

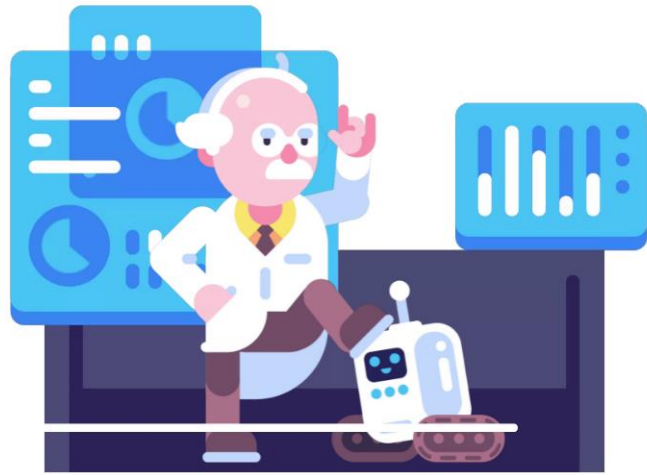
Incorporating ESGs into PPPs in Emerging Economies

Prof. I. Zapatrina,
PPP Academy, Ukraine
www.appp.com.ua

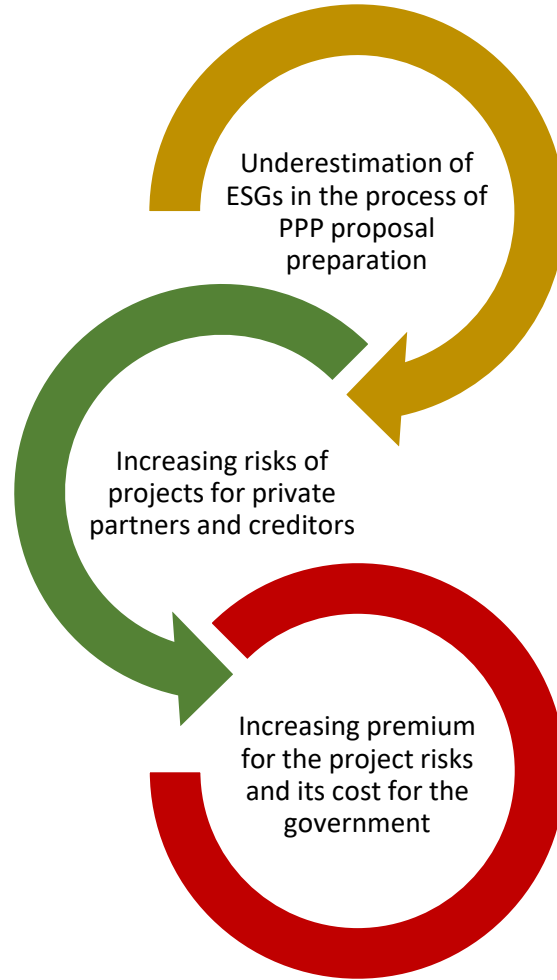
PPP Week, Istanbul - 2021



ESG evaluation in PPP projects



No,
it is very
expensive for
us !



Yes,
it is very
expensive as it
is very risky
for us !

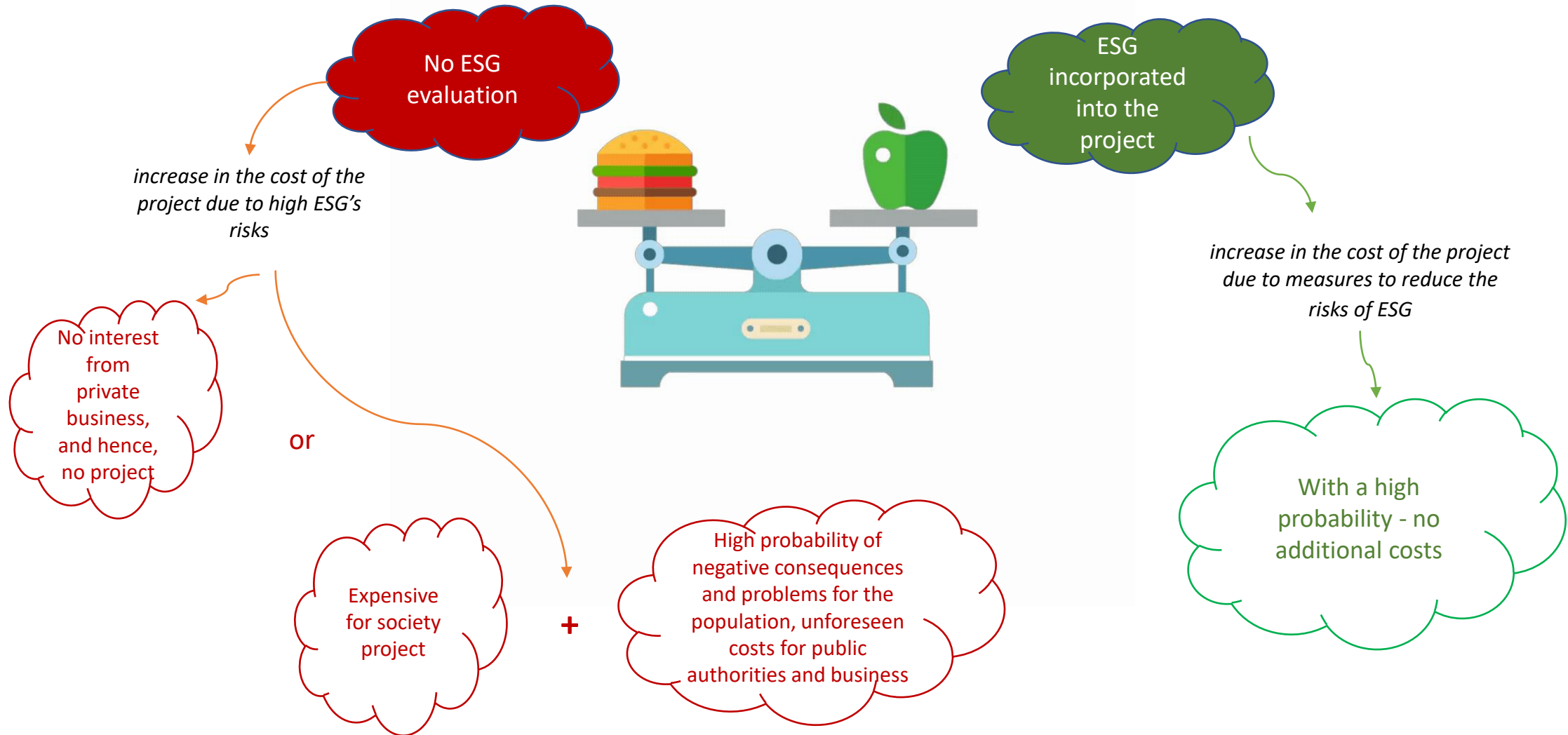
Reasons for underestimating the importance of evaluating ESGs in preparing a PPP proposal

- ❑ misunderstanding of the importance of incorporating ESG's evaluation into PPP projects
- ❑ increase in the cost of a project structuring and terms of its preparation
- ❑ increase in the cost of a project itself (the need to use more advanced technologies and methodological approaches)

The cost of preparing and implementing a project is being increased today (when I am here), and the effect of ESG's evaluation and incorporation in the project can be obtained either in the medium or in the long term (perhaps, without me on this position)



Making decisions in conditions of limited public finances and low effective demand of the population



Even if we say

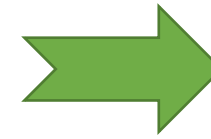
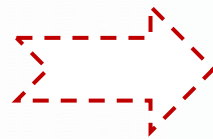


to ESG,

we still have problems ...

Environment & Climate Change

Evaluation of impact of PPP assets, but not on PPP assets



- Develop methodological approach
- Increase institutional capacity
- Implement statistical observations of potential sites for PPP assets

Social issues



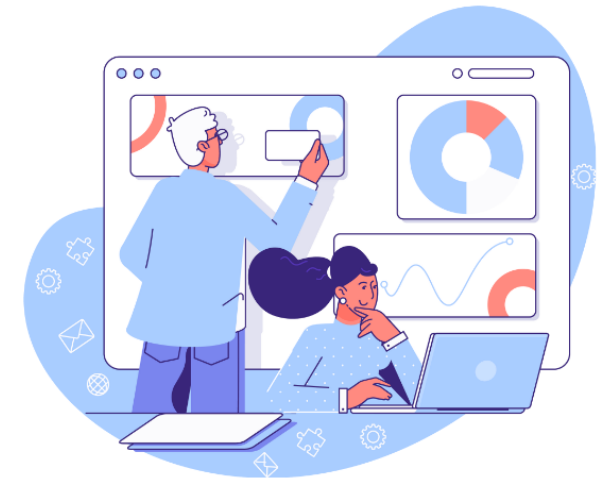
We have no practice to talk with people about a project 😞



Governance

There are still problems with:

- lack of competencies to solve complex problems
- organizing proper control over the fulfillment of public authorities' obligations
- lack of openness and unavailability of necessary information



Paving the way forward to incorporating ESGs in PPPs



- ❑ Dissemination of knowledge on the role of ESGs in infrastructure development among the public authorities and society
- ❑ Collection of localized data on climate risks
- ❑ Providing for understanding ESGs and reflecting social and environmental priorities in national infrastructure planning
- ❑ Strengthening financial incentives for investments in infrastructure with effective ESG's indicators in order to reduce the risks of private business (blended financing, preferential lending conditions, grant support, etc.)
- ❑ Restrictions on capital investment and government support of PPPs for infrastructure projects that are not effective in sense of ESG



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