



PUBLIC-PRIVATE PARTNERSHIPS (PPPS) TOWARDS ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE REPUBLIC OF NORTH MACEDONIA

Elizabeta HAMMOND*

* Faculty of Economics, Ss. Cyril and Methodius University in Skopje (UKIM), celizabeta@yahoo.com

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ABSTRACT

Public-private partnerships (PPPs) are essential for achieving the 2030 Sustainable Development Agenda's goals, including poverty reduction, climate action, and fostering prosperity and justice. By combining resources and expertise from both sectors, PPPs promote innovation, efficiency, and sustainability. They offer a comprehensive approach to addressing the interconnected challenges of the Sustainable Development Goals (SDGs) through collaboration, adaptable governance, and capacity building. Meanwhile, rapid technological advancements, particularly in artificial intelligence (AI), are driving significant disruptions and creating new markets. However, addressing the challenges posed by these advancements is crucial for maximizing their benefits. This paper underscores the critical role of transparency and accountability in evaluating the success of Public-Private Partnerships (PPPs) in North Macedonia. Emphasizing detailed evaluation methods can enhance partnership development, improve outcomes, and advance sustainable development goals. The paper aims to assess PPP effectiveness in North Macedonia and explore potential synergies between artificial intelligence (AI) and PPPs to innovate novel models capable of swiftly addressing global disruptions. Evaluation follows the framework outlined by Buse & Tanaka (2011) for evaluating Global Public-Private Health Partnerships, drawing lessons from ten years of experience and assessing three distinct PPPs. Based on the findings of this study, there's room for enhancing the efficiency and transparency of Public-Private Partnerships (PPPs) in North Macedonia. This could lead to a clearer comprehension of the effectiveness of current partnerships and identify areas for enhancement. Consequently, future research should prioritize exploring topics such as PPPs' transparency, contract execution methods, usage of AI and tendering processes.

Keywords: Public-private partnerships, evaluation, efficiency, transparency, SDGs

JEL Classifications: H11, Q01, Q56

1. INTRODUCTION

The concept of public-private partnerships (PPPs) has garnered significant attention as a pivotal mechanism for advancing the global sustainable development agenda by 2030. This agenda encompasses vital issues such as poverty alleviation, climate action, environmental preservation, economic prosperity, peace, and justice. Realizing these objectives demands collaborative endeavors from governments, the corporate sector, civil society, and individual citizens. Forward-thinking leadership within both public and private spheres has catalyzed the establishment of numerous PPPs, leveraging substantial funding from various foundations and governmental bodies alongside private sector resources. As PPPs evolve, the efficacy of their governance structures and strategies becomes paramount for maximizing partnership performance, oversight, and accountability (Buse & Tanaka, 2011, p.6).



Evaluation stands as a critical process for assessing these dynamics within partnerships. One prevalent critique directed at health partnerships, which may undermine the broader global initiative, revolves around inadequate investment in evaluation and decision-making frameworks aimed at enhancing efficiency and efficacy (Buse & Tanaka, 2011). Over the past two decades, evaluation has gained increasing prominence, emerging as a significant concern across government agencies, academic institutions, public organizations, and businesses, thereby fostering a wealth of knowledge spanning disciplines, professions, and nations (Saunders & Stame, 2017). Evaluation serves a dual purpose: gauging progress and ensuring accountability.

Primarily, evaluation serves to gauge the operational effectiveness of partnerships and pinpoint areas ripe for improvement. It also fosters internal and external accountability regarding resource utilization. Both facets - enhancement and accountability are pivotal in steering transformative processes and strategic decision-making, prompting many PPPs to undertake evaluations to underscore their accountability and uphold transparency (Saunders & Stame, 2017).

It's evident that the impact of different partnerships varies significantly. Many global partnerships have encountered setbacks and shortcomings in their pursuit of mission fulfillment. These challenges often stem from the intricate nature of partnerships involving diverse stakeholders, disparities in power distribution among roles, insufficient expertise at leadership levels, and flawed strategies and competencies. While such partnerships hold promise in addressing neglected societal issues, their complexity necessitates deeper comprehension and continuous refinement.

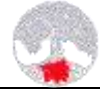
2. LITERATURE REVIEW

Sustainable development encompasses a multifaceted approach aimed at balancing environmental stewardship, economic progress, and social equity while preserving resources for future generations. This requires visionary leadership and innovative strategies seamlessly integrated into organizational frameworks. Such efforts promise transformative outcomes benefiting society, safeguarding the environment, and fortifying the resilience of businesses and communities.

However, achieving sustainable development demands collective action, fostering strong partnerships among governments, the private sector, and civil society. These alliances leverage diverse expertise, resources, and perspectives to tackle global challenges and drive meaningful change.

Central to this endeavor is continual evaluation and adaptation, allowing us to monitor progress, address emerging issues, and adjust strategies accordingly. Embracing a culture of learning ensures our efforts remain responsive and impactful, advancing sustainability goals effectively.

Ultimately, sustainable development presents a forward-looking vision, urging holistic thinking, collaborative action, and unwavering commitment to a future where prosperity, equity, and environmental integrity are tangible realities for all.



Evaluation, as defined by the United Nations Evaluation Group (UNEG), serves as a systematic, unbiased assessment of various activities, projects, and policies, analyzing their achievements and impacts across relevant criteria. It is crucial for gauging program quality, driving accountability, and informing improvements, especially in sectors like energy where Public-Private Partnerships (PPPs) play a significant role.

This paper seeks to analyze transparency and accountability in PPPs within North Macedonia's energy sector, comparing evaluation practices with global financial partnerships across climate, education, and health sectors. This research aims to address gaps in understanding PPP accountability and transparency, particularly in the context of energy initiatives.

To achieve this, the analysis will focus on evaluating PPP outcomes in North Macedonia's energy sector, systematically identifying common challenges and opportunities for improvement within these partnerships.

3. DATA AND METHOD

To gauge the transparency and accountability of Public-Private Partnerships (PPPs) in North Macedonia, we will scrutinize and assess their performance by examining any publicly accessible reports, if available. Our assessment methodology will be informed by the approaches and theoretical framework delineated in Buse & Tanaka's (2011) study on *Global Public-Private Health Partnerships: Insights from a Decade of Experience and Evaluation*. Additionally, we will draw insights from Bezanson and Eisenmann's (2012) research on *Managing New Global Partnerships: Addressing Challenges, Identifying Weaknesses, and Learning from Experiences*, which sheds light on management obstacles associated with emerging partnerships.

In the work of Buse & Tanaka (2011), they delve into four independent evaluations of Global Partnerships, offering key trends, contributions, and findings from evaluators. They also deliberate on enhancing PPP performance by distilling insights gleaned from a decade of experiential learning.

Our evaluation will encompass eight primary focus areas delineated in Buse & Tanaka's paper: Governance, Representation, Organizational Effectiveness, Ethics, Recipient Support, Sustainability, Impact, and Accountability. However, our analysis will specifically hone in on the following dimensions:

- Clarity of partnership vision and strategy
- Adequacy of legal safeguards
- Environmental ramifications of the partnership
- Dynamics among board members
- Outcomes for the target demographic

The assessments will be categorized based on the codes outlined in the table (Table 1):



Table 1: Partnership assessment codes

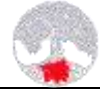
Partnership Evaluation Codes
1. Name of the PPP, sector it belongs to, and year and place of establishment.
2. The objective and strategy of the PPP (e.g., The partnership aims to strengthen national educational plans, improve aid efficiency, coordinate donor support, and encourage funding to achieve the goals of "Education for All").
3. Does the PPP have a well-defined strategy (related to the previous question)?
4. Does the PPP board of directors participate in making most of the partnership's long-term decisions (i.e., does not engage in micro-management)?
5. What are the mutual relations and collaboration among the members of the PPP board of directors?
6. Does the PPP frequently publish performance data and results of its operations?
7. Are the stakeholders of the PPP formally represented on the PPP Board? (e.g., groups with special interests, such as teachers or patients, if priority is given to teachers, there should be teachers on the board).
8. Does the PPP have adequately defined roles and responsibilities for partners?
9. Does the partnership properly identify and support projects/interventions? (Does it select the right projects and support them well, e.g., focusing resources on geographic areas in need of assistance and financing them to better serve citizens...)
10. Are the projects/interventions of the PPP cost-effective?
11. Does the PPP have appropriate mechanisms for resolving conflicts of interest if they arise within the partnership?
12. Does the PPP create positive outcomes for the target population? (e.g., improving the health of citizens if the PPP is from the health sector)
13. Does the partnership impact the achievement of sustainable development goals?
14. Is the partnership accountable to the target population? (e.g., if the target population is citizens, to be responsible for them...)

No reports have yet been published on the operations of Public-Private Partnerships (PPPs) in the Republic of North Macedonia. To gather data on these operations, a tailored questionnaire was distributed to PPPs to collect information for analyzing various aspects of PPPs in the energy sector.

In order to systematically comprehend the responsibilities, transparency, and common challenges encountered by PPPs, the evaluation will categorize findings related to the strategy, vision, and objectives of the partnership, as well as management, representation, organizational efficiency, ethics, recipient support, sustainability, impact, and accountability into favorable, unfavorable, or unspecified.

PPPs can be established in the following forms:

- Concession for public works
- Concession for public services
- Agreement for public works



- Agreement for public services

A total of 43 PPPs have been registered in the Republic of North Macedonia from 2012 to 2023. However, not all partnerships remain active throughout their operations. Based on the agreements listed for establishing PPPs in the country, these partnerships can be grouped into four categories:

1. PPPs with agreements that haven't commenced operations yet.
2. PPPs with agreements that have commenced operations but are unfinished or interrupted.
3. PPPs with agreements that have commenced operations but encounter issues.
4. PPPs with agreements that are operational or have completed operations with satisfactory outcomes.

Since reports detailing the activities and outcomes of Public-Private Partnerships (PPPs) in the Republic of North Macedonia are not publicly accessible, and data for analysis using the mentioned framework is unavailable, we distributed questionnaires and conducted interviews with four PPPs: The Complex Aqua Spa Center, Public Lighting PPP in the Municipality of St. Nikole, Public Lighting PPP in the Municipality of Češinovo-Obleševo, and PPP for constructing small hydroelectric power plants on water supply pipelines from Kalin Kamen and Stanechka River. Our focus in this study lies on three PPPs from the energy sector: Public Lighting PPP in the Municipality of St. Nikole, Public Lighting PPP in the Municipality of Češinovo-Obleševo, and PPP for constructing small hydroelectric power plants on water supply pipelines from Kalin Kamen and Stanechka River. The Aqua Spa Center partnership is excluded from detailed analysis due to its discontinued operation and insufficient data. (Registry of awarded contracts for establishing public-private partnerships, n.d.)

Subsequently, this section will individually describe the four energy sector PPPs in the Republic of North Macedonia and categorize them based on their operations.

PPPs that have not started with their operations:

The Aqua Spa Center Complex in Kochani operates under a public-private partnership (PPP) agreement involving the design, financing, construction, management, and operation of the Spa Center, alongside the management of sports and commercial facilities. The agreement, established on June 26, 2018, involves the private partner Mesmon Dooel Kochani and the public partner Municipality of Kochani, with a duration of 30 years.

The contracted annual compensation stands at 10,010.00 EUR, with the total contract value reaching 1,333,167.57 EUR. Interviews were conducted with current mayor Ljupcho Papazov and former mayor Ratko Dimitrovski, who outlined the objective of constructing a modern Spa Center, utilizing nearby hot mineral water resources. However, a thorough analysis revealed two significant obstacles hindering the partnership's realization:

Firstly, the existing Detailed Urban Plan (DUP) did not align with the proposed facility, as the designated area was earmarked for parks and green spaces. Discussions ensued regarding the possibility of amending the DUP to accommodate the Spa Center.

Secondly, the private partner, Mesmon Dooel, lacked the necessary capacity and experience to engage in the investment, posing a substantial challenge to the partnership's viability.



Upon joint consideration by both public and private stakeholders, it was decided that the PPP would not proceed, leading to the discontinuation of further investigation into this partnership.

PPPs as agreements that have commenced operation but are unfinished or terminated:

The Public-Private Partnership (PPP) established for the reconstruction, modernization, and upkeep of public lighting in St. Nikole Municipality was initially entered into on September 27, 2012. The agreement involved St. Nikole Municipality as the public partner and City Light Import Export - Struga as the private partner, spanning a duration of 13 years. The compensation outlined for this collaboration amounted to 77,092,200.00 denars. However, the contract was prematurely terminated on August 7, 2013, merely a year after its inception.

Following discussions with the current mayor of St. Nikole, Dejan Vladev, it was revealed that City Light promptly received the full compensation of 77,092,200.00 denars. Subsequently, they proceeded to replace traditional streetlights with energy-efficient alternatives. Despite an initial intent to improve efficiency, it became apparent that this approach was neither economically nor operationally viable. Consequently, the municipality initiated legal action against City Light, advocating for contract termination, reimbursement of incurred expenses, and the return of remaining funds.

City Light contested the proposal, leading to the termination of the contract on August 7, 2013. Subsequently, a legal battle ensued, spanning until 2023, culminating in a favorable verdict for the state, specifically the municipality of St. Nikole. As a result, the municipality regained control of the funds. With these recovered resources, plans are underway to expand and modernize the existing lighting infrastructure.

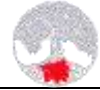
PPPs as agreements that have started operation, are ongoing but with problems:

Utilizing the ESCO model, a Public-Private Partnership (PPP) was initiated on February 21, 2020, within the Municipality of Češinovo-Obleševo. Spanning 6 years and 72 months, valued at 27,288,926.62 denars, the endeavor engages the municipality as the public partner and Makedonski Telekom - Joint Stock Company for Telecommunications in Skopje as the private partner. An integral clause in the agreement stipulates that the infrastructure installed through the PPP will revert to the ownership of the public partner upon contract culmination.

In a discussion with Dalibor Angelov, Mayor of Češinovo-Obleševo, it was elucidated that Telekom has implemented monitoring software from Skopje for lighting regulation.

The majority of the lighting infrastructure constitutes "smart" systems, interconnected with an intelligent analyzer capable of overseeing and controlling a section of street lighting, powered by the same cabinet and external sensors. Equipped with an astronomical clock and a photosensor, the analyzer facilitates nocturnal light intensity reduction, bolstering security measures. Upon the contract's expiry, the installed equipment transitions to the possession of the Municipality of Valandovo. For the comprehensive service, the municipality remits 378,000 denars to Telekom, the private partner.

Although not initially apparent, a subsequent challenge surfaced - the necessity for service from an external city, posing potential discontent.



PPPs as agreements that are ongoing or satisfactorily completed:

A prime illustration of a Public-Private Partnership (PPP) is exemplified by the concession granted for public works - the establishment of small hydro power plants along the water supply pipelines originating from Kalin Kamen and Stanechka River.

These plants facilitate the provision of potable water to the populace in the Kriva Palanka municipality. In this PPP venture, the public partner is the Public Utility Company of Kriva Palanka, while the private partner is DPTU Hydro Osogovo LLC Skopje. This partnership was formalized on August 24, 2012, in Kriva Palanka, with a contractual period of 30 years and a value of 1,250,000.00 EUR. Notably, this PPP contributes 17% to the overall revenue derived from annual electricity production. Data regarding this collaboration were sourced from the Secretary of the Municipality of Kriva Palanka, Martin Nikolovski.

Table 2 below encapsulates summarized findings from the assessment of three PPP initiatives - City Light, Macedonian Telecom, and PPP DPTU Hydro Osogovo, geared towards constructing small hydropower plants. These results are categorized based on responses indicating favorability, unfavorability, or lack of specification for conducting the evaluation.

Table 2: Codes for partnership's evaluation

Partnership Evaluation Codes	PPP City Light	PPP Macedonian Telecom	PPP DPTU Hydro Osogovo for the construction of small hydro power plants
1. Name of the PPP, sector it belongs to, and year and place of establishment.	favorable	favorable	favorable
2. The objective and strategy of the PPP (e.g., The partnership aims to strengthen national educational plans, improve aid efficiency, coordinate donor support, and encourage funding to achieve the goals of "Education for All").	favorable	favorable	favorable
3. Does the PPP have a well-defined strategy (related to the previous question)?	unfavorable	unfavorable	favorable
4. Does the PPP board of directors participate in making most of the partnership's long-term decisions (i.e., does not engage in micro-management)?	not specified	not specified	favorable
5. What are the mutual relations and collaboration among the members of the PPP board of directors?	unfavorable	not specified	favorable
6. Does the PPP frequently publish performance data and results of its operations?	not specified	favorable	favorable
7. Are the stakeholders of the PPP formally represented on the PPP Board? (e.g., groups with special interests, such as teachers or patients, if priority is given to teachers, there should be teachers on the board).	unfavorable	not specified	favorable
8. Does the PPP have adequately defined roles and responsibilities for partners?	unfavorable	favorable	favorable
9. Does the partnership properly identify and support projects/interventions? (Does it select the right projects and support them well, e.g., focusing resources on geographic areas in need of assistance and financing them to better serve citizens...)	not specified	not specified	favorable
10. Are the projects/interventions of the PPP cost-effective?	unfavorable	not specified	favorable
11. Does the PPP have appropriate mechanisms for resolving conflicts of interest if they arise within the partnership?	unfavorable	favorable	favorable
12. Does the PPP create positive outcomes for the target population? (e.g., improving the health of citizens if the PPP is from the health sector)	not specified	favorable	favorable
13. Does the partnership impact the achievement of sustainable development goals?	not specified	favorable	favorable
14. Is the partnership accountable to the target population? (e.g., if the target population is citizens, to be responsible for them...)	unfavorable	favorable	favorable



4. EMPIRICAL ANALYSIS

Failure to conduct an initial analysis of the purpose, strategy, and potential of both the public and private sectors involved in a Public-Private Partnership (PPP) before finalizing the contract and beginning operations.

Both City Light and Macedonian Telecom lack clearly defined strategies for their Public-Private Partnerships (PPPs), despite theoretical descriptions aligning with initial evaluation criteria. City Light's oversight of project viability led to a lack of appropriate cost-effectiveness analysis, resulting in an uneconomical and unprofitable intervention. Legal proceedings ensued against the private partner, proposing contract termination with repayment of actual costs and remaining funds to the municipality. Disagreement led to contract termination in 2013, with legal proceedings lasting until 2023, concluding in favor of the municipality.

In contrast, Macedonian Telecom, while having a clear strategy, overlooked long-term considerations, notably the need to extend services to Skopje. This led to delayed intervention and municipality dissatisfaction. Such unforeseen obstacles highlight the importance of comprehensive planning.

Regarding the PPP for the AQUA SPA Center, post-contract analysis revealed obstacles, notably the Detailed Urban Plan (DUP) issue. The private partner's unpreparedness raises questions about preliminary analyses preceding contract conclusions.

Successful PPPs hinge on well-defined goals, strategies, and thorough analysis prior to agreement. Clear objectives and feasibility studies prevent unprofitable ventures, legal disputes, and operational issues, emphasizing the necessity for comprehensive pre-agreement examination to ensure sustainable and efficient partnerships.

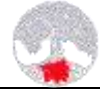
Lack of established mechanisms for resolving conflicting interests among members of the Public-Private Partnership (PPP).

The examples provided highlight the often strained relationships among members of Public-Private Partnerships (PPPs). In the case of City Light, the initiation of legal proceedings against the private partner by the municipality underscores the lack of collaborative and positive relations between the partners. The resort to legal action indicates the absence of mechanisms for resolving conflicting interests within the partnership. Similarly, in the PPP involving the AQUA SPA Center, both partners acknowledged the inability to commence operations, reflecting an instance where mutual agreement was reached.

In the instance of the PPP with Macedonian Telecom, despite the emergence of issues such as the need for intervention from another city leading to dissatisfaction from the municipality, the situation concluded satisfactorily. However, specific mechanisms for finding appropriate solutions to such challenges are not explicitly outlined.

The absence of thorough evaluation of Public-Private Partnerships (PPPs) has significant implications for accountability and transparency.

The absence of published reports on the operation of Public-Private Partnerships (PPPs) presents a significant challenge. Despite the existence of PPPs dating back to 2013, there has been no comprehensive assessment of their success or impact on Sustainable Development



Goals. This lack of evaluation suggests a minimal focus on assessment and a deficient monitoring system to track progress and effectiveness. As a result, there is a glaring lack of accountability and transparency, highlighting the urgent need for a robust framework for evaluation and reporting.

Transparency within partnerships is crucial for various reasons. It helps prevent duplication, identifies operational gaps, and offers constructive feedback to optimize impact. Transparent reporting of success can also incentivize partners to fulfill their obligations and create a competitive environment for attracting donor support. Kusek and Rist (2004) identified three main pillars of transparency:

1. Implementation of an information dissemination system to track partnership progress.
2. Establishment of a website for sharing publicly available information.
3. Implementation of a monitoring mechanism with defined standards (indicators and measures) to assess partnership goals achievement.

The relationship between transparency and accountability is clear, as accountability relies on access to information regarding partnership performance and progress. Therefore, enhancing transparency through effective reporting mechanisms is essential for ensuring accountability and maximizing the effectiveness of PPPs.

In some Public-Private Partnerships (PPPs), there's insufficient accountability and a failure to generate positive outcomes for the target population.

In the case of the PPP involving City Light, despite receiving funds totaling 77,092,200.00 denars to replace conventional streetlights with energy-efficient bulbs, the intervention was deemed neither economical nor profitable by the municipality. This led to legal proceedings against the private partner. While the PPP aimed to provide energy-efficient bulbs for citizens, its lack of cost-effectiveness resulted in negative outcomes.

Conversely, PPPs such as those with Macedonian Telecom and DPTU Hydro Osogovo for small hydroelectric power plant construction have yielded overall positive outcomes for the respective municipalities' citizens.

Public-Private Partnerships (PPPs) serve as crucial mechanisms for achieving Sustainable Development Goals (SDGs).

In both positive examples involving Macedonian Telecom and the PPP DPTU Hydro Osogovo for constructing small hydroelectric power plants, which yield overall positive outcomes, they inherently contribute to achieving sustainable development goals related to sustainable energy production and environmental protection.

The PPP - DPTU Hydro Osogovo stands out as a successful example of a Public-Private Partnership (PPP).

The DPTU Hydro Osogovo project, focusing on the construction of small hydroelectric power plants along water supply pipelines from Kalin Kamen and Stanechka River, stands as a prime example of a successful Public-Private Partnership (PPP). According to data sourced from the Secretary of the Municipality of Kriva Palanka, Martin Nikolovski, this partnership yields 17%



of the total revenue from annual electricity production. Evaluating against our framework, this PPP aligns with most criteria in our analysis. It serves as a model due to its effective operation, positive impact on the target population, contribution to sustainable development goals, and implementation of internal regulatory measures.

AI and PPPs

AI development has been focused on extracting large amounts of labeled data, analyzing the data for correlations and patterns, and using these data to produce large language models and developing the algorithms necessary to exploit these models.

It holds significant importance due to its capacity to transform our lifestyles, workplaces, and recreational activities. Its application in the business realm has proven effective in automating various tasks traditionally performed by humans, such as customer service, lead generation, fraud detection, and quality control. In numerous domains, AI exhibits superior performance compared to humans, particularly in handling repetitive and detail-oriented assignments. For instance, when tasked with analyzing extensive sets of legal documents to ensure accurate completion of relevant fields, AI tools often demonstrate efficiency by swiftly completing tasks with minimal errors. The ability of AI to process vast datasets also enables enterprises to gain insights into their operations that might have otherwise gone unnoticed.

AI and PPPs as mechanism for tackling rapidly emerging new, complex and challenging problems.

Public-private partnerships are mechanisms the public sector has used to bring together entities to promote progress, reduce risk, and address priority societal issues. Such partnerships can help pull ideas forward when they are beyond existing market forces, where co-investment or risk-sharing can make the difference, or where hard AI problems will limit overall long-term progress.

New Models of Public-Private Partnership

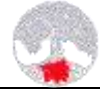
Example: The U.S. Tax System's Cybersecurity Partnership Model

New collaborative models of public-private partnership could represent one pathway to intervene with action, sooner rather than later, while traditional public policy channels sort things out. One innovative and successful example came in recent years in dealing with serious cyber threats to the integrity of the U.S. tax system.

AI-Driven Tender Responses

From a technological point of view, AI development up to now has been focussed primarily on extracting data to produce large language models and developing the algorithms necessary to exploit these models. 75% of procurement professionals believe that AI will play a significant role in the procurement process in the next five years. Additionally, 44% of procurement professionals believe that AI will be used to evaluate tender responses.

AI tools can help to analyse the tender documents and extract important information such as the participants's requirements and evaluation criteria. Artificial intelligence can also contribute to the analysis of the strengths and weaknesses of the candidates, expediting the tendering



process in evaluating Public-Private Partnerships (PPPs). Following the collection of data, AI may further assist in conducting assessments for partnerships, with the potential for subsequent publication. (Nathan,2023)

5. CONCLUSION

Public-private partnerships (PPPs) play a vital role in advancing the global agenda for sustainable development by 2030. Their efficiency and effectiveness significantly influence sustainable development goals. In North Macedonia, enhancing transparency and efficiency in PPPs requires strengthening reporting systems and initiating regular publication of operational reports. This would improve accessibility to evaluation findings and bolster monitoring mechanisms, thereby fostering transparency, accountability, and reducing duplicative efforts.

A key issue is the lack of pre-agreement analysis of PPP goals and strategies. Unclearly defined goals and strategies lead to premature partnership terminations, exemplified by the Aqua Spa Center Complex case. Specific accountability measures are lacking, resulting in ad hoc PPP implementations and a dearth of objective oversight.

Furthermore, PPPs suffer from inadequate conflict resolution mechanisms among members, as evidenced by the City Light case. Instead of reaching compromise, partners resort to legal proceedings when faced with unprofitable investments.

Notably, some PPPs in the energy sector fail to produce positive outcomes for the target population or achieve sustainable development goals, contrary to their purpose. For instance, City Light's poorly conducted initial analysis renders its operation installing energy-efficient streetlights economically unviable.

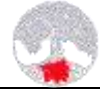
In conclusion, there is considerable room for enhancing PPP operations in North Macedonia's energy sector. Improved transparency, accountability, and pre-contract analysis of PPP goals and potential are essential. Ultimately, the effectiveness of PPPs should be measured by their ability to generate positive outcomes and advance sustainable development goals.

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