(transparency, inclusiveness, participation\)](#)

Definition

Implementation of SDG 17.17.1- effective public, private, and civil society partnerships, inclusive strategies of partnerships.

Introduction: The Intentions of the 2030 Agenda Versus the Reality of SDG-PPP Partnership Implementation

The UN General Assembly adopted a resolution called “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 the global development agenda that countries have agreed to implement at the General Assembly meeting in New York. The 17 SDG goals are expected to be

achieved in an integrated manner focusing at the same time on social, economic, and environmental sustainability and be implemented in a transparent, inclusive, and participatory manner.

In order to achieve these 17 goals, a very substantial financial investment will be required. Early on at the start of the 2030 Agenda, the United Nations Conference on Trade and Development (UNCTAD) estimated in its 2014 World Investment Report (WIR) that 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/year (http://www.unece.org/fileadmin/DAM/ceci/documents/2014/PPP_Newsletter/newsletter_06_content_2_WEB.pdf).

However, in view of the severe negative impact of the covid-19 pandemic, there is now already and will be in the near future a serious downturn of economic growth and most likely a related decrease of investment in SDG implementation. As stated by the World Bank:

Every region is subject to substantial growth downgrades. East Asia and the Pacific will grow by a scant 0.5%. South Asia will contract by 2.7%, Sub-Saharan Africa by 2.8%, Middle East and North Africa by 4.2%, Europe and Central Asia by 4.7%, and Latin America by 7.2%. These downturns are expected to reverse years of progress toward development goals and tip tens of millions of people back into extreme poverty. (Shertok 2020)

It is unlikely that government budgets of DCs and official development aid (ODA) will be able to compensate fully for the ensuing funding gap. Even before the start of the covid-19 pandemic, many developing countries faced fiscal constraints and most donor aids were often channeled toward their current spending needs and not into infrastructure development. Therefore, investments by the private sector are and will be crucial to ensure the realization of developing countries' SDG strategies.

SDG Goal 17 aims to strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development through the development of inclusive institutions at all levels (Resolution adopted by the General Assembly on 25 September 2015, http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E). These partnerships are defined by Goal 17 target 17 as consisting of the following:

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships. (pp. 27, 35)

Whether the solution will be public, public-private, or civil society partnership or all combined, the solutions should build on the experience (past) and the resourcing strategies of partnership – which as stated above – should be transparent, inclusive, and participatory.

The SDG 17 on partnerships also highlights the risks of indebtedness.

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 distress.

In other words, whether public, private, public-private, or society based – all financing of SDG goals carry the risk of indebtedness if countries do not carefully assess the potential short, medium, and long-term risks of indebtedness.

Developing PPP Standards by UNECE

Several international organizations are involved with PPPs for more than 20 years, for instance the World Bank Group, the European Investment Bank, and the Multilateral Development Banks. However, none of these international organizations nor the UNECE, has ever conducted a comprehensive evaluation of PPPs to establish clear factors leading to success or failures of PPPs. UNECE has been active in the field of PPPs and at the sixth session of the “UNECE Team of Specialist on Public-Private Partnerships” held in Geneva in June 2014, an agreement was reached to develop international PPP standards and to create an innovative structure for producing PPPs.

A new UNECE International PPP Centre of Excellence (ICoE) was subsequently created with the intention of it becoming a project-driven, goal-oriented body that produces standards that are both relevant and effective in the evolving PPP landscape. The ICoE was also given the mandate to work in close collaboration with other international organizations including the World Bank and the World Economic Forum to develop standards that will enable the realization of the SDGs (<http://www.unece.org/index.php?id=36228>).

UNECE's PPP activities are part of its Committee on Innovation, Competitiveness, and Public-Private Partnership (ICOC) and its International PPP Centre of Excellence. UNECE offers to help governments address many of mankind's most pressing development problems, including the greening of the economy and mitigating the effects of climate change, and to discover what partnerships in the world constitute excellence and have the most beneficial impact on development (<http://www.unece.org/ceci-welcome/areas-of-work/public-private-partnerships-ppp/icoeppp.html>).

In 2014, UNECE launched a new program to develop international PPP standards. The standards and drafting groups which produce the standards consist of the following domains. All the current PPP standards and their development

stage are described on UNECE's website (<https://www2.unece.org/wiki/display/pppp/PPP+Standards+Development+Process>).

Organizational Structure of UNECE's PPP Centre of Excellence

The organization of UNECE's PPP initiative consisted of a secretariat led by Mr. Geoffrey Hamilton supported by three professional staff and two administrative assistants, a Bureau called the UNECE Team of Specialists on Public-Private Partnerships (TOS PPP) and a UNECE PPP Business Advisory Board.

Bureau: As of February 2021, the members of the UNECE Bureau of Specialists on Public-Private Partnerships (TOS PPP) were 14 men and 4 women with geographical backgrounds from Western Europe (7), Eastern Europe (2), North America (2), Japan, Turkey, Morocco, Lebanon, and Uganda. The author was member of the Bureau from November 2018 to November 2021 and together with a colleague from Western Europe was of academic background.) The leadership of the Bureau was shared by 3 co-chairpersons and 15 vice-chairpersons.

Advisory Board: From 2014 to December 2020, there was also the UNECE PPP Business Advisory Board which consisted of 24 members mostly from consulting companies and banks.

The objectives of the Business Advisory Board were to advise on the elaboration of international best practices and standards and to assist member states with the implementation of international PPPs through high-level consultative meetings.

In summary, UNECE's PPP structure consisted of a Bureau of 18 PPP experts and an Advisory Board of 24 PPP advisers. The composition of both entities showed an over-representation of the private sector and of developed country governments and private sector PPP experts. Applying the SDG principles of multistakeholder participation, the composition of the Bureau and of the Advisory Board lacked stakeholders from

civil society such as trade unions, consumer groups, and NGOs following the example of the Major Groups of non-state actors who represent well-established interest groups and who participate in the annual High-Level Political Forum of the SDGs (<https://sustainabledevelopment.un.org/mgos>). The PPP unit of UNECE has continuously made efforts to broaden its membership and to include CSOs to succeed in achieving full multi-stakeholder representation with no success so far.

A new Bureau was constituted on November 30, 2021 consisting of only seven members which are all representing UNECE countries except one who represents Japan. There are five men and two women; four lawyers, two engineers-urban planners, and one from finance. Of the seven members, three are government officials, two are academics with functions in government, and two are in private practice. There is no representation from Civil Society; hence, the current composition does not live up to the SDG criteria of multi-stakeholder representation.

The PPP Standard Setting Process and Economic Cooperation

In 2015, UNECE created the **Committee on Innovation, Competitiveness, and Public-Private Partnerships (CICPPP) whose goal is to help all countries in the UNECE region to promote a policy, financial, and regulatory environment conducive to economic growth, innovative development, and higher competitiveness in and of the ECE region.** In its work, the Committee responds to the needs of Governments and considers the needs of the private sector, consumers, researchers, and civil society. It contributes to the economic cooperation and integration, as well as sustainable development of the ECE region (<https://unece.org/economic-cooperation-and-integration>, accessed on 15 Feb 2021).

While initially focusing on the region covered by UNECE (Europe, North America, and Central

Asia), the CICPPP expanded its mandate by focusing on Public-Private Partnerships (PPP) in various social and economic sectors at a global level thereby going beyond the traditional UNECE territorial boundaries. In order to avoid conflicts of influence and overlapping of mandates with the other UN economic commissions such as ECA, ESCAP, ECLAC, and ESCWA, a solution was found to keep the central policy making at UNECE in Geneva while creating knowledge or competence centers in different parts of the world.

In order to further institutionalize the PPP initiative, UNECE created an International PPP Centre of Excellence, a PPP specialist center, which developed PPP standards and recommendations and guidelines, case studies, and readiness assessments (<https://www.uneceppp-icoe.org/people-first-ppps/>) as well other useful information pertaining to the international PPP networks.

Key areas of work have been achieved over the last 3 years namely the development of PPP standards such as the Zero Tolerance Approach to Corruption in PPP Procurement (2018, ECE/CECI/WP/PPP/2017/4), Standard on Public-Private Partnerships in Railways (2019, ECE/CECI/WP/PPP/2017/4), Standard on Public-Private Partnerships in Renewable Energy (2019, ECE/CECI/WP/PPP/2018/7), Standard on Public-Private Partnerships in Roads (2019, ECE/CECI/WP/PPP/2018/8), and Guiding Principles on People-First Public-Private Partnerships in support of the United Nations Sustainable Development Goals (2019, ECE/CECI/2019/5). (<https://unece.org/ppp/standards>).

Better Alignment of the PPPs with the SDGs

The Addis Ababa Action Agenda (Financing for Development) held on 13–16 June 2015 emphasized the importance of infrastructure investment for achieving the SDGs. It notes “that both public and private investment have key roles to play in infrastructure financing, including mechanisms

such as public-private partnerships” (paragraph 48, Addis Ababa Action Agenda, http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf).

As an important follow-on to the Addis Ababa Action Agenda (AAAA) and the signing of the SDGs in September 2015 in New York, an Inter-Agency Task Force meeting on Public-Private Partnerships (PPPs) was convened on 16th December 2016 in New York. Participants at the meeting included approximately 20 Task Force members such as UNECE, World Bank, UNDESA, IMF, UNESCAP, UNCTAD, OECD, as well as representatives from national governments (Haiti) and from civil society (EURODAD, Oxfam, IHRB, academia and the private sector (PWC, EY, AIG).

The meeting generated a lot of suggestions on how to structure PPPs in general and how to align PPPs with the SDGs. The report was made available for consultation (<http://www.un.org/esa/ffd/wp-content/uploads/2017/02/Summary-of-IATF-meeting-on-Public-Private-Partnerships-16-December-2016-Final.pdf>) as well as a Scoping Study on Public-Private Partnerships by Motoko Aizawa in February 2017 (FFDO/UNDESA, working paper series, February 2017, http://www.un.org/esa/ffd/wp-content/uploads/2017/02/Scoping-Study-on-Public-Private-Partnerships_FfDO-working-paper.pdf). Both publications are excellent sources of information for instance in regard to what the different agencies have developed in regard to PPPs and what kind of ability and competencies are important for government agencies responsible for PPPs and in general about capacity building for PPP and SDG implementation.

Making UNECE PPP aligned with the 2030 Agenda

Criticisms of PPPs became prevalent in the UK, France, and the EU leading some UNECE member countries to decide not to renew the mandate of the BAB. On the other hand, they did not agree

to a broadening of the membership to include CSO representatives. As a reaction of lingering old-style PPP practice and rationales, a group of six PPP experts under the guidance of the author wrote and published a study titled “Making PPPs fit the 2030 Agenda” to make the point that the traditional concepts of Value for Money should be enlarged to include Value for Society and Value for the Future Generation. UNECE PPP has started to develop the second form of values calling it People-First-PPPs aiming at SDG compatibility, but much more needs to be done to ensure alignment with the SDGs.

However, more information on the success and failures of PPPs are still missing. A lot of key data remain either dispersed or are not publically available. Scholars and policy makers alike should access the information mentioned above but should also go beyond collecting of “how-to-do” lists and guidelines made available by organizations involved in PPPs. It would for instance be useful to read constructively critical publications such as the one by Jomo et al. (2016) and to respond to their criticism. It would also be important to consult the publication mentioned above to better understand the risks of corruption as well as the potential difficulties of conceiving PPPs in case of market and government failures (http://www.csend.org/images/articles/files/Raymond_Saner_Interview_Seoul_2015.pdf).

This author has suggested at previous conferences of the UNECE PPP unit that an observatory should be created that would focus on analyzing past and current PPPs. Such an observatory could collect and make available to the public case examples describing success or failure of PPPs from developed and developing countries, offer capacity building training programs, conduct scholarly research on PPPs, and offer neutral third-party assessments of planned PPPs projects without though being part of the commercial transactions nor being part of PPP projects. Board membership

of such an Observatory could be organized similar to the CERN “Scientific Information Policy Board” which requires members to be knowledgeable and independent of vested interests (http://library.cern/about_us/policyboard).

The author recommended that UNECE reassesses the compatibility of its PPP approach with the SDGs principles and ensures that the PPP standard setting process complies with the SDGs goals and targets. In view of the dominant representation of the government sector on the UNECE PPP Bureau, a reorganization is called for that helps democratize the PPP process by inviting consumer-based civil society groups as well as other stakeholders such as trade unions and professional associations from developed and developing countries to partake in the elaborations of standards and best case examples.

Citizens from all UN member countries are entitled to be informed of the strengths and weaknesses of PPPs and be given the right to contribute to the discussions as to whether the PPP approach to financing social and physical infrastructure should be conceived as a public good or not, whether private financing is called for, and whether PPPs contribute to equitable provision of public services for the aging and the young generation.

As a step toward closer application of SDG principles to PPP, the author developed an assessment grid (Figure 1) which was used during UNECE’s conference in April 2016. The grid was used by three scholars to assess 20 case examples of PPPs as to how close they were to the principles of the SDGs (inclusiveness, transparency, and participation) and the sustainable development goals of the 2030 Agenda consisting of the three interdependent dimensions namely sustainable economic, social, and environmental development. A copy of the grid is annexed. More work needs to be done by the community of PPP scholars and experts to fine tune the measures and weights attributed to the

different goals, but an initial step has been done which will be useful for implementation of the SDGs through PPPs.

Conclusions

There is more to PPPs than inviting financial wizards to rescue governments short of money or unable to collect sufficient taxes to invest in their social and economic sector as seen adequate and appropriate based on realistic needs assessments of their citizens' current and future needs. PPPs means getting money today to be paid back in the future by the next generation. Similarly to the climate change discussion, 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.

The SDGs suggest the achievement of sustainable economic, social, and environmental goals (triple bottom line) for each member country of the United Nations. 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.

The UNECE PPP standard setting process is too crucial for the future of our societies to be left to private sector providers (construction companies, financial brokers) and government offices often short of democratic legitimacy. Without the inclusion of the civil society actors like consumer groups, cooperatives, labor unions, academic scholars, and teaching faculty, the risk of misguided investment decisions and related rent-seeking behavior by private and public sector actors is too high to be left to experts alone, however competent they might be. What is needed is a PPP Observatory which could add information on PPPs that are often missing or not fully reliable. Such a PPP Observatory could support UNECE and other international organizations but also governments and civil society stakeholders involved in PPPs. A PPP Observatory could help the PPP-SDG process stay on course and ensure that the implementation of PPPs is aligned with SDG principles such as inclusiveness, participation, and transparency.

Annexe 1

SDG-PPP assessment grid developed by Raymond Saner, 2016

Title of the PPP project:	
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Overall remarks on evaluation of the case:

Criteria	Comment
PPP is in concurrence with SDGs	Yes/No

Assessor's name	Criteria	1	2	3	4	5	Total Score
	(Threshold)	25	10	10	10	10	

General Criteria (1)	Score	Remarks
(threshold ≥ 25)	(0-40)	
<ul style="list-style-type: none"> ▪ Increases access to essential services like health, education, water. 		

PPPs and SDGs, the Missing Stakeholder Is Civil Society, Fig. 1 (continued)

<ul style="list-style-type: none"> Improves efficiency and filling the capability gap in the public sector that exists in the country 		
<ul style="list-style-type: none"> Promotes equity and a less unequal society both in terms of income and in terms of women's empowerment 		
<ul style="list-style-type: none"> Makes services affordable to the poor while at the same time generating a reasonable ROI to private sector investor 		
<ul style="list-style-type: none"> Enables Replicability (a characteristic of a project) which allows for scalability and real impact 		
<ul style="list-style-type: none"> Provides capacity building by the company inside its project and outside among critical stakeholders including consumers 		
<ul style="list-style-type: none"> Contributes to making the planet sustainable, mitigating the risks and creating a resilient infrastructure 		

PPPs and SDGs, the Missing Stakeholder Is Civil Society, Fig. 1 (continued)

Specific Criteria		Remarks
People (2) (threshold ≥ 10)	Score (0-15)	
Provides capacity building (training) by the company inside its project and outside among critical stakeholders including consumers		
Ensures consumer protection at the project site as well as externally		
Prosperity (3) (threshold ≥ 10)	(0-15)	
Includes 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		
Planet (4) (threshold ≥ 10)	(0-15)	
Project is of low carbon emissions and low agriculture GHS		
Project includes alternative energy technology as much as possible and feasible		
Peace (5) (threshold ≥ 10)	(0-15)	
Project promotes understanding and respect among all parties		

PPPs and SDGs, the Missing Stakeholder Is Civil Society, Fig. 1 (continued)

Project promotes a safe and faire environment that will lead to stability needed to attract private investors (long term peaceful co-existence)		
Partnership (6) (threshold ≥ 10)	(0-15)	
Project promotes the development, transfer, dissemination and diffusion of environmentally sound technologies		
Project respects each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development		

PPPs and SDGs, the Missing Stakeholder Is Civil Society, Fig. 1 SDG-PPP assessment grid (source: author)

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