



# **The Role of Europe in the Global PPP Development. Capacity-Building through the UNECE PPP Initiative**

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## Overview

- **The European Players**
- **UNECE Team of Specialists**
- **An overview of the inter-regional UNECE PPP Initiative**
- **Conclusions and next steps**



## European Players

- European PPP Expertise Centre
  - A joint initiative of the European Investment Bank, the European Commission and European Union Member States and Candidate Countries. Formed to help strengthen the capacity of its public sector members to enter into Public Private Partnership (PPP) transactions
    - A Guide to Guidance: designed to assist public officials responsible in launching and implementing Public Private Partnership (PPP) projects and to facilitate their understanding of the key issues and procedures involved in the procurement of Public Private Partnerships arrangements.
    - <http://www.eib.org/epc/attachments/guide-to-guidance.pdf>
- Partnerships UK
  - Mission: “To support and accelerate the delivery of infrastructure renewal, high quality public services and the efficient use of public assets through better and stronger partnerships between the public and private sectors.”
    - General store of UK PPP Guidance documentation, sector specific for Waste, Defence, Education, ICT and Local Government projects.
    - <http://www.partnershipsuk.org.uk/PUK-Guidance.aspx>



## European Players

- European Bank for Reconstruction and Development
  - Focussing on Central and Eastern Europe to Central Asia with emphasis on project financing and the finance sector
  - Update on Best International Practices:  
<http://www.ebrd.com/russian/downloads/legal/concessions/atkins.pdf>
- European Investment Bank
  - To support the role of European Union States in delivering improved public services
- Private Sector entities: International Project Finance Association etc.



## European Players

- Given the nature of many of the organisations involved in PPP's in Europe, it was decided that there was a need for a knowledge and expertise team and centre, available for all countries, whether inside or outside Europe. UNECE approved the establishment of the UNECE PPP Initiative and the Team of Specialists to address the need for capacity building within Governments.



## Overview of the UNECE PPP Initiative

**The UNECE PPP Initiative is an inter-regional United Nations programme that is being led by the UNECE on behalf of all five United Nations Regional Economic Commissions.**

### **The Mission of the UNECE PPP Initiative:**

- To assist governments in implementing best-practice PPP policy and delivery strategies.**
- To improve the quality of life for citizens through the improved quality of and access to public utilities and services.**
- Acknowledging the resource constraints within the United Nations, it will rely upon the support of host public-sector organisations to finance the development and operation of its main components.**



## Historical development of the UNECE PPP Initiative

- **UNECE Build-Operate-Transfer (BOT) Group first created in 1997.**
- **UNECE PPP Alliance takes over from the BOT Group in response to growing interest.**
- **UNECE PPP Team of Specialists in 2007 becomes the first inter-governmental body with a mandate to develop the PPP capabilities of governments, and under a 3 year tripartite agreement between UNECE, UNECA and UNESCAP assists PPP capacity-building activities in Europe, Asia and Africa.**
- **UNCTAD Secretary-General in 2008 calls for a United Nations initiative to help governments address the global 'infrastructure-gap'.**
- **In 2009, the UNECE, UNECA and UNESCAP approve the UNECE proposal for the establishment of an international PPP centre of excellence. Subsequent scoping consultation with the private-sector on the potential activities of this centre.**
- **In December 2009, the UNECE PPP Team of Specialists agrees to take all necessary steps and raise the resources for establishing the UNECE PPP Centre of Excellence.**



## The UNECE Team of Specialists

- **Terms of Reference:**

- “to facilitate information sharing and exchange of practical experience of public-private partnerships among UNECE Member States and to contribute to the preparation, implementation and evaluation of a capacity-building programme for public and private sectors officials from catching-up economies on this topic”.

- **Areas of work:**

- Preparation of policy recommendations and training materials
  - Preparation and implementation of capacity building activities
  - Facilitating the broad dissemination of good practices and policy recommendations





## The UNECE Team of Specialists

### •Practical application- Mongolia:

1.Readiness Assessment for implementation of PPP's in Mongolia: November/December 2009

2.Concession Law Passed by the Great State Hural (Parliament): January 2010

3.PPP Unit set up under the State Property Committee: Summer 2010

4.List of project to be implemented by PPP's approved by Cabinet: October 2010

5.IFC Study identifies 18 projects within the list capable of being procured by PPP's: November 2010

- 2 water projects
- 4 power projects
- 6-7 Transport Projects (Road and Rail)
- 2 Logistics Projects
- 3-4 Social Projects (accommodation)



## The UNECE Team of Specialists

### •Practical application- Mongolia (continued):

#### 6. December 2010- June 2011: Working with GoM to:

- **Build the capacity of State Property Committee, National Development and Innovation Committee and the Ministry of Finance to deliver PPP's, including:**
  - **Drafting procurement documentation**
  - **Drafting contractual documentation for each sector**
  - **Providing training modules specific to Mongolia's requirements**
  - **Provide standard ancillary documentation ( payment mechanisms, output specifications and performance deduction mechanisms etc.)**
- **Build Processes within GoM to:**
  - **Identify projects**
  - **Approve projects**
  - **Allocate budgets for projects**

# What should be the activities of the PPP centre?



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Initiative

- Need to offer clear, focussed and precise deliverables
- Involve the private sector and utilise its expertise and experience
- Focus on identifying and implementing best PPP practice
- Centre should utilise UN Procedures and rules and it's activities lead by the UN PPP Team of Specialists



## UNECE PPP Centre of Excellence (Geneva):

- A formal United Nations body with headquarters located in Geneva, Switzerland.
- Interfaces between the UNECE PPP initiative and other UN Regional Economic Commissions.
- Is the controlling body for the activities of the UNECE PPP Operational Centre, and for the overall UNECE PPP initiative.

## UNECE PPP Specialist Centres:

- Identify international best-practice in PPP delivery within their focus sector.
- Promote and coordinate research, training, and knowledge-sharing in PPP best-practice within their focus sector.
- Global membership from PPP agencies, contractors, advisors and research bodies operating within their focus sector.
- Responsible for leading the development of Best-Practice Guides within their focus sector.



## Current development of the UNECE PPP Initiative

**2010, several governments confirm with the UNECE their intention to host various components of the UNECE PPP Centre of Excellence:**

**UNECE PPP Specialist Centre for Water: Kingdom of Saudi Arabia**

**UNECE PPP Specialist Centre for Sustainability: Malaysia**

**International Association of PPP Associations: Kazakhstan**

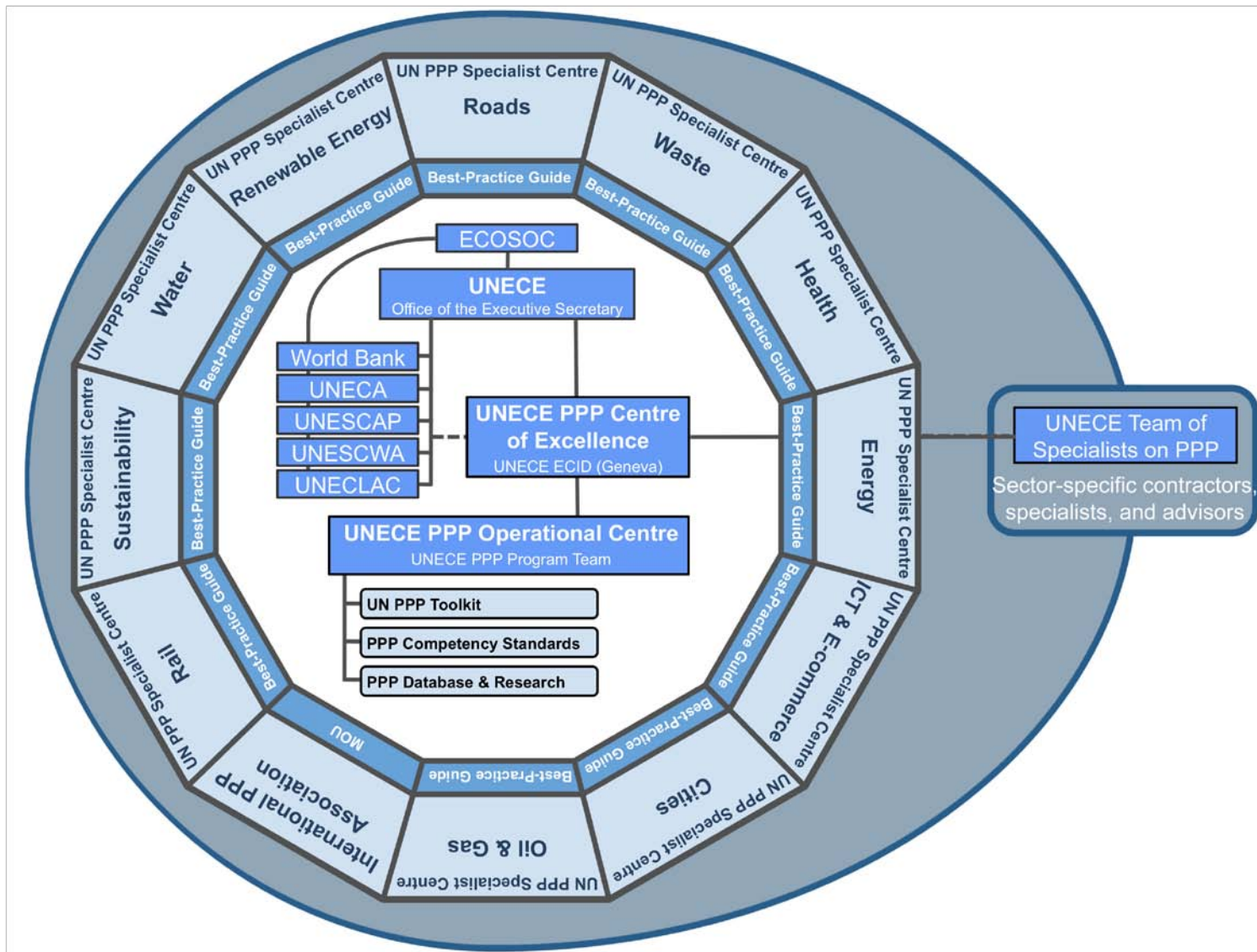
**2010, several governments express with the UNECE their interest in hosting various components of the UNECE PPP Centre of Excellence:**

- **UNECE PPP Operational Centre: State of Qatar**
- **UNECE PPP Specialist Centre for Roads: India**
- **UNECE PPP Specialist Centre for Power: South Korea**



# Structure of the UNECE PPP Centre of Excellence

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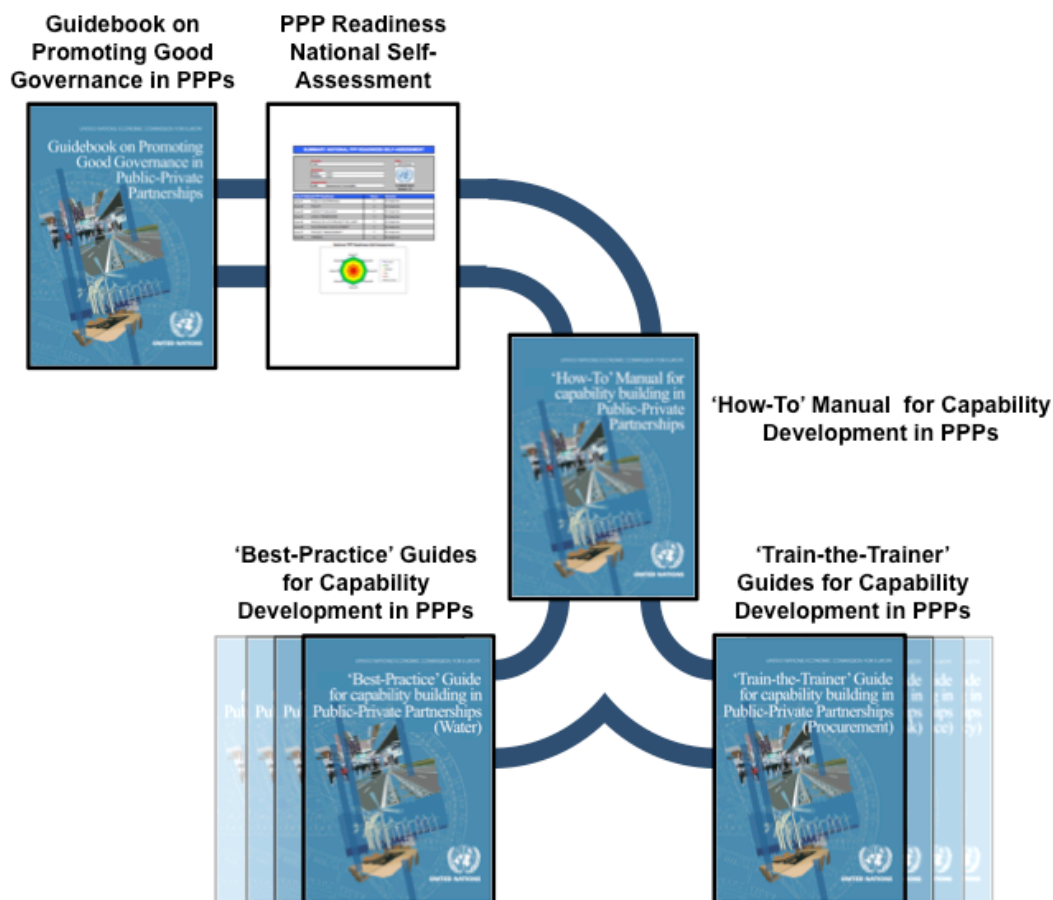


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Initiative

# the UNECE PPP Toolkit



## Overview of the UNECE PPP Toolkit

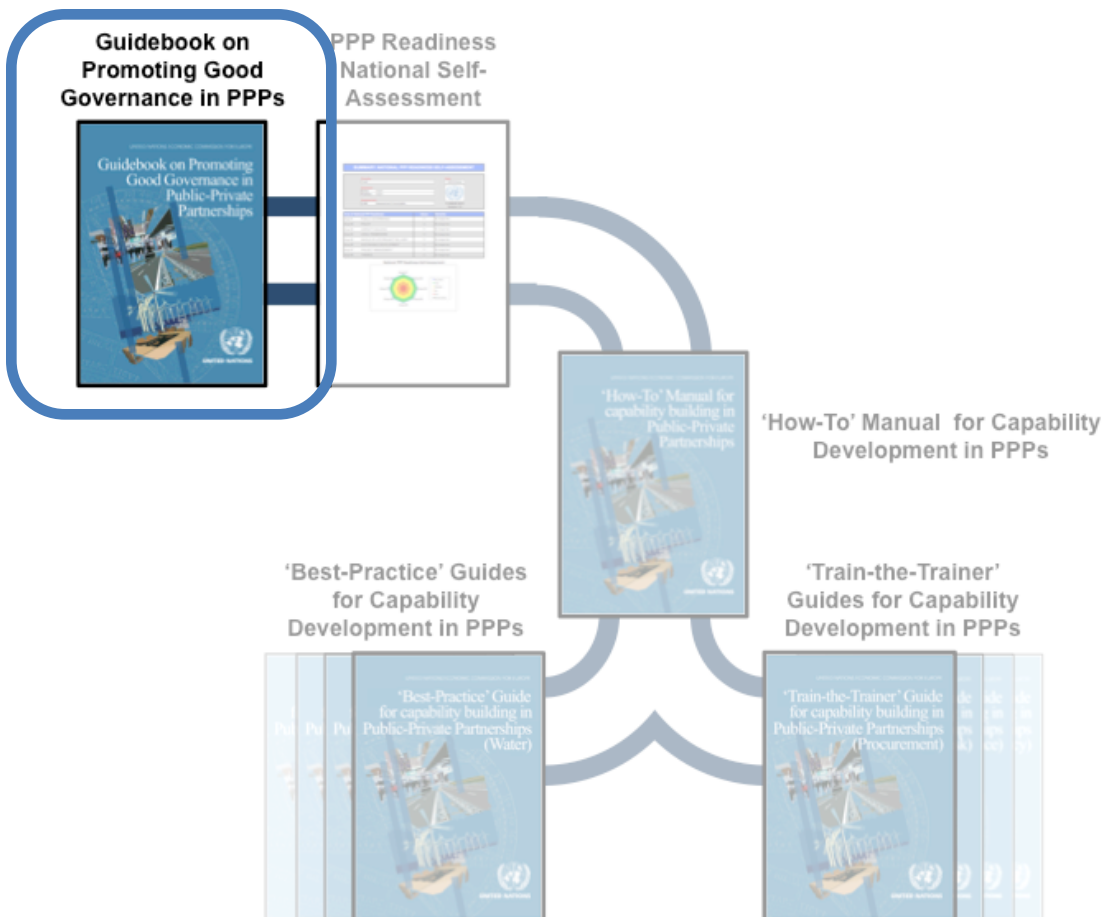


The UNECE PPP Toolkit is an integrated collection of documents, designed to help governments develop their local PPP capabilities and markets...

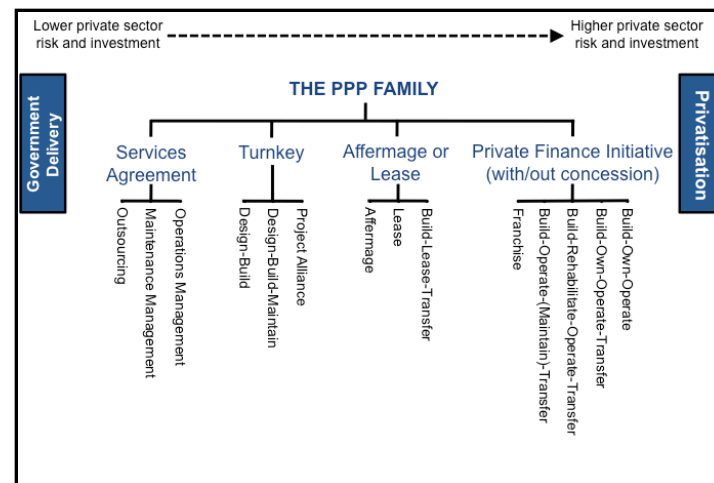




# UN Guidebook on Good Governance in PPPs

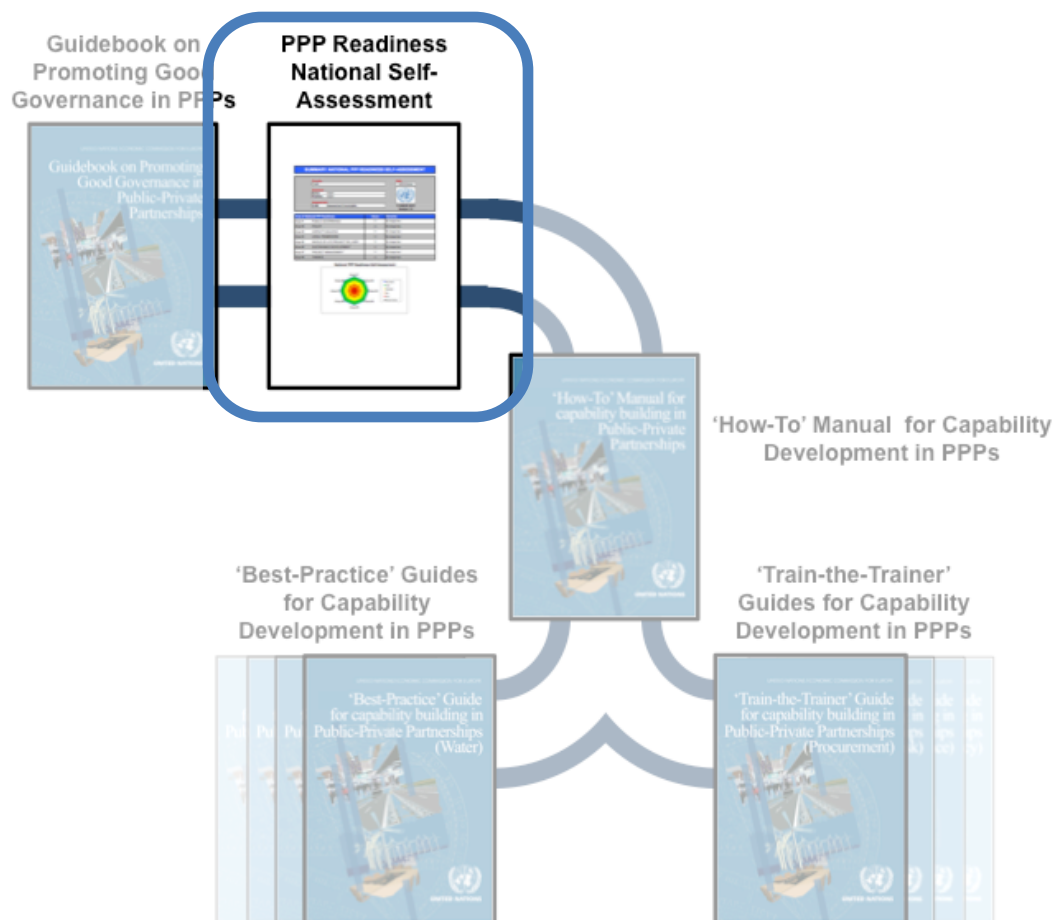


- identifies the full range of PPP strategies
- defines the role of public governance in PPPs
- defines principles of PPP good governance





## PPP Readiness Self-Assessment Tool

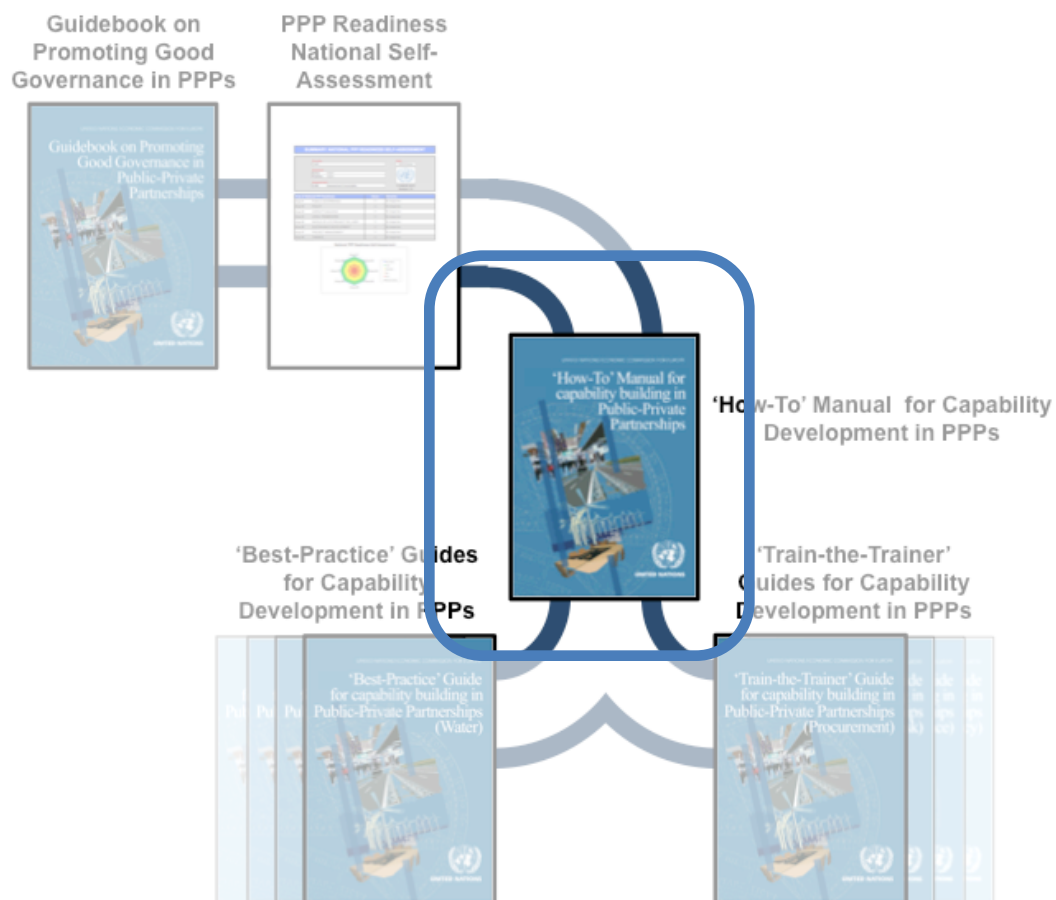


**Provides countries with a comprehensive and easy-to-use tool to assess the national readiness to deliver PPP projects, as measured against the key areas of risk to PPP project delivery:**

- **Public Governance**
- **Policy**
- **Capability-Building**
- **Legal Framework**
- **Whole-of-Lifecycle Project Delivery**
- **Project Management**
- **Sustainability**
- **Finance**



## 'How-To' Manual for PPP capability-development



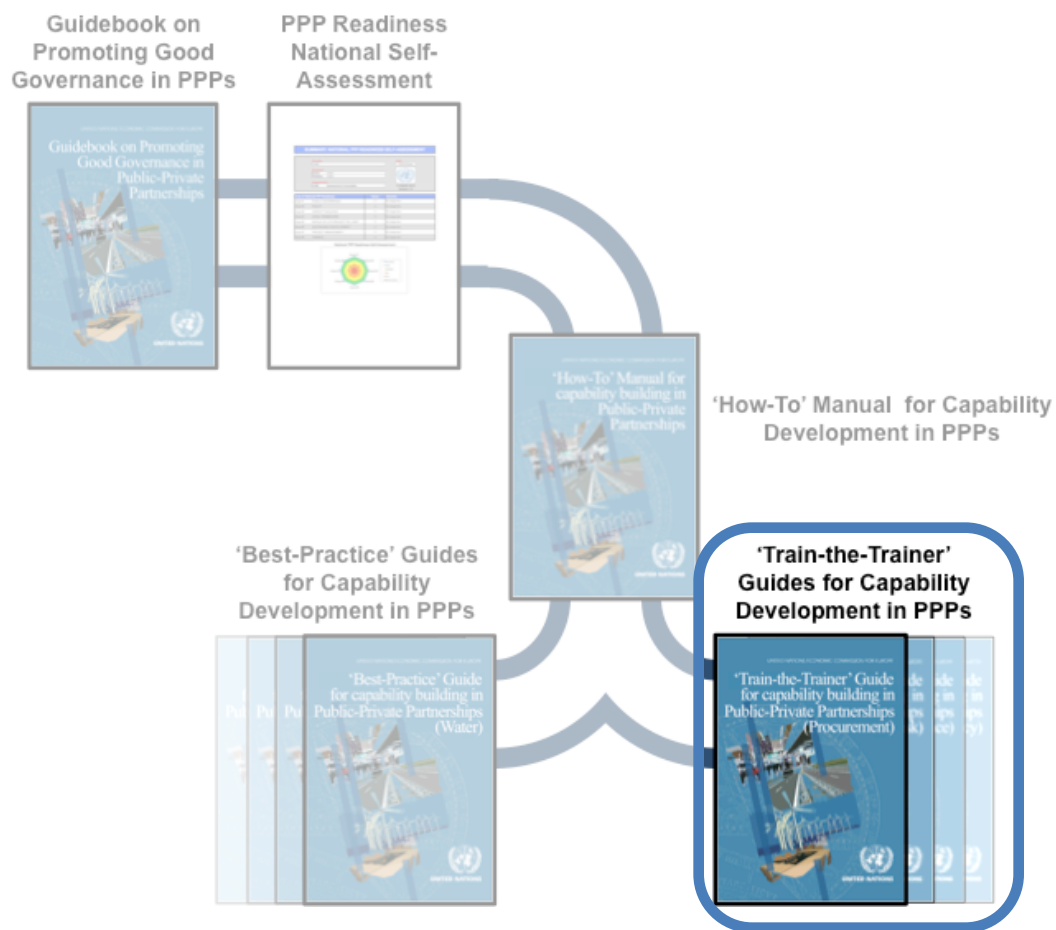
**Provides detailed and chronological instructions on how to develop, operate, and continuously improve an effective and sustainable PPP capability within government.**

**Areas of focus include:**

- **policy and application**
- **finance and risk allocation**
- **developing an effective PPP programme**
- **PPP whole-of-life project delivery**
- **pro-forma documentation and processes**



## 'Train-the-Trainer' guides for PPP competences

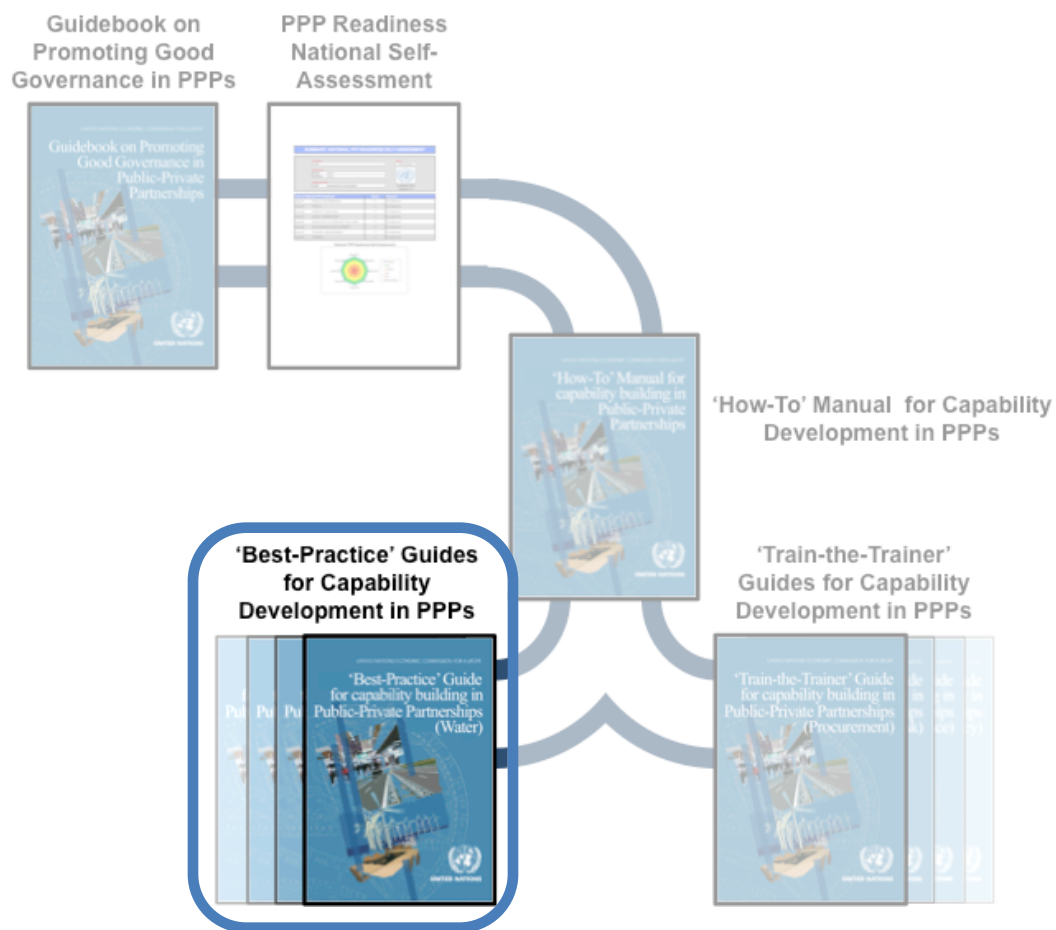


**Provides countries with comprehensive training packages in the key PPP functional capability areas of PPP policy, finance, procurement, risk, contracts, and negotiation. These guides are designed to be quickly adapted, implemented, and taught by a country's local institutions.**

**Each guide will include full trainer directions, course notes, exercises, worked answers, case studies, and referenced papers.**



## 'Best-Practice' Guides for PPP project delivery



Provides countries with a global overview of the best practices, lessons learned, and key developments and innovations within a range of PPP sectors.

Includes two parts:

- an executive guide to PPP in the sector, with detailed global market and trend analysis
- a practitioners guide to PPP in the sector, with detailed case studies

Each Best-Practice Guide will be developed by a UNECE PPP Specialist Centre, which will coordinate sector-specific input and case studies from a broad range of governments, specialists, and contractors.



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# The Role of Japan and Japanese entities in Emerging PPP Markets



## Conclusion

**PPPs improve the quality of life for citizens globally, thereby enabling improved access to and quality of public utilities and services.**

- **PPPs can also provide significantly improved efficiency in the government delivery of public utilities and services.**
- **However, the realisation of these benefits requires (a) the identification of best-practices in PPP delivery; and (b) the deveopment of the PPP capabilities within the public-sector.**
- **The UNECE PPP Initiative will globally address these challenges, to strengthen governments' capacities in delivering more effective public utilities and services.**

# Thank you

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