

Report exposes further problems with public-private partnerships



Public-private partnerships (PPPs) can end up leaving citizens and the public sector facing higher costs, greater risk, less transparency and more complexity than the public sector alternative. These are just some of the criticism of PPPs highlighted in a report, [*History RePPPeated*](#), from the Eurodad development organisation.

The report examines 10 PPPs in nine developed and developing countries, including France, Spain and Sweden. It found that all 10 cases "came with a high cost for the public purse", with the Nya Karolinska Solna hospital in Sweden seeing costs soar from EUR 1.4 billion to EUR 2.4 billion as it has been beset by technical failures.

With the state forced to step in when things went wrong, the report also says that all 10 PPPs have ended up being riskier for the state than for the private companies involved in the projects. Furthermore, in the developing countries there was evidence of a hospital and water project ending up hitting the poor as costs and charges increased.

The Eurodad research also found that nine out of the 10 PPPs lacked transparency or failed to consult with affected communities, undermining democratic

accountability. The complexity of projects also hampered the negotiation and implementation processes with the construction of a courthouse in Paris proving "so complex, costly and controversial that the new French Justice Minister has decided that her Ministry will never engage in a PPP again."

Eurodad has set out a series of recommendations on PPPs to national governments and international institutions like the World Bank. However, its key recommendation is to "resist the encroachment of PPPs and to push instead for high-quality, publicly-funded, democratically-controlled, accountable public services."

EPSU has raised [similar concerns](#) with Commissioner Mimica responsible for International Cooperation and Development who seeks to promote such finance schemes in the EU's development strategy. EPSU further supports a major [international campaign](#).

The Eurodad research follows a number other reports and scandals that have exposed the downside of PPPs with reports by auditors in [Spain](#), [Europe](#) and the [UK](#) where the collapse of the outsourcing company Carillion brought work to a halt on a series of PPPs including two major hospitals in Liverpool and Birmingham.

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