



## Public-Private Partnerships for Urban Infrastructure

Organized by: **Communitas Coalition**

(ICLEI – Local Governments for Sustainability, NRG4SD – Network of Regional Governments for Sustainable Development, UN-Habitat, Tellus Institute)

Tuesday, October 18, 2016  
14:00-15:00

World Stage by Next City  
Casa de la Cultura Ecuatoriana, Quito, Ecuador  
(Habitat III main conference site)

### Session Overview

This session will present a range of perspectives on public-private partnerships (PPPs) for urban infrastructure and discuss a set of Draft Principles for PPPs aimed at enhancing local and regional governments' understanding of and capacity for dealing with PPPs.

### Background

Cities and sub-national governments are on the front lines for implementing the Sustainable Development Goals (SDGs), and the New Urban Agenda, but coming up with the resources to finance implementation – estimated at trillions of dollars per year globally – is a critical challenge facing all levels of government.

Public-private partnerships (PPPs) have been touted as a key mechanism for accessing private capital in support of implementation, particularly for the development and/or management of infrastructure and basic services at the city/regional level in developing countries.

PPPs are generally contractual agreements between one or more local/regional governments and, principally, private business partners. 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 multi-stakeholder partnership (MSP) discussions and negotiations at the UN.

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 and revenue streams, 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-optation 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 hidden or “off-book” accounting treatment of PPP-related debt; the need for improved monitoring and evaluation; inadequate investment in maintenance; and displacement of public employees.

It is in this contentious context that on June 7, 2016 the Communitas Coalition convened a workshop on Public-Private Partnerships for Urban Infrastructure: The Potential Benefits and Risks (see: <http://communitascoalition.org/partnerships/>). The convening included a panel of leading thinkers and practitioners in which a range of views on PPPs for urban infrastructure was presented, followed by a facilitated discussion with various stakeholders. It provided 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. Based on the June 7 convening, the Communitas Coalition developed a set of **Draft Principles for PPPs** for local/regional authorities considering PPPs for urban infrastructure.

### **Habitat III Event - Public-Private Partnerships for Urban Infrastructure**

At the World Stage at Habitat III in Quito, Communitas will hold a follow-up workshop to share the Draft Principles for PPPs and generate a broad dialogue on how city and sub-national governments can minimize the risks of PPPs and maximize their benefits. The session will include: one or more speakers from local/regional governments that have engaged in PPPs, NGO/labor representative with a critical perspective on PPPs, and the Communitas Research Director who will present the Draft Principles for PPPs and initiate an active dialogue with participants.

