Delivering on the Post-2015 Development Agenda: What Role for Public-Private Partnerships?

Side event organized by the Financing for Development Office, UN-DESA in collaboration with New Rules for Global Finance Coalition

United Nations Headquarters – Trusteeship Council Chamber, New York
Friday, 12 December- 1:15 pm.-2:30 p.m.

Over the last decade, public-private partnerships (PPPs), equity investments, guarantees and insurance have become increasingly looked to as mechanisms for using official resources (both domestic and international) to leverage private financing through risk-sharing between the public and private sectors. Such mechanisms can help overcome the constraints that have prevented banks and investors from financing projects with the potential to promote sustainable development. However, as emphasized in the recent report of the Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF), it is important that such mechanisms learn from success and failures of the past. Poorly designed PPPs and other blended structures can lead to high returns for the private partner, while the public partner retains all the risks. To be effective, the design of these mechanisms needs to be based on a deeper understanding of the underlying incentives of the private partner as well as the risks of the projects. This side event is part of an effort to create platforms for dialogue and information sharing on PPPs as called for the in the ICESDF report, so that countries can learn from each other's successes and failures.

Panelists may explore the following questions, based on concrete practical experiences of PPPs and other forms of blended finance: When and for which sectors are PPPs appropriate? How can governments most effectively minimize risks and long-term obligations that arise from PPPs? What is the right contract design and what level of institutional capacities are required for successful PPPs? How can private sector and governments be held accountable for the results of PPPs? Are PPPs appropriate for low-income countries and if so, why are they not more widely used (over the last two decades, only 4 per cent of PPPs took place in "low income" developing countries)?

Moderator: **Ms. Shari Spiegel**, Chief, Policy Analysis and Development Branch, Financing for Development office, United Nations Department of Economic and Social Affairs

Panelists:

Mr. Ismaila Diallo, Deputy Director of Finance, Ministry of Finance, Senegal

Ms. Nancy Alexander, Director of the Economic Governance Program, Heinrich Boell Foundation

Mr. Stefan Apfalter, Senior Evaluation Officer, Independent Evaluation Group, World Bank