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Economic Commission for Europe**Committee on Innovation, Competitiveness and Public-Private Partnerships****Tenth session**

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Item 5(b) of the provisional agenda

Team of Specialists on Public-Private Partnerships (TOS-PPP)**Proposal for a Working Party on Public-Private Partnerships (PPPs) in support of the UN Sustainable Development Goals****Note by the Secretariat*****Proposal by the Team of Specialists on Public-Private Partnerships (TOS PPP)******Summary***

In the light of the work on the elaboration of international PPP standards and the global support which the UNECE PPP work has generated, the TOS PPP requests the CICPPP to recommend to the Executive Committee (EXCOM) a resource neutral change in the intergovernmental structure of the PPP work from a TOS into a Working Party with a revision in the terms of reference to reflect the development of international PPP standards and recommendations. The draft terms of reference are contained in the Annex.



1. Background and History

A. Early stages

1. The UNECE has achieved considerable prominence, based on a long history in the area of Public-Private Partnerships (PPPs) for infrastructure development. This work was first launched under the Working Party on International Legal and Commercial Practices (WP.5) when, in 1997, a Group of Experts was established, with participation from the public and private sectors, and called the “Build Operate and Transfer” (BOT) group. The objective of this Group was to develop guidelines for new project financing techniques.

2. After preparing these guidelines, the work of the Group continued as a networking platform to raise awareness about PPPs and for developing and exchanging best practices. In 2007, this work was transferred to a Team of Specialists on PPPs (TOS PPP) with the specific task of preparing training modules and organising ad hoc capacity building activities.

B. TOS PPP and the UNECE International PPP Centre of Excellence

3. Since then, the work of the UNECE in PPPs has grown, and the UNECE Executive Committee (EXCOM) decided in February 2012 to establish the UNECE International PPP Centre of Excellence under the auspices of the TOS PPP to develop international PPP standards and recommendations, identify international PPP best practices, and implement them in countries through targeted capacity building activities, training, and policy advisory services. This decision by EXCOM followed the holding of “PPP Days 2012” in Geneva, hosted by UNECE and organised with the World Bank and the Asian Development Bank: one of the largest events in the UNECE’s history, attracting 89 Governments and over 800 participants.

4. In 2013, the TOS PPP considered increasing its contribution to the UN Development Goals and, specifically, preparing international PPP standards to address the Sustainable Development Goals (SDGs). This proposal was approved by the Committee on Economic Cooperation and Integration (CECI) in February 2014 and by the sixth session of the TOS PPP in June 2014. As a result, international Project Teams are elaborating international PPP standards in a variety of sectors (health, renewable energy, water and sanitation, transport and good governance).

2. Rationale for Proposed Action

5. A team of specialists is typically established to service a short term activity. Once completed, the team of specialists may be dissolved. As a general rule the UNECE standards work which is longer term and requires periodic review/maintenance is carried out by Working Parties such as Working Party 7 on agricultural standards and the UN CEFAC in standards and recommendations in trade facilitation. Because a ToS is reviewed every two-years, it does not provide the necessary stability for such processes given that a standard usually takes 18-36 months to be developed.

6. In addition, the work of the TOS PPP has now grown and expanded globally. This interest in PPPs has been stimulated by the SDGs and in particular SDG 17 which validates

PPPs as a key tool for implementing the SDGs.¹ Moreover, several countries have created affiliated centres in specific sectors to prepare international best practices and support the standards being developed by international Project Teams and there are other countries eager to become part of this network of centres. Furthermore, a PPP Business Advisory Board has been created to advise member States on the UNECE standards and their implementation.

3. Purpose and Scope of the Proposed Changes

7. The scope of this proposed change is in effect extremely limited. It has a “resource neutral” impact and the work will be carried out within existing resources already devoted to the work. Along with no change in the resources required for servicing the TOS PPP, the work will also remain the same.

4. Anticipated Impact on the PPP Programme

A. Better reflect the status of UNECE’s PPP work

8. The proposed revision will have several positive impacts and will better reflect the status of UNECE’s PPP work.

9. The UNECE has now Memorandums of Understanding (MoUs) and Contribution Agreements (CAs) with several countries which have established their own Centres of Excellence all over the world, notably in France, Spain, Russian Federation, China and the Philippines, and other countries are eager to become part of this network of centres as well. Furthermore, around 200 individual experts are working in international Project Teams developing the standards.

B. Facilitate closer links with international partners

10. The TOS PPP has extensive and high level contacts with international partners, including the World Bank Group and other Multilateral Development Banks (such as EBRD, EIB, Eurasian Development Bank, ADB and IaDB), which will be facilitated by the evolution of the Team of Specialists into a Working Party.

5. Proposal by the TOS PPP

11. At the ninth session of the CICPPP in September 2015, the Chairperson of the TOS PPP informed the CICPPP of how the PPP work had evolved since the TOS PPP was established in 2007, especially with the addition of PPP standards to its mandate and how the Bureau of the TOS PPP was of the view that it made much more sense for the PPP work to be undertaken by a body that has a longer-term mandate than the two years given to teams of specialists. The Chairperson also informed the CICPPP that the Bureau was planning for the TOS PPP to discuss a possible request for changing its intergovernmental

¹ At the World Economic Forum in Davos on 20 January 2016, the United Nations Secretary-General, Ban Ki-moon, remarks at “making Public-Private Partnerships work for the Sustainable Development Goals”.

status. The CICPPP agreed that the TOS PPP should first discuss this issue in more detail and then make a recommendation to the CICPPP for its consideration.²

12. Under the leadership of the Bureau, the TOS PPP members were requested to express their views on the matter. Over 50 per cent of the members of the TOS PPP took part in the consultation which was performed through an online survey, and they unanimously expressed their support to a resource neutral change in the intergovernmental status of the UNECE PPP work from a TOS to a Working Party.³ The results of the survey are available from the secretariat upon request.

13. In view of the work on the elaboration of international PPP standards and the global support which the UNECE PPP work has generated, the TOS PPP requests the CICPPP to recommend to EXCOM a resource neutral change in the intergovernmental structure of the PPP work from a TOS into a Working Party. The draft terms of reference are contained in the Annex.

² See paragraph 23 of the report of the ninth session of the Committee on Innovation, Competitiveness and Public-Private Partnerships in document ECE/CECI/2015/2 dated 8 October 2015

³ All the TOS PPP members who took part in an electronic survey under the auspices of the TOS PPP Bureau, representing over 50 per cent of the TOS PPP membership, were in favour of a change in the intergovernmental status of the UNECE PPP work. For the purpose of this exercise, the TOS PPP members were considered to be government officials from the UNECE countries.

Annex

Draft Terms of Reference

Working Party on Public-Private Partnerships

A. Mandate

1. The Working Party on Public-Private Partnerships supports the implementation of the parts of the Programme of Work of the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP) related to public-private partnerships. Its main task is to identify international PPP best practices, develop international PPP standards and to contribute to the preparation, implementation and evaluation of a capacity-building and policy advisory programme for public and private sectors officials in low and middle income countries on this topic.

2. On the basis of this work, the Working Party is expected to prepare standards and policy recommendations for consideration and possible adoption by CICPPP.

3. In its work, the Working Party responds to the needs of governments, and takes into account the needs of the private sector, consumers, the academic and business communities, and civil society. It will also facilitate cooperation within the UN system and with various international bodies working in this field, in particular the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Eurasian Development Bank, the World Bank Group, and the Asian Development Bank (ADB).

B. Areas of work

4. To support CICPPP in achieving its relevant objectives, the Working Party will engage in the following main activities:

(a) Development of international PPP standards and recommendations in a number of sectors and subsectors that contribute to achieving the UN Sustainable Development Goals (SDGs);

(b) Preparation of international PPP best practices with the support of international PPP specialist centres of excellence which are affiliated to the UNECE International PPP Centre of Excellence; and

(c) Facilitating broad dissemination of international best practices and standards in the area of PPPs subject to the availability of extrabudgetary resources, through the organization of targeted capacity-building activities, policy advisory services and training programmes.

C. Membership and Officers

5. The Working Party is open for participation by all UN member States in compliance with the accreditation process contained in the guidelines on procedures and practices for ECE bodies (E/2013/37 E/ECE/1464). In addition, representatives from the private sector, relevant international organizations and non-governmental organizations (NGOs) can also be invited as observers, in compliance with the UN rules and practices in this respect.

6. The Working Party elects its officers (Chairperson(s) and an agreed number of vice-Chairpersons) in accordance with the guidelines on procedure and practices for ECE bodies (E/2013/37 E/ECE/1464).

D. Methods of Work

7. The Working Party operates in accordance with the Guidelines for the Establishment and Functioning of Working Parties within the UNECE (ECE/EX/1).

8. The Working Party is established for a period of five years with a possibility of extension, if so decided by CICPPP. The CICPPP may wish to modify the Terms of Reference as required. The Working Party will develop its plan of work and reports to the annual session of CICPPP on its implementation.

9. The UNECE secretariat services the meetings of to the Working Party, providing logistical support and preparing documentation, including draft reports.
