

## **Public-Private Partnerships and Gender Justice in the context of the 3rd UN Conference of Financing for Development**

The Addis Accord draft is clear about the relevant role given to the private sector as a key actor in Financing for Development. While the need of the private sector to contribute to economic growth, create decent work, promote innovation, and generate domestic resources through paying taxes is undeniable, the issue is controversial in various respects. First, because the role of the State as the principle duty-bearer of human rights obligations might be eroded through the introduction of multi-stakeholder partnerships that delegate State duties to other actors, including the private sector. Second, because the commitment is not strong enough in respect to the implementation of an appropriate regulatory framework that guarantees that private sector initiatives do not harm human rights obligations. Third, because the inherent pro-profit nature of the private sector could make it favour investments in areas that are profitable but are not priorities for social development or could threaten the availability, accessibility and quality of social services and infrastructure they are expected to deliver.

Public-Private Partnerships (PPPs) is one of the selected mechanisms to foster private financing for development, primarily in the area of infrastructure (including social infrastructure). However, the extreme optimism about the potential of this type of financing to achieve development goals is far from having a solid foundation. On the contrary, growing evidence shows that PPPs can sometimes be a very expensive method of financing and can also put pressure on public expenditure in the medium and long term. Moreover, these costs are often non-transparent and inaccessible for scrutiny and accountability.<sup>1</sup>

The development impact of PPPs is rarely assessed. Existing evaluations are focused mostly on efficiency and access to services. At best, they include considerations of financial returns, contribution to tax collection and direct job creation. However, the accessibility of services and infrastructure outcome is seldom assessed. Neither are there equity criteria.

Moreover, the rate of failure among PPPs is relatively high. In many cases, projects do not deliver outcomes as planned due to delays, corruption and weak delivery specifications. Failures seem to be larger where State capacity to monitor and regulate is weaker. PPP failures involve privatizing benefits and socializing losses.

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<sup>1</sup> For more information please see “Justicia de género y financiamiento privado para el desarrollo Una mirada crítica a las alianzas público-privadas” from Verónica Serafini Geoghegan, DAWN team. The paper provide an overview of the literature and evidence about PPP.

PPP initiatives raise concern for gender equity and women's human rights. Women are very in need of social services for which delivery PPPs are promoted as a preferred alternative. Evidence shows, however, that existing PPPs in the field of health do not contribute to alleviating fiscal pressure, and frequently fail to deliver health care and services needed by women, especially women living in poverty. PPPs in the agricultural sector, with high demands in terms of productivity and production outcomes, often exclude women farmers, who lack assets and time. Moreover, many PPPs in this sector are promoting agrobusiness, with their associated environmental damage and displacement that threaten women's livelihoods.

Financing for infrastructure projects also increasingly rely on PPPs. Social infrastructure is key to guaranteeing women's access to health services, education, sanitation and care services. However, private sector financing through PPPs is far more interested in participating in megaprojects, with higher return rates. Therefore, women's needs are ignored, and not met.

Beside the evidence, one of the key "deliverables" for the FfD Conference is launching multi-stakeholder partnerships in specific areas such as health, education and food. However, these partnerships with private sector are not discussed and approved by governments in an intergovernmental space at the UN. The Multi-stakeholder partnership approach can have severe consequences for the implementation of the development agenda for the next decades since it relies on vertical approaches without a clear link to human rights obligations, comprehensive development agendas, and national strategies. For example, the "Every Women Every Child" initiative has a mother-child approach in relation to sexual and reproductive health, and does not clearly outline how it will link to and articulate with the comprehensive sexual and reproductive health and rights policies of the ICPD Program of Action. Furthermore, their funding is unpredictable and volatile as they depend heavily on voluntary commitments from the private and corporate sector. Governments in Addis would be advised to proceed carefully and not to endorse this approach without first establishing an open, transparent, and participatory UN-led intergovernmental process for oversight, monitoring and review of any partnerships developed or promoted within the framework of the United Nations.

Finally, the debate on PPPs cannot take place in a vacuum as it concerns development patterns, macroeconomic policies, international cooperation, tax issues and public expenditure policies. It should be integrated within the discussion on illicit capital flows. Developing countries would gain much more by confronting the significant capital losses (through tax evasion, avoidance and dodging) they are subjected to, than by promoting PPPs that are much more a platform for private businesses than an opportunity for respecting, protecting and fulfilling human rights including the right to development.

We therefore suggest that the following be taken into account to improve private sector participation in financing for development and to avoid misleading initiatives:

- PPPs cannot replace the irrevocable responsibility of States as lead actors in setting the financing for development agenda in the context of a global partnership between developed and developing countries.
- PPPs assessment, that takes an ex ante and periodic evaluation criteria to environmental, social, human rights and gender equality standards, is needed in advance of agreeing to any of these initiatives. PPPs cannot be a choice without guarantees that they will respect human rights and ILO standards. Mandatory rules and accountability mechanism to ensure private sector compliance with women's human rights should be established. Voluntary guidelines have proven to be wholly inadequate and inappropriate in responding to women's human right abuses, especially by transnational corporations.
- The impact of PPPs on women's human rights as well as the way they respond to women's diverse needs should be specifically considered at all stages: design, implementation, monitoring and assessment. PPPs cannot be assessed only for their contribution to expand coverage of social services and infrastructure, but also in terms of quality, accessibility and adaptability.
- A strong regulatory framework is needed in order to guarantee a fair distribution of risks and benefits. This should be accompanied by management and accountability capacity-building. PPP initiatives should be fully transparent and accountable to local stakeholders, with active citizen participation in supervising and monitoring.
- An open, transparent, and participatory UN-led intergovernmental space for oversight, monitoring and review of any partnerships developed or promoted within the framework of the United Nations should be established.