
**PUBLIC-
PRIVATE
PARTNERSHIPS**

**GLOBAL
CAMPAIGN
MANIFESTO**

SOUNDING THE ALARM ON DANGEROUS PUBLIC-PRIVATE PARTNERSHIPS (PPPs)

We, 152 national, regional and international civil society organisations, trade unions and citizens' organisations from 45 countries, are increasingly alarmed by the growing use of PPPs around the world.

What is a 'Public Private Partnership?'

PPPs are essentially long-term contracts, underwritten by government guarantees, under which the private sector builds (and sometimes runs) major infrastructure projects or services traditionally provided by the state, such as hospitals, schools, roads, railways, water, sanitation and energy.

PPPs are promoted by many G20 governments, and some public development banks – such as the World Bank – as the solution to the shortfall in financing needed to achieve the Sustainable Development Goals. Since the late 1990s, some countries including the United Kingdom, Portugal and Hungary have embraced PPPs ranging from healthcare and education to transport – with troubling consequences. They have been less common in the global South - but that is changing rapidly, with many countries in Latin America, Asia, and Africa now passing enabling legislation and initiating PPP projects.

The experience of PPPs has been overwhelmingly negative and very few PPPs have delivered results in the public interest. Common problems include:

THE THREAT TO PUBLIC FINANCES: PPPs are often expensive and high risk

PPPs are, in most cases, the most expensive method of financing. They cost governments - and hence citizens - significantly more in the long run than if the projects had been directly financed through government borrowing. Yet, they are attractive because they can be hidden 'off balance sheet' so they don't show up in the budget and government debt figures, giving the illusion of 'free money'. Also, despite claims to the contrary, PPPs are often riskier for governments than for the private companies involved, as the government may be required to step in and assume the costs if things go wrong. For example:

- A PPP hospital in Lesotho costs three times more than the public hospital it replaced – US\$67 million per year – eating up more than half the public health budget.
- The St Bartholomew's Hospitals PPP in the UK involved initial investment by the private sector of £1.149 billion, but has left the public sector having to pay six times more – £7.194 billion – between 2007 and 2048. These very high costs have necessitated cuts in health services and quality of care provided by the local health authorities.

- In Liberia, the PPP contract with Bridge International Academies, a commercial chain of school backed by the World Bank, costs 13 to 21 times more than government schools, and students were expelled en masse from their original schools.

THE THREAT TO EQUALITY: PPPs generally fail to address the gender gap, or the increasing divide between rich and poor

PPPs risk fostering inequality by profiting those who are already wealthy – i.e. asset holders who invest in and profit from PPP projects – whilst simultaneously extracting wealth from those who are already poor and vulnerable, including women. The more governments pay to private firms, the less they can spend on essential and gender responsive social services, such as universal social protection, which are vital to realise women’s rights. Furthermore, PPPs often come with new or increased fees for users of services. For example:

- The high costs of PPPs in Tanzania’s electricity system were pushed onto consumers, increasing energy tariffs by 40 percent in just one year;
- The PPP for tertiary care rolled out in Karnataka, southwest India, suffered from poor governance, accountability and grievance redressal mechanisms, with rapidly declining access to services for patients below the poverty line.

THE THREAT TO DEMOCRACY: PPPs increase risks of corruption and reduce the capacity of governments to regulate in the public interest

PPP contracts are extremely complex. Negotiations are covered by commercial confidentiality, making it hard for civil society and parliamentarians to scrutinise them. This lack of transparency significantly increases the risk of corruption and undermines democratic accountability. For example:

- In Australia, an Independent Commission against Corruption found that politicians unlawfully influenced a decision on a water PPP so that AUS\$60m of state money was siphoned off to a minister, his family, and associates;
- The Brazilian construction company Odebrecht paid bribes to government officials in a dozen Latin American countries. The cost of a PPP road linking Brazil and Peru rose from US\$800m to US\$2.3bn through corruptly secured renegotiation processes.

In addition, PPP contracts often undermine the right and obligation of the state to regulate in the public interest. PPPs can limit the capacity of governments to enact new policies – for example strengthened environmental or social regulations – that might affect particular projects. In addition, PPPs further threaten national democracy because PPP contracts tend to favour opaque and unaccountable international adjudication rather than local or national courts, without considering the drawbacks of these investor-state dispute settlement (ISDS) systems. Under World Bank-proposed PPP contracts, the state can even be liable for costs from strikes by workers.

- In Manila, after private water operator Manila Water Company (MWC) raised water rates by 845 percent, the public regulator rejected yet another rate hike. The MWC took the public regulator to arbitration at the International Chamber of Commerce. The arbitration panel rejected MWC's rate hike and the MWC is now seeking US\$1.79 billion in compensation from the government for projected revenue losses. Despite this, the World Bank has promoted the project as a success.

THE THREAT TO FUNDAMENTAL RIGHTS: PPPs can result in the abuse of human, social and environmental rights

PPPs are now a popular way to finance 'mega-infrastructure projects', but dams, highways, large-scale plantations, pipelines and carbon-intensive energy infrastructure can wreck habitats, displace communities and destroy natural resources such as lakes and rivers. PPPs have also led to forced displacement, repression and other abuses of protestors, local communities and Indigenous Peoples. For example:

- the Bujagali Dam – a US\$860m PPP project in Uganda jointly financed by the African Development Bank, the European Investment Bank and the World Bank – has damaged Lake Victoria and the livelihoods of local people.

There are also growing numbers of dirty energy PPPs, involving oil, gas, coal and waste to energy incineration, all of which contribute to climate change. And social and environmental legislation is increasingly being weakened in order to create 'competitive' business environment for PPPs.

What are we calling for?

We urge the World Bank, the International Monetary Fund and other public development banks, together with the governments of wealthy countries, to:

- Halt the aggressive promotion and incentivising of PPPs for social and economic infrastructure financing, and publicly recognise the financial and other significant risks that PPP entail.
- Support countries in finding the best financing method for public services in infrastructure, which are responsible, transparent, environmentally and fiscally sustainable, and in line with their human rights obligations.
- Prioritise domestic resources to provide efficient and accountable public services, whilst augmenting them with long-term concessional and non-concessional finance.
- Ensure that high transparency standards apply, particularly with regard to accounting of public funds, and disclosure of contracts and performance reports of social and economic infrastructure projects.

Finally, we urge all those concerned with justice, equality, sustainability and human rights to resist the encroachment of PPPs and to push instead for high-quality, publicly-funded, democratically-controlled, accountable public services. The wellbeing of our communities and societies depends on it.

List of signatories

1. 11.11.11
2. ActionAid International
3. Africa Network for Environment and Economic Justice
4. African Forum and Network on Debt and Development (AFRODAD)
5. African Law Foundation
6. Alliance Against Conflict of Interest
7. Ambiente y Sociedad Colombia
8. APIT Portugal (Tax and Customs Inspectors Trade Union)
9. Arab NGO Network for Development (ANND)
10. Asian Peoples Movement on Debt and Development
11. Asociación de Usuarios del Agua de Saltillo
12. Asociación Gremial Obreros empleados de Ceamse
13. Asociación Nacional de Industriales de Transformación A.C. (ANIT)
14. Asociación Sindical de Servidores Públicos del Ministerio de Defensa, Fuerzas Militares, Policía Nacional (ASODEFENSA)
15. Attac France
16. Baby Food Action Network
17. Bangladesh Women Welfare Workers Union
18. Berliner Wassertisch
19. Both ENDS
20. Brazilian network for peoples integration (REBRIP)
21. Breastfeeding Promotion Network of India
22. BRICS Policy Center
23. Centre for Human Rights and Climate Change Research
24. Centro de Iniciativas en Políticas Ambientales
25. Centro de los Derechos del Campesino
26. Centrale générale des Services publics – Administrations Locales et Régionales (CGSP ALR)
27. Centrale générale des Services publics – Administrations & Ministères (CGSP AMIO)
28. Citizens' Initiative for the non privatisation of Water in Greece
29. CNCD-11.11.11
30. Collectif des Associations Citoyennes (CAC)
31. Collectif des ONG pour la Sécurité Alimentaire et le Développement Rural
32. Community & Public Sector Union
33. Comisión Nacional Enlace
34. Comité Defensor del Patrimonio Histórico, Cultural y Ambiental de Puebla
35. Consejo Laboral Afrocolombiano (CLAF)
36. Coordinadora Civil
37. Corner House UK
38. Corporate Accountability International
39. Council for the Regulation of Freight Forwarding in Nigeria
40. Counter Balance
41. Debt and Development Coalition Ireland
42. Debt Justice Norway
43. Democratic Nursing Organisation of South Africa
44. Derecho Ambiente y Recursos Naturales (DAR)
45. Development Alternatives with Women for a New Era (DAWN)
46. Diálogo 2000 - Jubileo Sur Argentina
47. East African Centre for Human Rights (EACHRights)
48. Eau Secours 34
49. Ecoa – Ecology & Action
50. Education International
51. Environmental Association Za Zemiata - Friends of the Earth Bulgaria
52. EPSU European Federation of Public Service Unions
53. Erlassjahr.de (Jubilee Germany)
54. European Network on Debt and Development (Eurodad)
55. European Services Strategy Unit
56. European Water Movement
57. Federación de Asociaciones de Medicus Mundi en España
58. Federación de Empleados y Empleadas de los Servicios Públicos
59. Federation des syndicats du secteur public ISP/Mali
60. Fédération Nationale des Syndicats du Secteur Public du Mali FNSSP/MALI
61. Federação Nacional dos Trabalhadores do Judiciário nos Estados (FENAJUD)
62. Federation of Universities Senior Staff Associations of Ghana of Trades Union Congress
63. Federación Trabajadores Municipales Santa Fe
64. Focus Association for Sustainable Development
65. Fondazione Finanza Etica
66. Food & Water Europe
67. Food & Water Watch
68. Foro Social de Deuda Externa y Desarrollo de Honduras (FOSDEH)
69. Foundation Krila nade/Wings of Hope
70. Frente Cívica
71. Fundación Ambiente y Recursos Naturales (FARN)
72. Fundación Jubileo Bolivia
73. Fundación para el Desarrollo de Políticas Sustentables
74. Fundación SES
75. Gemeingut in BürgerInnenhand
76. Gender Action
77. Gender & Development Network
78. Global Initiative for Economic, Social and Cultural Rights
79. Global Peace and Development Organization
80. Global Policy Forum
81. Government Services Employees Association
82. Heinrich Boell Foundation-North America
83. Inclusive Development International
84. INFACT Canada/IBFAN North America
85. Iniciativa para las Inversiones Sustentables China-América Latina
86. Institute of Church and Society
87. Instituto Brasileiro da Análises Sociais e Econômicas (IBASE)
88. Instituto Jajachupan
89. Instituto Justiça Fiscal
90. Internacional de Servicios Públicos (ISP)
91. International Code Documentation Centre
92. International Rivers
93. International Trade Union Confederation
94. IT for Change
95. Jamaa Resource Initiatives Kenya
96. Jubilee Debt Campaign
97. Jubilee Scotland
98. Kairos Europe
99. Kenya National Union of Nurses
100. KRUHA Indonesia (the People's Coalition for the Right to Water)
101. Latin American Network on Debt, Development and Rights (Latindadd)
102. Local Authorities Employees Union
103. Lumière Synergie pour le Développement
104. Médecine pour le Tiers Monde
105. Nagpur Municipal Corporation Employees Union
106. National Justice & Peace Network
107. National Public Service Workers (NPSW)
108. National Society of Conservationists - Friends of the Earth Hungary
109. National Workers' Union of Mali
110. NGO Forum on ADB
111. Norwegian Civil Service Union (NTL)
112. Observatorio de la Deuda en la Globalización
113. Otros Mundos / Chiapas
114. Oyu Tolgoi Watch
115. Public Service International
116. Public Services Labor Independent Confederation
117. Public Service Union (USE)
118. Public Services Workers Union of TUC
119. Red de Organizaciones de la Sociedad Civil de Managua
120. Red Mexicana de Acción frente al Libre Comercio (RMALC)
121. Red Nicaragüense de Comercio Comunitario
122. Right to Education Initiative
123. Rivers without Boundaries Mongolia
124. SANIPLAN
125. Sindicato de Funcionarios de la Essap
126. Sindicato Único de Trabajadores del Gobierno de la Ciudad de México
127. SINTRAEMCALI - Empresas Municipales de Cali
128. Sisters of Charity Federation
129. Society for International Development (SID)
130. Society of Catholic Medical Missionaries
131. State Public Services Federation Western Australia Branch
132. SÜDWIND e.V. - Institut für Ökonomie und Ökumene
133. Syndicat des Agents de l'électricité et du combustible (Synasec)
134. Syndicat de la fonction publique et parapublique du Québec
135. Syndicat National des Personnels Communaux de Cote d'Ivoire
136. The Bretton Woods Project
137. Third World Network (TWN) Africa
138. Transnational Institute
139. Transparência e Integridade, Associação Cívica
140. Turkish Medical Association
141. Tzuk Kim pop/Guatemala
142. Unión General de Trabajadores
143. Unión Internacional de Trabajadores de Organismos de Control (UITOC)
144. Umeed-e-Nao Citizen Community Board
145. Unión de Sindicalistas de Emcali (ASOSIEMCALI)
146. UNISON - the Public Service Union
147. urgewald
148. WEED – World Economy, Ecology & Development
149. Wemos Foundation
150. World Public Health Nutrition Association
151. Zambia United Local Authorities Workers Union
152. Zukunftskonvent

For more information, please contact Maria Jose Romero:
mromero@eurodad.org