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The Pros and Cons of Public-Private Partnerships (PPPs)

as a means to achieve food security, expanded infrastructure investment and green growth

by Nancy Alexander

AUTHOR

Nancy Alexander – Director, Economic Governance Program,

Heinrich Böll Foundation-North America

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The questions on PPPs, which were chosen by the author, were discussed on September 6. Part I, "Introduction to the Question" was submitted by the author to the on-line forum as background for the participants. Part II, "Conclusions of the On-Line Forum" is intended to summarize the on-line discussion of the question.

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Author: Nancy Alexander
Design: Anna Fero

Heinrich Boell Stiftung

Washington, D.C. Office
1432 K Street, NW
Suite 500
Washington, D.C. 20005
United States
T +1 202 462 7512
E info@us.boell.org
www.us.boell.org

I. Introduction to the Question

In its formal Declaration at Los Cabos, the G20 welcomed the Green Growth Action Alliance (G2A2) of the Business 20 (B20, which aims to dramatically increase the use of public resources (e.g., development assistance, taxes) to leverage private investment in key sectors.

According to the B20, the G2A2 will pursue its strategy through five channels:

a) expand the number and scale of public-private blending mechanisms and incorporate leveraging private finance as a key performance indicator for public funding, including national and multilateral banks;
b) shift away from a project-by-project to a more programmatic approach;
c) facilitate greater green infrastructure financing by institutional investors, and
d) improve coordination and effectiveness by tracking financial flows and create common green infrastructure financing methodologies, metrics and tools, and
e) support initial project development with a venture capital approach to ensure a viable pipeline of investment-ready projects and programs.

These five approaches are described in the May 2012 final report of the B20 (see especially pp 27-29) to the Mexican G20 Summit:
- http://www.boell.org/web/group_of_20-B20-Dossier.html.

The basic facts and strategies of the G2A2 are further described here:
- Green Growth Action Alliance Factsheet 2012
- Green Growth Action Alliance to Address $1 Trillion Annual Shortfall in Green Investments

The PPP approach has become very popular, not only with the new G2A2, but also in other initiatives nurtured by the G20 and its Development Working Group. For instance, the G20 appointed a High-Level Panel (HLP) on Infrastructure which delivered a report that promotes mechanisms for scaling up PPPs globally. (See The High-Level Panel report on Infrastructure)

The G20 also directed the High-Level Panel to work with six multilateral development banks (including the World Bank and the regional banks to draft a MDB Infrastructure Action Plan, which would accelerate the development of PPPs.

In agriculture, PPPs are proposed through the private sector window of the Global Agriculture and Food Security Program (GAFSP) (http://www.gafspfund.org/gafsp/content/private-sector-window) and a similar window proposed for the new Global Climate Fund (GCF).

The G20 has recognized the inherent challenges in scaling up PPP. At Los Cabos, the report of the G20 Development Working Group (see http://www.g20.org/en) called for multi-stakeholder dialogues to deepen the discussion about the challenges of mobilizing private capital for inclusive green growth (IGG), particularly in low-income countries. A Public-Private Dialogue Platform on Inclusive Green Investments is helping to serve this purpose during 2012.

The Mexican government continues to provide leadership in favor of "inclusive green growth" during its 2012 G20 Presidency. Still, it is unclear whether there is a consensus about its definition or desirability. For instance, the G20's High-Level Panel on Infrastructure identified criteria for selecting infrastructure projects that neglect the value of the green, or environmental, dimensions of the projects. [1] Reaching consensus is complicated by the fact that there are vastly different definitions of "inclusive green growth." (See "The World Bank's Inclusive Green Growth Report: A Brief Assessment":
http://www.boell.org/web/146-Schalatek-Alexander-World-Bank-Inclusive-Green-Growth-Assessment.html).

A paper by Alexander and Riggs, "The G20: Playing Outside the Big Tent," emphasizes the ways in which the G20's approach to PPPs in infrastructure and agriculture could jeopardize sustainable development. (See pages 12-24 and pages 35-37:
http://www.boell.org/web/group_of_20-Alexander-Riggs-G20-Playing-Outside-the-Big-Tent.html)

Laudably, the G2A2 is wants to institutionalize the best models for attracting private investments for green growth, and to that end, it is working with the United Nations' Sustainable Energy for All initiative, the Green Climate Fund (GCF), and the International Development Finance Club (IDFC).

1 The selection criteria identified by the G20 High Level Panel on Infrastructure relate to: the extent to which the project brings about regional integration; extent of political support available; potential transformational impact of the project on sub-regions' growth; maturity of the project; institutional capacity; and potential attractiveness for the private sector. Criteria appear to be lacking a range of sustainability elements such as: the appropriate scale of the project; carbon footprint or climate resilience; the rights of and impacts on communities and the environment; risk analyses including the implications for national and local budgets; and the priorities of affected populations.

However, there are several sources of concern that merit discussion on the on-line forum. For instance:

--*Regulatory framework.* PPPs cannot function effectively without an adequate regulatory framework. This is particularly the case in sectors where there are monopolistic elements (e.g., water, electricity). Yet, it is unclear from the reports of the G20 (e.g., the Development Working Group reports) how much value it assigns to the regulatory framework. Indeed, there are concerns in some quarters that the lack of (enforced) regulations could help attract the private sector. In the G20's efforts to promote PPPs – to what extent are transnational corporations engaged (versus domestic corporations)? To what extent might the private firm be the senior partner and the government the junior partner? These are important questions everywhere, but particularly in weakly governed and/or low-income states.

--*Contract Transparency.* Will the G20 promote PPP contract transparency? In the extractive industries sector, citizens are still struggling for access to basic information about whether they are earning a fair price for their resources. This struggle should not be repeated in "green growth" sectors.

Contracts could recognize factors such as: 1) private companies face higher rates of interest than governments, so the up-front costs of the investment may be higher; 2) lack of mechanisms for holding private firms accountable for their obligations; 3) government or taxpayer obligations (direct or contingent) are equivalent to debt and, as such, must be transparent, manageable, and monitored on an on-going basis; 4) private firms should respect labor contracts and provide adequate protections for workers in host countries; and 5) the rights of communities (e.g., land, resources) affected by the projects should be upheld.

--*Methodologies for Assessing PPPs.* It is unclear whether the models under consideration by the G2A2 will advance inclusive green growth. For instance, the G2A2 is working with the Global Green Growth Forum (3GF) which promotes a "tool for assessing PPPs" that seeks to accelerate resource productivity. Yet, this tool fails to stipulate the nature of the resource (e.g., coal, wind, oil, land):

• 3GF Tool for Assessing PPPs

While resource productivity is a crucial goal, some resources have a lower likelihood to advancing green growth than others. For instance, renewable energy technologies have a higher potential to contribute to green growth than non-renewable ones. Moreover, the model defines "barrier" as "market and policy failures" – which is key because certain market distortions (e.g., fossil fuel subsidies) and policy failures (e.g., lack of regulation or regulatory capacity) must be overcome. However, as described below, additional barriers and challenges should be assessed.

--*Inclusivity in Processes Designing "Model" PPPs.* It is unclear whether G20 and the G2A2 are working with an adequate range of stakeholders. It has been the tendency of the G8 to rely on McKinsey & Company and the World Economic Forum (WEF) – rather than a wider array of groups -- which are producing model PPPs in multiple sectors. Indeed, the 2012 G8 New Alliance on Food Security and Nutrition is significantly based on the model developed by McKinsey and Company in consultation with17 food and agriculture corporations (Archer Daniels Midland, BASF, Bunge, Cargill, The Coca-Cola Company, DuPont, General Mills, Kraft Foods, Metro, Monsanto Company, Nestlé, PepsiCo, SABMiller, Syngenta, Unilever, Wal-Mart Stores and Yara International).[2] The May 2012 meeting of the G20 Agriculture Vice Ministries and Deputies issued a report noting the "New Vision for Agriculture" and the Grow Africa Partnership.[3] The "New Vision" model has 11 national platforms at this time.

In any model, including PPP models, local knowledge and ownership is the key ingredient. Local communities should grant "free prior and informed consent" for projects that affect them. However, it is unclear the extent to which smallholder farmers, including women; consumers; and affected communities have shaped the "New Vision" model or engage in its implementation.

If it has not already done so, the G20 and the G2A2 can learn from this experience and broaden the range of stakeholders engaged in its governance and operations.

--*Corruption.* What mechanisms exist to minimize the opportunities for corruption that exist in large projects and infrastructure projects, in particular? The G20's High-Level Panel on Infrastructure recommends the Construction Sector Transparency Initiative (CoST). Is this an effective mechanism?

2 The "New Vision" is described by at least two documents:
- "Realizing a New Vision for Agriculture" (2010)
[http://www.weforum.org/reports/realizing-new-vision-agriculture-roadmap-stakeholders]
- "Putting the New Vision for Agriculture into Action: A Transformation is Happening" (2011)

[http://www3.weforum.org/docs/WEF_FB_NewVisionAgriculture_HappeningTransformation_Report_2012.pdf]

3 "G20 Mexico 2012 Report of Agriculture Vice Ministers/Deputies Meeting," Mexico City, May 18, 2012, para.13.

--*Are PPPs always the answer*? It is worrisome that many influential decision-makers view PPPs as the answer to all problems. For instance, the Final Report of the Business 20 (May 2012) recommends that the performance of national and multilateral banks be judged by the extent to which they succeed in leveraging private finance. This implies a highly uncritical view of PPPs. (In above link, see p. 27 of the B20 Final Report.)

There are times when PPPs are the wrong way to go. For instance, PPPs require the host government to provide guarantees to private investors. These represent contingent liabilities on the budget. However, historically, some risks have proven too great to guarantee (e.g., exchange risk). Where there is an unfavorable cost-benefit analysis of providing such guarantees, where investors disproportionately rely on cost recovery from poor people, or where the private sector lacks the incentives to deliver environmental and social co-benefits, a PPP may be ill-advised. The Mexican G20 Presidency commissioned a paper by 12 organizations that is critical of an unconditional embrace of PPPs:

> *"There is scant evidence on the impact of PPPs on the participation of smallholders in market integration. While some positive experiences emerged recently, the literature suggests that agricultural value chains routinely shed participants or collapse completely, while the degree to which participating smallholders benefit remains uncertain, especially in cases where new business arrangements leave smallholders exposed to risks…*[4]

We hope that the on-line forum can explore whether and how PPPs can be embedded within a context of democratically-defined rules that can sustain the planet's natural resource base, reward decent work, and protect the most vulnerable. Such PPPs should ensure a "triple bottom line" -- that is, not only return to private investors but also environmental and social co-benefits. Where such a "triple bottom line" is not feasible, instruments other than PPPs should be employed.[5]

4 Sustainable Agricultural Productivity Growth and Bridging the Gap for Small Family Farms, Bioversity, CGIAR Consortium, FAO, IFAD, IFPRI, IICA, OECD, UNCTAD, UN High Level Task Force on the Food Security Crisis, WFP, World Bank, WTO, April 27, 2012. http://ictsd.org/downloads/2012/05/g20-2012-27-april-2.pdf

5 Many of the G20 initiatives or reports suggest ways that domestic, regional and international public financing could be raised for sustainable development initiatives. These range from efforts to curb transfer pricing by multinational corporations to eliminating fossil fuel subsidies, levying a financial transactions tax (FTT) or marine and aviation taxes.

II. Conclusions of the On-Line Forum (September 6, 2012)

QUESTION: "What are the pros and cons of public-private partnerships (PPPs) as a means to achieve food security, expanded infrastructure investment and green growth?"

Moderator: Nancy Alexander, Director, Economic Governance Program, Heinrich Boell Foundation-North America

In its formal Declaration at Los Cabos, the G20 welcomed the Green Growth Action Alliance (G2A2) of the Business 20 (B20, which aims to dramatically increase the use of public resources (e.g., development assistance, taxes) to leverage private investment in key sectors. In addition to the Alliance, the G20 is promoting PPPs through other channels (e.g., the G20 Development Action Plan, the G20 High-Level Panel on Infrastructure)

The moderator stressed that, in embarking on such efforts to scale-up PPPs, it is critical to learn from experience.[6] This is especially important since many of the G20's PPP initiatives focus on low-income countries which, by definition, have less negotiating and governance capacity than some other countries.

The on-line discussion is summarized below with contributions by participants cited under the relevant triggering questions (which appear in italics).

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6 Lessons of Experience include:
• the World Bank reports mixed experience with PPPs (e.g., World Bank, "Infrastructure: Lessons for the Last Two Decades of World Bank Engagement" http://documents.worldbank.org/curated/en/2006/01/6581644/infrastructure-lessons-last-two-decades-world-bank-engagement-vol-1-2-main-report)
• the IMF puts caveats on desirability of the PPP approach (See: IMF, "Public Investment and Public Private Partnerships," http://www.imf.org/external/pubs/ft/issues/issues40/ei40.pdf).
• a paper commissioned by the Mexican G20 Presidency on agriculture raises questions about the impact of PPPs on smallholders: "There is scant evidence on the impact of PPPs on the participation of smallholders in market integration. While some positive experiences emerged recently, the literature suggests that agricultural value chains routinely shed participants or collapse completely, while the degree to which participating smallholders benefit remains uncertain, especially in cases where new business arrangements leave smallholders exposed to risks…" (Source: Sustainable Agricultural Productivity Growth and Bridging the Gap for Small Family Farms, Bioversity, CGIAR Consortium, FAO, IFAD, IFPRI, IICA, OECD, UNCTAD, UN High Level Task Force on the Food Security Crisis, WFP, World Bank, WTO, April 27, 2012. http://ictsd.org/downloads/2012/05/g20-2012-27-april-2.pdf)

1. SHOULD THERE BE PRE-CONDITIONS FOR IMPLEMENTING PUBLIC-PRIVATE PARTNERSHIPS (PPPs)? Five questions follow:

1a) Should PPPs focus more on economic sectors (e.g., transportation) than social sectors (e.g., health, education)? Or, more on sectors in which there is more competition (e.g., telecoms) rather than less (e.g., water)?

Several participants agreed that PPPs are more appropriate in some sectors than others. Some believe that PPPs should focus more on competitive economic sectors than on less competitive or social sectors. One participant said, "This is because the government`s objective is social well-being and development (or at least it should be), while the private sector decisions are based on profit projections. These two objectives converge more in economic sectors than in social ones, where it might be desirable to undertake projects even if they are not profitable." However, this participant said there could be exceptions to this generality, for instance, in failed states where the government has very little capacity.

Another participant cautioned that public private partnerships can foster and supplement but not substitute for the role and obligations of States towards populations in key sectors (e.g., public education, public transport).

Many participants emphasized that preconditions for PPPs are difficult to determine because of the context-specific nature of the operations. In other words, there are many factors to consider in deciding whether a PPP is the appropriate modality and, if so, what type to design. For instance, each nation, locality, and sector is unique in terms of its governance and the institutional capacity.

1b) should good governance, including a solid regulatory framework, be a precondition for PPPs in order to prevent corruption or advance sustainable development?

Most participants emphasized that a clear and transparent regulatory framework is essential in order to prevent abuses, including corruption. One participant felt that it is especially important to evaluate the role that corruption plays and the means by which it can be eradicated.

Another participant emphasized the importance of regulatory objectivity. Specifically, regulations should not discourage engagement by the private sector, but they should not unduly favor the interests of enterprises either because a PPP's goal should focus on generating social and environmental benefits (e.g., the use of renewable energy via tax incentives).

The moderator added that some regulatory goals could be hard to achieve if PPP contracts include "stabilization clauses" that can prevent government from enacting public interest regulations that would change the terms of competition or threaten their profits, for instance. In addition, some trade and investment agreements include provisions [for instance, on "trade in services" (e.g., water, health, electricity services) or the plurilateral agreement on government procurement (GPA)] that can constrain the capacity of government to regulate or set tariffs. (Due to "investor-state provisions" in trade/investment agreements, electricity corporations sued the government of Argentina (in international tribunals) for losses of billions of dollars which were incurred when the currency was devalued and the corporate profits plunged and indebtedness rose.)

The discussion raised the important question of whether each country's laws and regulations should guide implementation of PPPs or whether there should be overarching guidelines or both. The discussion of question 2 (below) examines this issue.

1c) should communities affected by prospective PPPs participate in determining their feasibility and design of PPPs?

Several participants emphasized the importance of community participation in any project, not only PPPs. One participant noted how often we see conflicts arising because the needs and aspirations of affected communities are not taken into account when planning and implementing projects that have a significant impact in their daily lives. This participant stressed that the lack of participation violates democratic principles and can be remedied in various ways (e.g., mechanisms that solicit the "free, prior and informed consent" of citizens).

Local knowledge can be an important ingredient when designing PPPs in basic services: water, education, and health, for instance. Communities which oppose a PPP may sabotage it (e.g., by refusing to maintain the infrastructure).

Another participant shared the experience that participatory approaches must account for situations in which (rural or urban) communities have diametrically opposed views on what serves development and the common good. For example some rural communities in Mexico, especially indigenous ones, value communal ownership and consensual decision making. This participant stated that "If potential PPP do not invest the necessary

resources in engaging the community´s concerns, which is often the case, the projects can fail miserably. To contrast, when PPP are undertaken in urban areas a much lesser degree of community is generally required (though not always!)."
There was not complete consensus on the importance of participation. One participant argued against putting the local above national interests by having local communities assess the feasibility of a PPP. This participant said that elected representatives should take the views of communities into account, but that communities should not decide whether a project should be executed.
The moderator asked whether national policies and decisions should take precedence over local ones even when national policies fail to protect the rights of citizens. The discussion of question 2 (below) explored this issue.

1d) should PPP contracts be publicly disclosed?

Some participants emphasized that there should be open and competitive bidding on PPP contract, the contract documents should be publicly disclosed, and the PPP frameworks for implementation should allow transparency at all stages of the project.

One participant cautioned that private firms may face legal questions in disclosing confidential or "commercially sensitive" information.

The moderator asked whether it would be helpful to set transparency rules or guidelines for corporations and/or governments. The concern is that there may be countries (particularly poorer ones) which are so anxious to attract foreign direct investment (FDI) that they may not bargain over transparency rules or even for a fair share of revenues for their treasury.

1e) assuming that there should be limits on the level of risk (e.g., contingent liabilities) assumed by governments, how should such levels be determined?

The concept of the Green Growth Action Alliance and other mechanisms (e.g., the International Development Finance Club (www.idfc.org) is that public resources, including official development assistance (ODA) would help governments and private firms offset risk. In describing the trends in ODA flows, one participant emphasized the importance of ODA for such purposes as well as its limitations. Another participant stated that it is important to have appropriate methodologies for assessing public risk because the level of risk must be a factor in assessing the feasibility of a PPP. This is especially the case in large, capital-intensive infrastructure projects where guarantees (that appear as contingent liabilities in the government's budget) can be equivalent to external debt and, in some cases, can sink a government. This is sometimes the case because there are so many implicit as well as explicit guarantees associated with PPP projects.

2. SHOULD PPPs BE DESIGNED IN ORDER TO ACHIEVE A "TRIPLE BOTTOM LINE" (i.e., economic, social and environmental co-benefits) AND, IF SO, HOW?

The concept of a "triple bottom line" is explained here: http://en.wikipedia.org/wiki/Triple_bottom_line. In terms of PPPs, the idea is that, if public resources are used to leverage private investment, then it should be possible to identify how (and to what extent) the public resources achieve social and environmental co-benefits. How might this be accomplished? The B20's Green Growth Action Alliance is promoting one approach -- a "tool for assessing PPPs" that seeks to accelerate resource productivity. (See 3GF Tool for Assessing PPPs.) Do you think that the goal of "resource productivity" is likely to achieve "inclusive green growth" or a "triple bottom line"?

The discussion of this question is divided into two sections: first, general considerations regarding approaches to triple bottom lines; second, the use of international standards to help achieve them.

TRIPLE BOTTOM LINE-GENERAL DISCUSSION.

Most or all participants agreed the PPPs should achieve a triple bottom line, although one emphasized that the concept is not universally understood and needs to be promoted.

It was stated that, since PPPs involve an outlay of public money, they should achieve public goods as implied by the "triple bottom line" concept. There were suggestions about how to ensure such outcomes (e.g., key performance indicators or a framework/checklist of basic elements to determine if PPPs projects contribute to inclusive green growth).

One participant stated that "...it must never be forgotten that the goals and aims of private and public sectors differ" and, therefore, although private firms might be more efficient and productive, it is important to ask how efficiency is being evaluated and whether there are trade-offs with other values (e.g., equity, sustainability). With specific reference to the Global Green Growth Forum (3GF) tool for assessing PPPs to accelerate resource productivity (3GF Tool for Assessing PPPs), another participant stated that enhancing resource productivity is not, in and of itself, a way to achieve inclusive green

growth or a triple bottom line. Two points were set forth – first, that communities must be engaged in defining the goals of the triple bottom line and second, that parties to PPPs must disclose the "terms of agreement" that describe the shared values and anticipated benefits to prevent any deviation from them.
The moderator said that, although achieving a "triple bottom line" is critical, attempts to implement it have been frought with difficulty. For instance, the International Finance Corporation (the private sector arm of the World Bank) has found that, particularly in poorer countries and certain sectors, it is difficult to achieve this bottom line -- particularly the social and environmental dimensions. There should be knowledge-sharing across countries and sectors to explore what works in different circumstances.

USE OF INTERNATIONAL STANDARDS/GUIDELINES.

One well-informed participant shared that the B20 has suggested that globally a good way to start coordination on green growth could be by defining international standards. It would be useful to know how the B20 is going about this task, as the G20 work on value chains (led by Germany and Saudi Arabia) has been very limited.

Already, there are a vast number of corporate responsibility guidelines and standards – as well as standards to guide government conduct. However, the international standards to guide corporate conduct are almost entirely voluntary while those guiding government conduct are often enshrined in legal contracts and/or trade and investment agreements. There is little due diligence

to monitor compliance or provide recourse to citizens in the event that corporations violate voluntary guidelines, whereas there are consequences for government violation of contracts and agreements.[7] This double standard makes achievement of a triple bottom line more challenging. There is a concern that the G20 – in its attempt to "crowd in" private investment -- may neglect the need for binding standards/guidelines.

One participant suggested an oversight mechanism – namely, "a public annual review of each PPP program done in collaboration with other interested groups from civil society can provide a feedback, which in turn can lead towards continuing or suspending the program." Others stressed the consequences of rights violations. In some PPPs (e.g., Indonesia, India, Africa), there are allegations of "land grabs." The G20 Agriculture Ministers as well as G20 Leaders have acknowledged the Voluntary Guidelines on the Tenure of

7 Although there are exceptions to this generality insofar as the conventions of the International Labor Organization are only weakly enforced.

Land, Fisheries and Forests, which were negotiated under the auspices of the UN's World Committee on Food Security (CFS), which would address such situations. But, should such guidelines be implemented to protect communities even if they are not embraced by

the local or national government? Although these are not the usual questions asked by the financiers and engineers, they can determine the fate of a PPP arrangement.

The same question applies to many voluntary standards: What happens if a PPP host government does not respect or implement the standards? One participant felt that national sovereignty should be respected at all costs. Others accepted the idea that there should be international standards.

This is an important question because there is a proliferation of such schemes: the OECD's Guidelines for Multinational Enterprises, the Equator Principles, the IFC's Performance Standards, the International Standards Organization, Social Accountability International, UN Global Compact, the Global Reporting Initiative.[8] (Many of these a sector-specific, such as the Kimberly Diamond Certification scheme or the Extractive Industries Transparency Initiative.)

3. WHAT IS YOUR OPINION OF THE CRITERIA FOR INFRASTRUCTURE PPPs PROPOSED BY THE G20'S HIGH LEVEL PANEL ON INFRASTRUCTURE?

The six proposed criteria are cited in the report of the High Level Panel (http://www.g20-g8.com/g8-g20/root/bank_objects/HLP_-_Full_report.pdf) on page 13. The Panel asserts that PPPs should be selected based upon: 1) whether they foster regional integration; 2) have political support; 3) are mature in terms of the stage of project preparation; 4) whether there is sufficient institutional capacity; 5) attractiveness to the private sector; and 6) the transformational impact in terms of a) impact on growth, b) the affect on a large number of people, c) sustainability.

To what extent are these goals likely to help achieve a goal of the G20 Mexican Presidency: "sustainable development, green growth, and the fight against climate change."

One participant was pleased that the G20´s High Level Panel on Infrastructure considers, among other elements, the need to determine the level of institutional capacity when

8 An interesting case is posed by the World Bank's operational policies, called "safeguards," which are undergoing a two-year review. The eight environmental and social safeguards are seen by many as an infringement on the national sovereignty of borrowers and the World Bank has created a new loan instrument (the Program-for-Results (PforR)) to which the entire suite of safeguards does not apply. This is unfortunate because the binding safeguards required that, if the Bank violated its own policies, it needed to take corrective action.

considering PPPs modalities.

The moderator agreed. At the same time, she believes that the criteria need some degree of revision to ensure alignment with the triple bottom line approach. In her view, the criteria lack a sufficiently strong emphasis on community engagement ("free, prior and informed consent"), equity, environmental protection, mitigation of carbon emissions and adaptation to climate change. Since the Panel worked with the multilateral development banks (MDBs) to design a global "MDB Infrastructure Action Plan," the consequences of these weaknesses are significant. This is particularly the case since the Panel and the MDBs are emphasizing huge, cross-border energy and transport schemes and could lock-in (carbon-intensive) technology for generations. For instance, the Panel proposes East and West Africa Power Pools, but it represents a "lost opportunity" that the Panel is not insisting on contributions to the electricity grid from renewable energy through attractive feed-in tariff schemes.)

Finally, "big is not always better". The history of infrastructure development shows that "appropriate scale" is critical, especially in these days when climate change is affecting water levels, soil fertility, and so many other dimensions that can spell "life or death" for sustainable PPPs.

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