



Public-Private Partnerships for Urban Infrastructure: The Potential Benefits and Risks

Concept Note for the June 7, 2016 Convening

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Background

There has been a significant level of activity at the UN with respect to multi-stakeholder partnerships (MSPs) for development. The focus on partnerships goes back at least to the Earth Summit in 1992, with several other major milestones including the UN Global Compact (focused on partnerships between the UN and the business community) in 2000, the first General Assembly (GA) resolution on “Towards global partnerships” in 2000 and its evolution on a biennial basis since 2001, the creation of the United Nations Office of Partnerships (UNOP) in 2006, the ECOSOC Partnership Forum taking place since 2008, and more recently partnerships in the context of Rio+20, and most significantly, the 2030 Agenda for Sustainable Development and the SDGs.

In thinking about experience with and the potential of MSPs, it is important to distinguish between partnerships in which the UN is directly involved and those among other parties. Another vital consideration is the geographic level of partnerships, ranging from global to national to regional or local. MSPs have been created for a wide range of purposes.

In the current context focusing on (1) the implementation of the Sustainable Development Goals (SDGs), and (2) the adoption of the New Urban Agenda later this year at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), one type of partnership is particularly relevant and important: public-private partnerships (PPPs) for the development and/or management of infrastructure and basic services at the city/regional level in developing countries.

These PPPs distinguish themselves from MSPs as the UN thinks of them because they are generally contractual agreements between one or more local/regional governments and, principally, private business partners. In some cases they may also involve civil society organizations and/or foundations. Such contractual partnerships may need to adhere to national guidelines/protocols. Similarly, while it may be useful to follow UN guidance and principles, these PPPs do not fall under UN auspices. Therefore there is a need to develop PPP guidelines and protocols separate from the MSP discussions and negotiations at the UN.

Advancing the conversation on PPPs

There is both tremendous enthusiasm for and skepticism about the role and impact of PPPs for sustainable urbanization. The high level of interest is due both to the emphasis on partnerships in the 2030 Agenda for Sustainable Development and to the sheer magnitude of urban infrastructure investment requirements in developing countries. Among the potential benefits of PPPs to governments put forth by proponents are access to: private capital where public financing is unavailable or insufficient, advanced technologies from leading global businesses, and management expertise that may not exist locally. The potential benefits to businesses include access to markets as well as understanding of local needs, expectations, and political conditions/constraints.

On the other hand, skeptics of PPPs point to a number of potential risks/challenges for governments: distortion of the public agenda, loss of local control over critical infrastructure and services, and co-option of government or civil society partners; commoditization of commons; lack of strong local legal/regulatory frameworks and the need for institutional capacity-building; lack of transparency and accountability, including the need for improved monitoring and evaluation; inadequate investment in maintenance; and displacement of public employees,

It is in this contentious context that the Communitas Coalition (whose core partners are ICLEI - Local Governments for Sustainability, nrg4SD - Network of Regional Governments for Sustainable Development, Tellus Institute, and UN-Habitat) is convening a multi-stakeholder workshop on **Public-Private Partnerships for Urban Infrastructure: The Potential Benefits and Risks**.

The convening will include a panel of leading thinkers and practitioners in which a range of views on PPPs for urban infrastructure will be presented, followed by a facilitated discussion with governments, partnership staff from UN Agencies and Programs, non-governmental organizations, academic researchers, development institutions and the private sector. The convening will provide a venue for a frank exchange of views on the potential benefits and risks of PPPs for urban infrastructure with the aim of identifying the conditions under which such partnerships can be beneficial for cities and regions, particularly in developing countries where the conditions for PPPs pose considerable challenges. The agenda for the convening is attached.

Note that the ultimate goal of this proposal is to contribute to the identification of a set of principles for PPPs for implementing the SDGs and the New Urban Agenda. Such principles could be officially presented on the occasion of the Habitat III Conference and hence be offered as a "tool" for implementation.

Following the meeting the Communitas Coalition will prepare and circulate a brief Outcomes Report on the convening, including a discussion of the key benefits and risks/ challenges along with suggestions for key principles identified that local and regional governments should bear in mind in developing and implementing successful PPPs for urban infrastructure projects or services.