



# Fostering Global Partnerships for Sustainable Development

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## Abstract

The formation of global partnerships for sustainable development, starting from adoption of the Millennium Development Goals to implementation of United Nations 2030 Global Agenda for Sustainable Development, is considered. Principles and approaches to development of global partnerships between different countries (developed and developing) and between different groups of interests (public authorities, private business and public) locally and internationally are analyzed. New roles of all parties of such partnerships in achieving the

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Sustainable Development Goals are considered, including in the framework of public-private partnership (PPP) as a key mechanism of creating sustainable and resilient infrastructure. The importance of PPP mechanisms to achieve the SDGs has been substantiated and new trends in the development of this mechanism in modern conditions analyzed. For example, the application of a programmatic approach and the prioritization of infrastructure projects in terms of their impact on the achievement of national SDG indicators, as well as the benefits of using a new model of such a partnership – People First PPP. The necessity of attracting new stakeholders to partnerships within the framework of the PPP by involving civil society and the scientific community has been substantiated. Mutual demands of partners to each other and their impact on success in achieving the SDGs have been identified.

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**Keywords**

Sustainable development · Sustainable Development Goals · Millennium Development Goals · Global partnerships · Public-private partnerships · People first PPP · Official Development Assistance

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**1 Introduction**

It is widely accepted that almost everything that happens in the world is interconnected. Serious problems such as pollution of the environment, climate change, military and political conflicts, poverty and hunger, insecurity, diseases and epidemics, wherever they occur, affect everyone in some way. The COVID-19 pandemic has once again confirmed that today we are in the same boat: developed and developing countries, public authorities, business and population, and the poor and the rich, albeit the latter are buffered in many ways.

The Sustainable Development Goals (SDGs) (United Nations 2021) adopted by the United Nations (UN) laid the foundation for tackling the existing problems in the world, set targets for the quality and comfort of human life, the state of the environment, conditions for self-realization and prosperity, which should be created for each person, regardless of residence. Moreover, they outlined mechanisms that will help achieve these goals by 2030, the majority of which are based on the ideology of global partnerships with countries of the world working together.

The priorities within the SDGs are different for different countries, reflecting local contexts, capabilities and needs. At the same time, a comprehensive and consistent approach is needed to meet UN Global Agenda 2030 for Sustainable Development (2030 Agenda) (United Nations 2015c). As such, it is necessary to allocate resources to achieve the SDGs in an optimal way, effectively using the existing financial and human potential of different countries and their various interest groups to arrive at a comprehensive solution to critical problems for the world. Only then, the achievement of the SDGs will become realistic.

Any partnership will live and develop only if the parties have a common understanding of the goals and mechanisms for their achievement, as well as if there is an atmosphere of mutual understanding and respect among partners. This is not easy to achieve even when solving local problems, and it is extremely difficult to unite different countries and different interest groups for the implementation of the SDGs. That is why one of the SDGs, number 17, is dedicated to the development of global partnerships for sustainable development, with 19 of overall 169 targets related to partnerships, i.e., 11% of all targets within the 2030 Agenda.

The approaches to building global partnerships for sustainable development are therefore critical and are the subject of this chapter.

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## **2 Millennium Development Goals: The First Step in Forming Global Partnerships for Sustainable Development**

Active discussions about the necessity of transitioning to more sustainable development began in the last century. The starting point in the implementation of a systemic sustainable development strategy at the global level was the year 2000, when the UN adopted the Millennium Development Goals (MDGs) (United Nations 2000). The MDGs were aimed at solving the most critical problems for the world's development. They focused on overcoming extreme poverty in all its forms – from eliminating hunger and reducing child mortality to ensuring access to education, preserving the environment and guaranteeing gender equality.

A special place among the MDGs was taken by the eighth goal, “Develop a global partnership for development,” which provided for the creation of mechanisms, the application of which would enable achievement of the remaining seven MDGs. Thus, for the first time, global partnership was recognized as a tool for achieving the MDGs. However, at that time, global partnerships for sustainable development were considered primarily as a partnership between developed and developing countries. This was reflected by the main mechanisms cited for achieving the MDGs, where MDG 8 noted:

- Providing financial and technical assistance to developing countries in promoting their sustainable development in the framework of the Official Development Assistance (ODA) mechanism;
- Regulation of exports/imports of developing countries from/to developed ones, based on the promotion of their development;
- Ensuring inclusiveness of development, including by ensuring the availability of information and technologies for all.

As the main indicators of the effective use of these mechanisms in the framework of MDG 8, different indicators of their economic meaning were given as:

- Volume of ODA;
- Percentage of imports of goods from developing to developed countries;

- Share of export earnings used to service external debt;
- Share of the population using mobile communications and the Internet.

The 2015 UN report on achieving MDG 8 (United Nations 2015a) demonstrated significant progress on these indicators, in particular:

- Official development assistance from developed countries increased by 66 per cent in real terms between 2000 and 2014 to USD 135.2 billion. In 2014, Denmark, Luxembourg, Norway, Sweden and the United Kingdom continued to exceed the United Nations official development assistance target of 0.7 per cent of gross national income.
- In 2014, 79 per cent of imports from developing to developed countries were admitted duty free, up from 65 per cent in 2000. The proportion of external debt service to export revenue in developing countries fell from 12 per cent in 2000 to 3 per cent in 2013.
- As of 2015, 95 per cent of the world's population is covered by a mobile-cellular signal. The number of mobile-cellular subscriptions has grown almost tenfold in the last 15 years, from 738 million in 2000 to over 7 billion in 2015. Internet penetration has grown from just over 6 per cent of the world's population in 2000 to 43 per cent in 2015. As a result, 3.2 billion people are linked to a global network of content and applications. (United Nations 2015a: 7)

Despite the progress in achieving MDG 8, the approach proposed to stimulate a global partnership for sustainable development needed to be further developed. Firstly, the mechanisms proposed in MDG 8 were mainly focused on economic measures, namely, on the provision of additional sources of financing for the transition to more sustainable development in developing countries. Little attention was paid to the institutional issues of development of the countries in receipt of financial assistance. Secondly, the global partnership was seen primarily as a partnership between countries with different levels of development with the main attention paid to the facilitation of cooperation between representatives of public authorities and international organizations. These approaches to the formation of a global partnership for sustainable development turned out to be insufficiently effective, because (Zapatrina 2017):

- The indicators in MDG 8 reflected only an increase in the financial potential of developing countries that could be used for ensuring sustainable development. None of the indicators measured the targeted use of the additional financial resources and their effectiveness in terms of achieving the rest of the MDGs;
- An increase in the proportion of the population of developing economies that use mobile communications and the Internet was important for expanding the horizons of society in the appropriate countries. However, the assessment of this indicator did not allow determination of the increased access of these countries to information and technologies necessary to ensure sustainable development.

As a result, the analysis of indicators for achieving MDG 8 did not allow assessing whether the measures envisaged by this goal influenced the achievement of the results of other MDGs.

Our findings echo the assessment of progress towards MDG 8 made in the report of the MDG 8 Progress Task Force (United Nations 2015b). This UN report highlighted concerns about the proposed approach to building a global partnership for sustainable development given in MDG 8:

- The lack of qualitative indicators characterizing the processes of forming partnerships, in particular, regarding the obligations of the parties to such partnerships and their implementation;
- The lack of mechanisms to ensure that the parties to the partnership implement measures, the need for which has been recognized based on the results of monitoring;
- Inability to assess the effectiveness of ODA assistance, in particular due to the lack of adequate reporting on ODA in national budgets, as well as the necessary coordination in the management of programs and projects financed by ODA;
- Complex bureaucratic procedures in the provision of ODA, which, moreover, are not always acceptable for the recipient countries, in particular, due to the requirements of individual countries regarding the obligations to purchase goods and services in the framework of this assistance from its donors.

At the same time, despite the imperfections of the MDG 8 indicators and approaches to the implementation of measures provided for by this goal, the decision to include it in the Millennium Development Goals is an extremely important moment in achieving sustainable development by all countries of the world. In fact, in this way, the international community recognized that global development is impossible without global partnership in the broad sense of the word, and it is on this basis the mechanisms for ensuring sustainable development for all countries of our planet should be built. (Zapatrina 2017: 13; own translation)

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### 3 Official Development Assistance (ODA)

An important step taken in the framework of the strategy to achieve the MDGs, and without which it would be difficult to talk about the development of a global partnership for sustainable development, was the introduction of the ODA mechanism. This involves the provision of financial and technical assistance to countries of developing economies from developed countries and international organizations. To provide such assistance in the framework of ODA, the benchmark originally established was that the total amount of financial resources of the developed countries of the world to developing economies should be 0.7% of their gross national income (GNI), and for the least developed countries – 0.15–0.2% of GNI (United Nations 2000).

In 2000–2014, ODA was provided in the following forms:

- Bilateral development projects;
- Multilateral development assistance;
- Humanitarian aid;
- Grants for debt relief;
- Assistance in the area of basic social services.

The main part of ODA came in the form of bilateral and multilateral support for development projects and programs, with the majority going to the least developed countries and countries in Africa, followed by landlocked developing countries and Small Island states (United Nations 2015a).

However, as of 2013–2014, only five developed countries allocated financial support under the MDGs at the envisaged level (United Nations 2015a). Overall, in 2014, the total amount of assistance provided under ODA was only 0.29% of GNI, as a result, in 2014 alone, ODA was missing USD 191 billion (United Nations 2015b). In this regard, the idea arose of using private financing in the framework of the ODA mechanism, including in the context of a new measure – the Total Official Support for Sustainable Development (TOSSD). Thus, the first step was taken to deepen the understanding of global partnerships for sustainable development by expanding partnerships from the public sector to private business.

Attracting financial resources from private business in the framework of ODA can significantly increase the effectiveness of support for sustainable development in the implementation of national projects and programs in recipient countries. This can be especially relevant when creating/modernizing infrastructure facilities, the absence of which will not allow consideration of sustainable development in most of developing countries. Moreover, in case of using part of ODA funds to create attractive conditions for the implementation of infrastructure projects on the basis of PPP in depressive, conflict-prone and poor regions (through insurance of investment risks, provision of guarantees for cases of force majeure, assistance to countries in the development of their institutional and legal environment, etc.) the amount of investment by private business directed towards sustainable development can be increased in many times. That is why expanding the mechanism of global partnership for sustainable development to private business, while improving ODA procedures, opens up new perspectives and opportunities for sustainable development.

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## 4 Global Partnership in the 2030 Agenda

The program to achieve the MDGs ended in 2015. On September 25–27, 2015, at the 70th session of the UN General Assembly in New York, 193 countries of the world – all UN members voted for the approval of the new 2030 Agenda, and for 17 SDGs, comprising of 169 targets (United Nations 2015c). In so doing, the SDGs set for the world community a much broader and more difficult set of tasks to achieve in comparison with the MDGs, and thus paid more attention to the mechanisms for achieving these goals. As such, mechanisms for achieving the SDGs are present as tasks in almost all 16 SDGs, but the main ones are concentrated in SDG

17 “*Strengthen the means of implementation and revitalize the global partnership for sustainable development*” (United Nations 2021), which was formed on the basis of MDG 8, but with much wider approach.

In accordance with (Horan 2019: 5) “*the 2030 Agenda refers to two main types of partnerships for implementing the SDGs. First, there is the Global Partnership for Sustainable Development, to be led by governments, which is seen as a vehicle for improving international cooperation for implementation of the 2030 Agenda. . . . Second, multi-stakeholder partnerships, to complement the Global partnership, are seen as important for strengthening the means of implementation, i.e., the aim of these partnerships is “to mobilize and share knowledge, expertise, technology and financial resources to support the implementation of the SDGs.”*”

All the mechanisms envisaged by SDG 17 also can be divided into two groups (Zapatrina 2017: 19):

- Those of a global nature, mainly related to the formation and use of ODA (or even TOSSD), the creation and implementation of which is only possible for international organizations with the assistance of economically developed countries;
- Those that can and should be created and implemented by individual states based on their needs, capabilities and the scale of the tasks that they have to solve in the framework of the implementation of 2030 Agenda.

In addition, among the mechanisms of the global partnership for sustainable development, provided for by SDG 17, the following functional categories can be distinguished: financial support, development of the institutional environment, training and institutional capacity, providing access to technologies.



Let us consider these mechanisms and the role of the global partnerships in their effective implementation.

## 4.1 Financial Support

As with the MDGs, the new 2030 Agenda stipulates that financial support for activities on achieving the SDGs will be provided by mobilizing financial resources from developed countries and ensuring their effective use to promote sustainable development in developing countries. Financial support for the achievement of the SDGs should be carried out both at the international level and within individual states, using public budgets and ODA, as well as private business funds (Table 1).

In contrast to MDG 8, the SDGs additional to financial support for Sustainable Development set targets for the use of ODA funds, which include, inter alia, investments in energy infrastructure and clean energy sources, promoting sustainable infrastructure development, and encouraging foreign direct investment in the implementation of national plans and programs (United Nations 2021). One of the target segments of such support is assistance to institutional transformations in developing countries, as well as to training and educational activities on sustainable development issues and, in particular, the SDGs. As such, the SDGs have

**Table 1** Financial support in the framework of SDGs

	Responsibility for implementation		Presence in SDG	
	National governments of developing countries	International community		Other SDGs
Financial support measures				
Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	X	X	X	
Ensuring the fulfillment of the obligation of developed countries to provide official development assistance to developing countries at the level of 0.7% and to the least developed countries at the level of 0.15–0.20% of their gross national income		X	X	
Mobilize additional financial resources for developing countries from multiple sources		X	X	
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		X	X	
Adopt and implement investment promotion regimes for least developed countries	X	X	X	

Source: Zapatrina (2018: 16)

significantly expanded the range of actors involved in supporting sustainable development. An additional donor (private business) was added and countries as recipients of financial support for sustainable development (public authorities at the central and local levels, as well as the population) were actively involved in this process.

## 4.2 Development of Institutional Environment

It is very important to have a financial resource that can be used for sustainable development. At the same time, any more or less serious transformations at the state/regional level are impossible without institutions prepared to address the tasks set in



the framework of the relevant reforms and without partnerships. The task of achieving the SDGs is no exception to this rule.

Given the global nature of the problems that should be resolved under the achievement of the SDGs there is a critical need in using a systematic coordinated approach to solutions proposed that requires the improvement of institutions, both at the level of individual states (territories) and at the intercountry (international) level, and their effective interaction in the framework of global and multistakeholder partnerships. Ensuring the success of such partnerships is an important part of effective transformation as they allow *“to implement a more integrated approach to sustainable development problems”* and *“to harness the means of implementation and to promote a unified approach to sustainable development”* (Horan 2019: 5).

Among nine conditions of the success of multistakeholder partnerships for sustainable development there are four performance indicators characterizing institutional processes – *“goal setting, funding, management, monitoring”* (Pattberg and Widerberg 2016: 43). To define them, the relevant institutional structure that enhances the coherence of actions of different players at the political and institutional levels in the context of the SDGs should be built. In our opinion, it is also important to involve developing countries in this process in a wider and more conscious manner, assisting them with the introduction of program-targeted approaches in achieving the SDGs and sharing with them the best experiences of establishing and implementing effective partnerships for sustainable development.

### 4.3 Training and Institutional Capacity

Addressing the ambitious tasks set in the 2030 Agenda requires the use of new innovative models and approaches, deep knowledge of sustainable development issues, and awareness of the world’s best practices in solving the problems faced by the global community. Measures to increase institutional capacity should be envisaged both at the international (intercountry) level and at the level of individual states (territories).

Educational activities and training on sustainable development, including promoting sustainable lifestyles, human rights, gender equality, a culture of peace and non-violence and recognition of cultural diversity, should be incorporated into the activities of public authorities at the state and local levels in all countries of the world. Most important the provision of such programs in developing economies with the assistance of international organizations and economically developed countries where sustainable development has already become the norm.

In our opinion, the efficiency of such programs and, consequently, understanding the necessity of ensuring sustainable development and approaches to the achieving SDGs will be more explicable and positively perceived in developing countries if educational activities are supported by real examples of solving local problems in countries that have taken the path towards sustainable development. In this context, fostering partnerships in the educational field is considered important to increasing the quality of life and self-realization as measures of achievement of the SDGs.

Among the important measures to increase institutional capacity in the field of sustainable development, the SDGs pay attention to:

- Increasing the number of scholarships available to developing countries for higher education, including professional technical training and education on information and communications technology, technical, engineering and scientific programs;
- Increasing the number of qualified teachers, including through international cooperation,
- Supporting capacity building in field of statistics.

Representatives of various countries should be involved in the process of cooperation, both at the level of public authorities and at the level of business, the scientific community, students and schoolchildren.

#### **4.4 Ensuring Access to Technologies**

There are many tasks in the SDG framework that are relatively impossible to achieve without new innovative technologies, for example, moving towards more sustainable consumption and production models, the utilization of clean energy sources, including renewable energy, and energy efficiency. The use of such technologies in developing economies faced with a number of obstacles. These include insufficient in-house technology developments that are ready for use in practice, lack of necessary knowledge about existing technologies worldwide, and the high cost of acquiring them. Not all countries with developing economies are able to cope with these problems. As a result, they often use outdated technologies to upgrade/modernize infrastructure critical to the achievement of the SDGs, and continue to use non-renewable resources in non-effective ways that continue to negatively impact the environment, albeit to a lesser extent than before their renovation.

In order to help developing countries overcome the challenges posed by the lack of access to new innovative technologies, SDG 17, in particular, includes the tasks of assistance in the development and dissemination of environmentally friendly technologies and their transfer to developing countries on favorable, including preferential, conditions and on the basis of mutual agreement. In addition, it seeks to ensure the full functioning of the technology bank and capacity building mechanisms in the fields of science, technology and innovation to facilitate access for developing countries to research results and technologies related to clean energy sources, including renewable energy sources and energy efficiency.

Developed nations can also gain from such partnerships with scientists and practitioners from developing countries, transforming the results of fundamental research and discoveries conducted in these countries into practical implementation in the form of final technical and technological products demanded by global society.

To assist in this implementation, SDG 17 proposes to strengthen cooperation at the regional and international levels on issues of science, technology, and

innovation, and to enhance knowledge sharing through a global technology exchange facilitation mechanisms. It requires not only the creation of global partnerships among countries, but also deep cooperation between scientists and practitioners from different countries.

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## 5 Public-Private Partnerships for the SDGs

PPP is recognized as one of the key mechanisms for achieving the SDGs. SDG 17 states “*encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships Data, monitoring and accountability*” (United Nations 2021). This emphasizes the critical role of PPP in meeting the challenges of achieving the SDGs by 2030. This type of partnerships is important for transformations in the context of 2030 Agenda. A prerequisite for achieving the SDGs, especially in developing economies, is the availability of a sustainable, resilient, reliable and high-quality infrastructure in the field of life support. Solving the problem of creating such an infrastructure is challenging without the involvement of private business on PPP conditions.

Some of the important advantages of PPP for achieving SDGs are:

- The clearance and unambiguity of the goal of such partnerships for all its stakeholders – public authorities, private business and the population. “*The stakeholders must somehow gain from the partnership and some of these gains should arise in the not too distant future*” (Horan 2019: 9). In case of PPP, all the stakeholders should benefit from such partnerships, for example: the public authorities get the opportunity to create the infrastructure necessary for the development of the territory with private investments, the population receives high-quality and reliable services using this infrastructure, the private business gets the opportunity to conduct a successful and profitable business in the long term.
- A focus on the specific results of a project rather than on the amount of investment in its implementation. In accordance with international standards, the level of return of the private partner’s investment under a PPP project depends on the achievement of performance indicators for services provided in accordance with the PPP agreement. This means that the main goal of a private partner is the creation of an infrastructure facility to provide for socially significant services of appropriate quantity and quality. In the case where performance indicators for services provided under the PPP agreement correlate with the national indicators of SDGs, PPP becomes an effective mechanism for implementation of Agenda 2030.
- The sharing of risks for project implementation among the partners of a PPP agreement. Business should be ready to take commercial and technology risks associated with project implementation. National governments should offer to business the innovative mechanisms of financing that will make commercially unviable projects that are a priority for society, viable and attractive for private

investment, and provide necessary guarantees in the event of political risks. The international community has to assist national governments in establishing the institutional and legal environment for PPPs.

Such features of PPP allow to develop as partnerships between countries with different levels of development and partnerships along the axis of “state authorities – local government bodies,” “public authorities – business – population,” “science – business – institutions of civil society” are essential to delivery of the SDGs. Additionally, it creates a new culture of interaction between all stakeholders involved in the process of sustainable and resilient infrastructure development.

Until recently, developing countries with economies in transition have mainly implemented PPP projects in relation to life support infrastructure, electricity, water supply and sanitation, and in cold climates, in the field of heat supply, as well as projects to modernize transport infrastructure. Social infrastructure projects in these countries have gone largely unnoticed by public authorities. They were likely considered unprofitable for business and/or not urgent. In contrast, economically developed countries have implemented PPPs as both large and ambitious transport projects and projects in the field of social infrastructure.

In the context of the 2030 Agenda, the situation has changed dramatically. The vast majority of SDGs are focused on people and ensuring a high quality of life. Therefore, all countries, not only the economically developed ones, should pay attention to the infrastructure of life support and projects in health care, education, culture and sports. As priorities are changing, the approaches to the prioritization of projects and their structuring are changing too – as such, PPP mechanisms also needs to improve.

Previously, most countries used a PPP model as a mechanism for implementing individual projects aimed at solving specific problems in sectors of the economy that can more readily attract private business and are commercially sound. Now they are also developing PPP programs focused on achievement of the SDGs.

The new People-First PPP model (UNECE 2018) for cooperation between public authorities and business has been developed and is being promoted now by the United Nations Economic Commission for Europe (UNECE). People-First PPP is determined as “*a long-term contractual relationship between the public and private sector, where delivering value for people is the core objective, there is a commitment to serving and protecting the community, and the project is developed with the real interests of people in mind*” (UNECE 2018: 4).

This model focuses on a wider range of criteria – those that create value for people and are not just based on value for money. Value for people means improving the quality of life of communities, especially those struggling with poverty, for example by creating stable jobs. Thus, projects implemented using the People-First PPP model can help address the critical challenges facing humanity.

In accordance with the Economic Commission for Europe Committee on Innovation, Competitiveness and Public-Private Partnerships (UNECE 2017: 11–12) to boost the application of this approach national governments should:

- Identify the priority projects based on the public interest in the context of the SDGs.
- Provide for measuring a project's impact on the quality of life, environment and prosperity.
- Involve in the project design and monitoring of its implementing all stakeholders including the civil society – “*leaving no one behind.*”
- Provide for transparency on all stages of project implementation and dissemination of information on their impact on achievement of SDGs.

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## 6 Public Authorities, Business and Society: New Roles and Realities to Ensure Sustainable Development

The development of PPP in the context of the SDGs has led to a change in the roles of all players in the global and national arena (Zapatrina 2017). First, the paradigm of social development has radically changed. The focus today is concentrated on the so-called “five Ps” – *People – Planet – Prosperity – Peace – Partnership* (Browne and Weiss 2016: 12). This new paradigm has formulated new challenges for the world community, embodied in the SDGs, as new priorities and new mechanisms to achieve them. As a result, the roles of existing players in the global market and the principles of their cooperation (partnership) have changed. Today, inclusivity and equality in establishing cooperation among all participants in the sustainable development process becomes the most important feature for the success of achieving the SDGs. At the national level, such equality should be assured between citizens (representing by civil society institutions), private business and the state (central and local authorities). At the global level, the process of building a new, comfortable planet for life should engage not only international institutions and economically developed countries, but also the national governments of developing economies and the societies of these countries.

The selection of priority projects that planned for implementation based on partnership relations, including PPPs, now should be evaluated with the new criteria. They should be assessed in terms of their impact on the quality of life of the population and, above all, the poor; ensuring the proper state of the environment of the planet; opportunities to live in peace, tranquility, prosperity. In order to meet these criteria, it is necessary to develop fundamentally new types of partnerships like People First PPP.

The UNECE international conference (March 29–April 1, 2016) dedicated to the implementation of the UN 2030 Agenda through “*effective, people-first Public-Private Partnerships*” (UNECE 2016), emphasized the importance of shifting priorities towards the implementation of environmental and socially oriented infrastructure projects in the context of the SDGs, and of involving representatives of the society (civil society institutions) in a partnership between public authorities and private business.

## 6.1 Public Authorities

Public authorities play a crucial role in creating attractive environments for development and fostering partnerships among stakeholders. In accordance with (Horan 2019: 16), *“implementation of missing partnerships should be government-led and involve stakeholders – states, civil society organizations and private sector entities – identified as relevant for transition partnerships.”*

In most countries, the public authorities set the tone for implementation of PPP projects given they are responsible for the country’s (city’s) strategic development and modernization. They enjoy a credit of trust from the society to create acceptable living conditions for it, both in the short and long term. Public authorities also create the rules of the game for business and the citizens, plan capital investments and select infrastructure projects that are a priority in terms of public interest. In fact, *“the state takes responsibility to solve all the tasks that the society faces, but which the latter cannot fulfill by itself (for example, harmonizing the interests of the population and business)”* (Mochalnikov and Anokhina 2013: 27; own translation).

In some countries with under-developed democratic relations, the public authorities are accustomed to feeling superior and can rigidly dictate their conditions when dealing with private business and the population. But the situation is changing. Public authorities, in order to fulfill their obligations to society, need to work with private business and therefore need to be treated as respected partners. They need to understand that by entering into the implementation of long-term financially intensive projects, business takes on significant risks (both commercial and political), which can be very high in certain countries.

It is considered that, *“the main reason for the reforms is a human, his needs and aspirations, his inner world, social stability of the society, where everyone feels at home in his country”* (Lvov 2005: 10; own translation). *“We are used to considering the state as something higher, standing above the society. But it is important – vitally important – to understand that in modern conditions the state is just one of the institutions of civil society. And all of us, the society, are responsible for the activities of the state”* (Lvov 2005: 12; own translation).

Having undertaken obligations to achieve the SDGs, public authorities become more demanding of themselves in terms of professionalism and competence to be able to protect the publics’ interests. An additional complexity for public authorities in developing countries is maintaining the correct balance between the desires of the population and the existing opportunities to satisfy them both at the expense of private business resources and within the available budgetary funds.

## 6.2 Private Business

Huge financial and intellectual resources are concentrated in private business. Without its active participation, it will hardly be possible to count on solving the complex and ambitious tasks formulated in the framework of the SDGs until 2030.

Private business “*work to generate profits and return value to shareholders, but the best-run companies do more. They put the customer first and invest in their employees and communities. In the end, it’s the most promising way to build long-term value*” (Business Roundtable 2019). However, private business is interested in the implementation of long-term projects structured on the basis of PPP only if it is able to manage the risks transferred to it. This issue is especially sensitive in the case infrastructure projects in developing countries with high political risks, an undeveloped institutional environment, a high level of corruption, and/or conflicts.

In principle, it is interesting for private business to work in such countries. Indeed, higher risks and a difficult starting situation create a higher risk premium, and it can be cheaper to achieve higher efficiency in the implementation of such projects. In addition, there is high demand for infrastructure in developing countries, so successfully implemented projects can be widely replicated. Finally, recent events with the migration of the population from developing countries to developed countries have shown that it is still better to invest in improving the living conditions of the population in developing countries, and not to cope with the consequences of migration provoked by the social, political and military conflicts that arise in them.

However, projects in developing economies sometimes move unacceptably slowly, especially at the stage of their structuring, which is associated with a lack of continuity, populism, illiteracy of leaders, etc. As a result, both time and money are simply lost. In addition, the risks of implementing projects in such countries are often so high that private business is not ready to take on them, no matter how high the potential profit is.

*“It is obvious that the social responsibility of business is not a ‘single track’ road. Undoubtedly, the social responsibility of the state is necessary, since only in this case can we expect the activation of business in the social sense”* (Mochaknikov 2012: 21; own translation). Where the state understands this and thinks about support/guarantees for private business, which is ready to invest in infrastructure, the PPP develops. Where this does not exist, either PPP projects do not exist, or “ersatz projects” are being implemented, in which only the name is from the PPP/concession. The latter is often observed in developing countries, which cannot do without private business in infrastructure development.

In order to “reverse” the situation and create conditions for the active participation of private business in the creation/reconstruction/modernization of infrastructure in such countries, efforts of national states alone may not be enough. Firstly, as a rule, they have rather weak opportunities to provide private business with the necessary guarantees. Secondly, there is a lack of institutional capacity to properly prepare and launch relevant projects. Without the participation of the international community in creating the necessary institutional environment and without providing guarantees for private business in the event of political risks, even those businesses that might be considered highly engaged socially will not work in such countries.

Building partnerships with public authorities is an important factor for the success of a planned infrastructure project. It is also important to build partnerships with all possible stakeholders of the project. Businesses should “*focused on generating long-term value for all stakeholders and addressing the challenges we face, which will*

*result in shared prosperity and sustainability for both business and society”* (Business Roundtable 2019).

Engaging all relevant stakeholders in the project and creating sustained value is very important for business. *“In creating such value, a company serves not only its shareholders, but all its stakeholders – employees, customers, suppliers, local communities and society at large. The best way to understand and harmonize the divergent interests of all stakeholders is through a shared commitment to policies and decisions that strengthen the long-term prosperity of a company”* (Schwab 2020).

### 6.3 Civil Society Institutes

The orientation of state policy towards PPP inevitably leads to the development of civil society institutions.

Starting long-term infrastructure projects, both large private business and the state should rely on the society to organize work with the population to adequately address temporary inconveniences and/or increase the financial burden associated with the implementation of such projects. And for countries of developing economies, such “communication with people” should also be aimed at overcoming distrust of the population, both in private business and in the state. This mistrust has been formed for years. In many cases, the initiation of large-scale infrastructure projects in such countries turned out to be a “pre-election bubble of public power,” and the attraction of private business in the infrastructure did not improve the quality of life of the population, but instead provided them with opportunities to enrich themselves through the use of state (municipal) property. Such lessons are not in vain for the population and require an adequate response from the public authorities. (Zapatrina 2017: 80; own translation)

One of the important elements of implementing PPP projects is finding mutual understanding with all players in the relevant market (the so-called “consensus building”), which involves organizing a dialogue with various interest groups through professional associations, public and non-governmental organizations. The role of these institutions in the process of initiating projects, selecting a private partner and acting directly in the implementation of projects is increasing every year. Such dialogue is especially important in projects of local importance, which may have a significant impact on the living conditions of residents of the territory.

Involvement of public organizations and specialized associations to secure feedback of the population at all stages of preparation and implementation of PPP projects, as well as conveying a positive image of the private partner, can greatly facilitate and accelerate the process. A number of researchers have concluded that involving members of society in the implementation of projects on a partnership basis brings innovation to ensuring the provision of some basic public services in accordance with the requirements imposed on them by the inhabitants of the territory. In PPP projects “*it is civil society that “represents the interests of the customer” in the literal and figurative sense of these words, politicians should serve*



*these interests, business should assist the society and government in solving the current problems of the population, and not in the framework of special functions and measures, but due to internal necessity, which is a condition for its existence”* (Mochaknikov 2012: 61; own translation).

This thesis is reflected in the CIS Model Law on PPP (Interparliamentary Assembly 2014), paragraph 3 of Article 7 of which reads *“In order to take into account the interests of the population, consumers, users of the infrastructure asset and other stakeholders, the preparation of a public-private partnership project should be accompanied by public hearings, which are conducted as a result of preparation of feasibility study of the project”* (Interparliamentary Assembly 2014; own translation).

The importance of involving the public and civil society institutions in the formation of state priorities is emphasized in the context of achieving the SDGs. Most of these goals are aimed at humans, ensuring a decent quality of life and a favorable state of the environment for them. Therefore, the population, firstly, should know what to strive for and what level of life support services should be provided by the public authorities. Secondly, it should be able to influence the choice of priorities for the strategic development of a country/territory based on its needs and existing capabilities to meet them (financial, organizational, technological).

As defined by Zapatrina (2017: 96; own translation), *“PPP promotes the development of civil society by involving active interest groups in the process of socio-economic development of the regions. Inviting the population to dialogue when solving issues of strategic importance generates initiative in people, relieves them of ‘amoebic existence,’ when they blame the state and/or local authorities for all their troubles and only from them are expecting solution to their problems.”*

## **6.4 Role of Science in the Development of Public-Private Partnerships and Sustainability**

In addressing the role of society in PPP, especially in the context of the SDGs, science plays an important role. It can bring consistency to the process of improving the institutional environment in the field of PPP, ensure the generation of new knowledge and the use of modern innovative technologies, and assist in the training of personnel necessary for the implementation of complex tasks arising in this regard. Representatives of the scientific community can understand and may feel a responsibility for the future of the society, the state of the environment, reasonable planning of territories and the placement of infrastructure facilities. In fact, it was scientists who initiated the world’s transition to the formation and implementation of the 2030 Agenda. Thanks to their authority and largely political neutrality, scientists can convey their position to private business and government. Their opinion, even if depends on the political reshuffle in power, is far from being as significant as it is observed for other civil actors and, especially, state institutions. Based on this, the involvement of the scientific community in the development of PPP is invaluable in terms of ensuring continuity and strengthening institutional memory.

Science also “*could play a key role in furthering understanding of transformative pathways and partnerships needed for transformation*” (Horan 2019: 15). In addition “*the top universities, researchers and international institutions could take leadership on this problem and focus on bottleneck problems in transitions and recommendations about keystone partnerships to address them*” (Horan 2019: 15).

The scientific community can also become an active actor in the dissemination of knowledge and experience in the field of sustainable development, promote the training of qualified personnel, attract them for the implementation of practical tasks arising in the framework of the formation of a global partnership for sustainable development.

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## 7 Summary Remarks

Agenda 2030 has set ambitious goals for the world community, the achievement of which can change the lives of everybody in both developed and developing countries: improve the quality of life of people, create conditions for their self-realization, preserve the environment and resist climate change. It is not possible to achieve these goals without building global broad partnerships, which was reflected in both the MDGs (MDG 8) and the SDGs (SDG 17). To create such partnerships, it is necessary to ensure a common understanding of the SDGs and mechanisms for their achievement, as well as create an atmosphere of mutual understanding and respect among partners. Clarity on these issues will allow ensure a synergistic effect from multi-stakeholder partnerships.

A prerequisite for achieving the SDGs, especially in developing economies, is the availability of a sustainable, resilient, reliable and high-quality infrastructure in the field of life support. Creating such an infrastructure is challenging without the involvement of private business on PPP conditions. That is why PPP is one of the important mechanisms for building partnerships for sustainable development. An additional advantage of this mechanism is its orientation on achieving performance indicators for the infrastructure services provided. This allows the interests of all stakeholders (states/territories, business and population) to be taken into account under the partnership establishment and creates a basis for assessing the success of projects implemented in the PPP framework. If such performance indicators correlate with the global or national indicators of the SDGs, PPP becomes an effective mechanism for implementation of Agenda 2030.

The PPP mechanism exists and has been actively used in the world for more than a century. However, with the adoption of the SDGs, a new trend has emerged in its development and application. The vast majority of SDGs are focused on people and ensuring a high quality of life. As such, there is currently an increase in demand for private investments in projects that have a positive impact on the achievement of indicators of national SDGs, which resulted in such processes:

- Transition from a project approach to developing PPP programs focused on achievement of the SDGs.

- Creating and applying new innovative models that will make commercially unviable projects that are a priority for society, viable and attractive for private investment, and provide necessary guarantees in the event of political risks. One such model is the People First PPP. This model focuses on a wider range of criteria and includes those that create value for people and not just value for money. Accordingly, projects in this model are subject to assessment in terms of their impact on the quality of life of the population and, above all, the poor; ensuring the proper state of the environment of the planet; opportunities to live in peace, tranquility, and prosperity.
- Significant expansion of the range of actors involved in supporting sustainable development, in particular in the framework of PPP. Developing countries are more involved in a wider and more conscious manner, with the introduction in these countries of program-targeted approaches to achieving the SDGs and sharing with them the best experiences of those countries where sustainable development has already become the norm.
- Improvement of institutions, both at the level of individual states and at the inter-country (international) level, and their effective interaction in the framework of global and multi-stakeholder partnerships. Increasing requirements for the institutional capacity of representatives of public authorities and for the awareness of the population and business of the importance of the ideology of sustainable development, will allow to meet new global challenges.
- Development of new approaches to financing partnerships within PPP based on the optimal use of financial resources of private business, public budgets and ODA funds to create attractive conditions for PPP project implementation in depressive, conflict-prone and poor regions (through insurance of investment risks, provision of guarantees for cases of force majeure, assistance to countries in the development of their institutional and legal environment, etc.).

New trends in the development of PPP and their orientation towards achieving SDGs have led to a change in the roles of the subjects of such partnerships and to an increase in the relevance of involving of all stakeholders including employees, customers, suppliers, local communities and society at large in accordance with the principal “leaving no one behind” and ensuring inclusivity and equality in establishing cooperation among them. To achieve this, it could be recommended:

- *For public authorities:* ensure transparency on all stages of PPP project implementation, and dissemination of information on project’s impact on achievement of SDGs; respect the private business initiating the implementation of PPP projects aimed at achieving the SDGs; be more demanding of themselves in terms of professionalism and competence to be able to protect the publics’ interests.
- *For private business:* realize the need for building partnerships with public authorities and all stakeholders, including civil society institutions, in order to be able to understand the most critical problems faced by the population and formulate their own priorities in initiating infrastructure projects on PPP conditions accordingly.

- *For civil society institutions:* actively participate in supporting such partnerships by creating an atmosphere of mutual understanding and respect among all their stakeholders; influence the choice of priorities for the strategic development of a country/territory based on the needs of population and existing capabilities to meet them.

In this context, there is an extremely important role for the international community and scientists in fostering partnerships for SDGs. The international community can assist in the development of the institutional environment and strengthening the capacity of public authorities in developing countries, as well as in providing support for private business in the event of political risks. Scientists can ensure continuity and strengthening institutional memory, playing a key role in furthering understanding sustainable development and establishing partnerships needed for transformation. They can also become an actor in the dissemination of knowledge and experience in the field of sustainable development, providing training of qualified personnel, and taking part in the resolution of problems arising in the framework of the formation of global partnerships for sustainable development.

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