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**PUBLIC-  
PRIVATE  
PARTNERSHIPS**

**GLOBAL  
CAMPAIGN  
MANIFESTO**

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

We, 157 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

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ActionAid International  
Africa Network for Environment and Economic Justice  
African Forum and Network on Debt and Development (AFRODAD)  
African Law Foundation  
Agoec  
Alliance Against Conflict of Interest  
Ambiente y Sociedad Colombia  
APIT Portugal (Tax and Customs Inspectors Trade Union)  
Arab NGO Network for Development (ANNND)  
Asian Peoples Movement on Debt and Development  
Asociación de Usuarios del Agua de Saltillo  
Asociación Nacional de Industriales de Transformación A.C. (ANIT)  
ASODEFENSA  
Attac France  
Baby Food Action Network  
Bangladesh Women Welfare Workers Union  
Berliner Wassertisch  
Both ENDS  
Brazilian network for peoples integration (REBRIP)  
Breastfeeding Promotion Network of India  
BRICS Policy Center  
Centre for Human Rights and Climate Change Research  
Centro de Iniciativas en Políticas Ambientales  
Centro de los Derechos del Campesino  
CGSP ALR  
CGSP AMiO  
Citizens' Initiative for the non privatisation of Water in Greece  
CNCD-11.11.11  
Collectif des Associations Citoyennes (CAC)  
Collectif des ONG pour la Sécurité Alimentaire et le Développement Rural  
Community & Public Sector Union  
Comisión Nacional Enlace  
Comité Defensor del Patrimonio Histórico, Cultural y Ambiental de Puebla  
Consejo Laboral Afrocolombiano- CLAF  
Coordinadora Civil  
Corner House UK  
Corporate Accountability International  
Council for the Regulation of Freight Forwarding in Nigeria  
Counter Balance  
Debt and Development Coalition Ireland  
Debt Justice Norway  
Democratic Nursing Organisation of South Africa  
Derecho Ambiente y Recursos Naturales (DAR)  
Development Alternatives with Women for a New Era (DAWN)  
Diálogo 2000 - Jubileo Sur Argentina  
East African Centre for Human Rights (EACHRights)  
Eau Secours 34  
Ecoa – Ecology & Action Education International Environmental  
Association Za Zemiata - Friends of the Earth Bulgaria  
EPSU European Federation of Public Service Unions  
Erlasjahr.de (Jubilee Germany)  
European Network on Debt and Development (Eurodad)  
European Services Strategy Unit  
European Water Movement  
Federacion de Asociaciones de Medicus Mundi en España Federación  
Trabajadores Municipales Santa Fe  
Federation des syndicats du secteur public ISP/Mali  
Fédération Nationale des Syndicats du Secteur Public du Mali FNSSP/MALI  
Federation of Universities Senior Staff Associations of Ghana  
Federation of Universities Senior Staff Associations of Ghana of Trades  
Union Congress  
Federação Nacional dos Trabalhadores do Judiciário nos Estados  
(FENAJUD)  
Federación de Empleados y Empleadas de los Servicios Públicos (FeSP-  
UGT)  
Focus Association for Sustainable Development  
Fondazione Finanza Etica  
Food & Water Europe  
Food & Water Watch  
Foro Social de Deuda Externa y Desarrollo de Honduras (FOSDEH)  
Foundation Krila nade/Wings of Hope  
Frente Cívica Fundación Ambiente y Recursos Naturales (FARN)  
Fundación Jubileo Bolivia  
Fundación para el Desarrollo de Políticas Sustentables  
Fundación SES  
Gemeingut in BürgerInnenhand  
Gender & Development Network  
Gender Action  
Global Initiative for Economic, Social and Cultural Rights  
Global Peace and Development Organization  
Global Policy Forum  
Government Services Employees Association  
Heinrich Boell Foundation-North America  
Inclusive Development International  
INFACT Canada/IBFAN North America  
Iniciativa para las Inversiones Sustentables China-América Latina  
Institute of Church and Society  
Instituto Brasileiro da Análises Sociais e Econômicas (IBASE)  
Instituto Jajachupan  
Instituto Justiça Fiscal  
Internacional de Servicios Públicos (ISP)  
International Code Documentation Centre  
International Rivers  
International Trade Union Confederation  
IT for Change  
Jamaa Resource Initiatives Kenya  
Jubilee Debt Campaign  
Jubilee Scotland  
Kairos Europe  
Kenya National Union of Nurses KRUHA Indonesia  
Latin American Network on Debt, Development and Rights (Latindadd)  
Local Authorities Employees Union  
Lumière Synergie pour le Développement  
Médecine pour le Tiers Monde  
Nagpur Municipal Corporation Employees Union  
National Justice & Peace Network  
National Society of Conservationists - Friends of the Earth Hungary  
NGO Forum on ADB  
Norwegian Civil Service Union  
Norwegian Civil Service Union (NTL)  
NPSWU Otros Mundos /Chiapas  
Oyu Tolgoi Watch  
Public Service International  
Public Services Labor Independent Confederation  
Public Services Workers Union of TUC  
Red de Organizaciones de la Sociedad Civil de Managua  
Red Mexicana de Acción frente al Libre Comercio (RMALC)  
Red Nicaragüense de Comercio Comunitario  
Right to Education Initiative  
Rivers without Boundaries Mongolia  
SANIPLAN-USA  
Sindicato de Funcionarios de la Essap (Sifuessap)  
Sindicato Único de Trabajadores del Gobierno de la Ciudad de México  
SINTRAEMCALI - EMPRESAS MUNICIPALES DE CALI  
Sisters of Charity Federation  
Society for International Development (SID)  
Society of Catholic Medical Missionaries  
State Public Services Federation Western Australia Branch  
Sindicato de Trabajadores de la Universidad Nacional Autónoma de  
México (STUNAM)  
SÜDWIND e.V. - Institut für Ökonomie und Ökumene  
Syndicat National des Personnels Communaux de Cote d'Ivoire  
(SYNAPECOCI)  
Syndicat des Agents de l'électricité et du combustible (Synasec)  
Syndicat de la fonction publique et parapublique du Québec  
The Bretton Woods Project  
Third World Network (TWN) Africa  
Transnational Institute  
Transparência e Integridade, Associação Cívica  
Turkish Medical Association  
Tzuk Kim pop/Guatemala  
Unión General de Trabajadores  
Unión Internacional de Trabajadores de Organismos de Control (UITOC)  
Umeed-e-Nao Citizen Community Board  
UNION DE SINDICALISTAS DE EMCALI -ASOSIEMCALI  
UNISON  
National Workers' Union of Mali (UNTM)  
urgewald  
Uniunea Sindicatelor din Energetica (USE)  
WEED – World Economy, Ecology & Development  
Wemos foundation  
World Public Health Nutrition Association  
Zambia United Local Authorities Workers Union  
Zukunftskonvent

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