



¹ Building bridges

² How public-private partnerships can shape a sustainable future

³ An interview with three Steering Committee members of the World Association of PPP Units & Professionals (WAPPP).

The global need for infrastructure development has reached a critical point



By 2035, the total infrastructure needs in the developing world are estimated to exceed US\$40 trillion ([White House](#)).

In November 2021, Biden's government passed a landmark US 1.2 trillion infrastructure bill, the largest of its kind since the Great Depression. Funding will go toward modernizing roads and bridges, replacing deficient infrastructure, improving digital connectivity, and expanding on clean (sustainable) energy initiatives.

But given the extent of the current deficit, it is going to require partnerships with the private sector to combine public sector resources with private finance and expertise for governments to deliver on their promise.

Collaborative partnerships between the public and private sectors are not a US phenomenon, but a story that is playing out in countries around the world. Not only must the global infrastructure gap be addressed, but also the infrastructure funding gap. This means that strategic structures must be operated and maintained to a standard that will benefit societies for decades to come. Amid an increasingly dire environmental situation, it's also crucial that these projects are climate resilient, can satisfy the socioeconomic needs of the population, and can help countries achieve their sustainable development goals (SDGs).

For projects to be truly sustainable, they need to be future-proof and offer value for the future.

It is not just the finance gap that the private sector can help source; it's the knowledge gap, the innovation gap, and the resources gap too. Public-private partnerships (PPPs) will play a vital role in addressing these complex issues and driving successful collaborative outcomes for society as a whole.

With these challenges in mind, we spoke to three leading members of the World Association for PPP Units & Professionals (WAPPP) to learn more about its thought leadership, the organization and its goals, the challenges faced by industry, and the way forward for PPPs to have the greatest positive impact – not only as a procurement mechanism, but as a means to help countries achieve their SDGs and drive sustainable economic growth.

WAPPP's beginnings



WAPPP is a Geneva-based, for impact organization representing the interests of PPP units and public-private partnership practitioners globally.

The association was co-founded by Ziad Alexandre Hayek, President and Jean-Christophe Barth-Coullaré, Executive Director, who proposed the idea for WAPPP at the United Nations Economic Commission for Europe (UNECE), to members of the UNECE's Commission for PPP Centre of Excellence. WAPPP was formed as an independent organization in November 2018 and is registered as an international non-government organization in Switzerland.

Since its inception, WAPPP has grown to include 39 PPP units and over 270 individual and corporate members from around the world. Much of the association's credibility comes from its strong focus on advocating for best practices and its stance as a neutral party, whereby it can support all of its members without conflict of interest.

Hayek has personally been involved in PPPs for the past 33 years, and has worked in every sector imaginable. "WAPPP serves as a network so individual consultants can find projects to work on; PPP units can find consultants or investors, and investors can find projects to invest in through the communication we facilitate," says Hayek.

WAPPP's objectives



Both Hayek and Barth-Coullaré have a definitive view on the goals and objectives of WAPPP.

“We’ve created this network to help members connect and promote projects, identify business opportunities, create career opportunities, and achieve professional goals. We’re helping shape the future of the PPP profession and have it recognized as a profession in its own right.”

WAPPP has two main objectives. The first is to serve the interests of their members, which is done primarily through career development and networking opportunities. The second objective is to serve the interest of the profession. WAPPP strives to raise awareness about best practices. “We advocate for a new generation of PPPs, which is important because we need to de-risk projects and debunk myths that harm the profession and its reputation,” says Barth-Coullaré.

“We want to make sure our profession can be respectable so that it continues to benefit the global society,” says Hayek. “At the end of the day, there is a huge deficit of infrastructure around the world, and a finance gap estimated at \$30 billion that needs to be sourced by the private sector. If political winds and social activism go against PPPs, investors will not come, and that infrastructure will not be built – that growth and increased standard of living will not be achieved.”

Public-private challenges



Global issues of infrastructure and climate change aside, the PPP industry faces its own unique challenges.

1. Changing the mindset of governments

“One of the main reasons for establishing WAPPP has been to help address how governments and political decision makers view PPP,” says Hayek. “The traditional perception, which has been unfortunately greatly emphasized by many PPP practitioners, and happily adopted by ministries of finance (which have housed national PPP units following the British example), is that PPPs are an alternative public procurement tool, whose aim is to obtain ‘value-for-money’. I have campaigned now for more than 15 years to insist that PPPs should not be seen as a tool for public procurement, but rather as a tool for development. Indeed, it is in the spirit of achieving the SDGs that PPP, which falls under SDG 17 must be seen. Value-for-money is necessary but not sufficient. It must go hand in hand with value-for-people and comply with ESG principles.”

2. Overcoming negative perceptions

“PPP has been maligned in many areas. Some people say it’s a way to benefit the elite, to give public assets to the private sector at the expense of the average citizen,” says Hayek. “These accusations are born out of many misapplications of PPP. There are many instances where PPP has been utilized in the wrong way – where best practices were not followed, or there was a lack of transparency in the procurement process – and we don’t want that to happen.”

By advocating for best practices in the industry and highlighting them, WAPPP is removing the stigma of PPPs so they can be leveraged to their full potential.



3. Cultural challenges

David Baxter is a Steering Committee Member of WAPPP, with 20 years' experience in public-private partnerships. He is focused on the long-term nature of PPPs. "Under PPPs, we have 20-30 year contracts or even longer partnerships – not only to design and build, but also to manage operations and maintenance," says Baxter. This poses both challenges and opportunities that can be addressed by best practices that promote proactive project management, based on the monitoring of projects and the minimization of shared risk, which is a central focus of PPP projects.

Baxter says there can often be a sense of tension that arises from institutional cultural differences between public and private parties who have formed partnerships that are theoretically focused on seamless collaboration. "With PPPs you are in a marriage – of either convenience or inconvenience, depending on how you look at it," he says.

"The challenge is to bring public and private sector partners seamlessly together so they think like each other. It's also about finding ways to leverage common and current resources and identify and accept innovation so both parties can perform well."

Risk allocation can be a point of contention between the public and private sectors in a PPP contract. Therefore, it's important that there is a clear understanding of who is responsible for what, through addressing potential perceptions and assumptions that can be skewed or biased. "It's important to always stress that it is a partnership," says Baxter. "The only way to build trust is with a free flow of information. If this occurs, any risk to the project would be known to all parties because all parties know what's happening at all times." This builds trust, which leads to success.

4. Program complexity and scope

Large-scale programs executed through PPPs are complex, high value, and high stakes, and represent a large scope of responsibility, and contracts need to be managed accordingly.

Barth-Coullaré illustrates this well. “One program I was on involved 700 full-time engineering resources. We had operations in 5-6 different countries; we had to procure engines from Asia, ship them to Sweden, assemble in a German plant, and hand them over to customers in Switzerland,” he says.

As a result, cost overruns and delays can quickly get out of hand without thorough preparation and a well-executed process between customer, suppliers and cross-functional stakeholders.

“Execution is essential. Fiscal ramifications and procurement difficulties can lead to a lot of potential friction points and it’s important to take a partnering and collective dispute avoidance approach,” says Barth-Coullaré.

5. PPPs and politics

Many of these project complexities can be amplified by uninformed politicians with ambitious agendas.

“PPP projects usually take a year or more to prepare; to launch the tender, for companies to present their bids, for the contract to be awarded, and then construction for 2-3 years. Nothing can be done in 6 months,” says Hayek. “However, politicians around the world want to make promises and win elections – they want to point to an achievement in a set timeframe.”

With these very public promises coming from the government, pressure mounts on the PPP team to speed up processes. In doing so, they may be forced to cut corners or ignore the law, which reduces investor interest. “You end up with investors who don’t care about best practices, or whether the project is well structured or has a negative environmental impact – then the project basically falls apart,” says Hayek.

“What is most important, especially in PPPs, is that political ambitions match the needs of society as well as the tech innovation cycles,” says Barth-Coullaré. “Public and private working together is better than classic procurement, but they need to talk to each other – they need a safe space to communicate and design the best possible tenders that meet the expectations of the ultimate beneficiaries, the user of the infrastructure.”

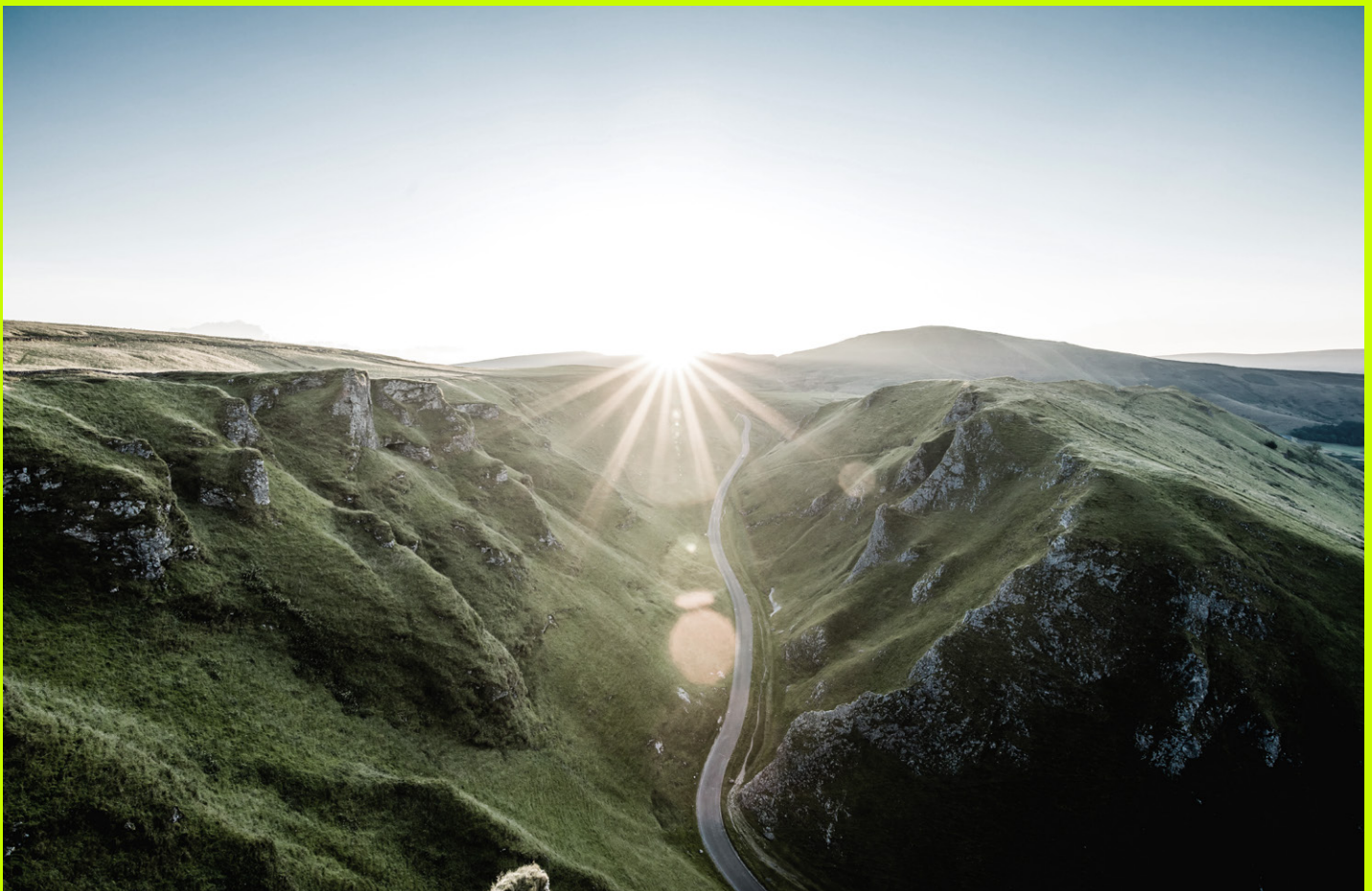
“It’s also important that political election cycles are not tied to PPP project lifecycles,” says Baxter.



What does best practice look like?

“Best practice tends to be related to ensuring transparency and competition in procurement processes, as well as collaboration, and intensive social and environmental impact studies. It comes down to preparing projects well, and making sure there is a good competitive environment,” says Hayek.

It’s also important to stress that PPPs must be equal partnerships. Taking a solutions-based approach will help facilitate conversations between parties without fear of unnecessary punitive actions or needless blame. “Trust comes from the free flow of information,” says Baxter. “That means that all parties know what’s happening at all times, including any risks to the project. The more reporting in real time, the better it is for all parties.”



Next-level PPPs: Value for future, not just value for money



‘Next-level PPP’ is an expression coined by Hayek to explore how PPPs could be done better.

“We were always talking within WAPPP about how PPPs should be done, how they should implement best practices, and not take into consideration the traditional value for money,” says Hayek. “Next-level PPPs are about going beyond the value for money to value for people, value for future generations.”

The term ‘next-level PPP’ has a strong connection with environmental awareness and making sure that projects are ESG compliant. With the climate challenges we are facing, the real mission is building a repeatable framework for sustainable, resilient PPPs.

“Today we want to build climate resilient infrastructure. Almost no country has set up a rigorous mechanism breaking it down from the constitution to the laws and regulations, so that companies know what to do and what to expect,” says Barth-Coullaré.

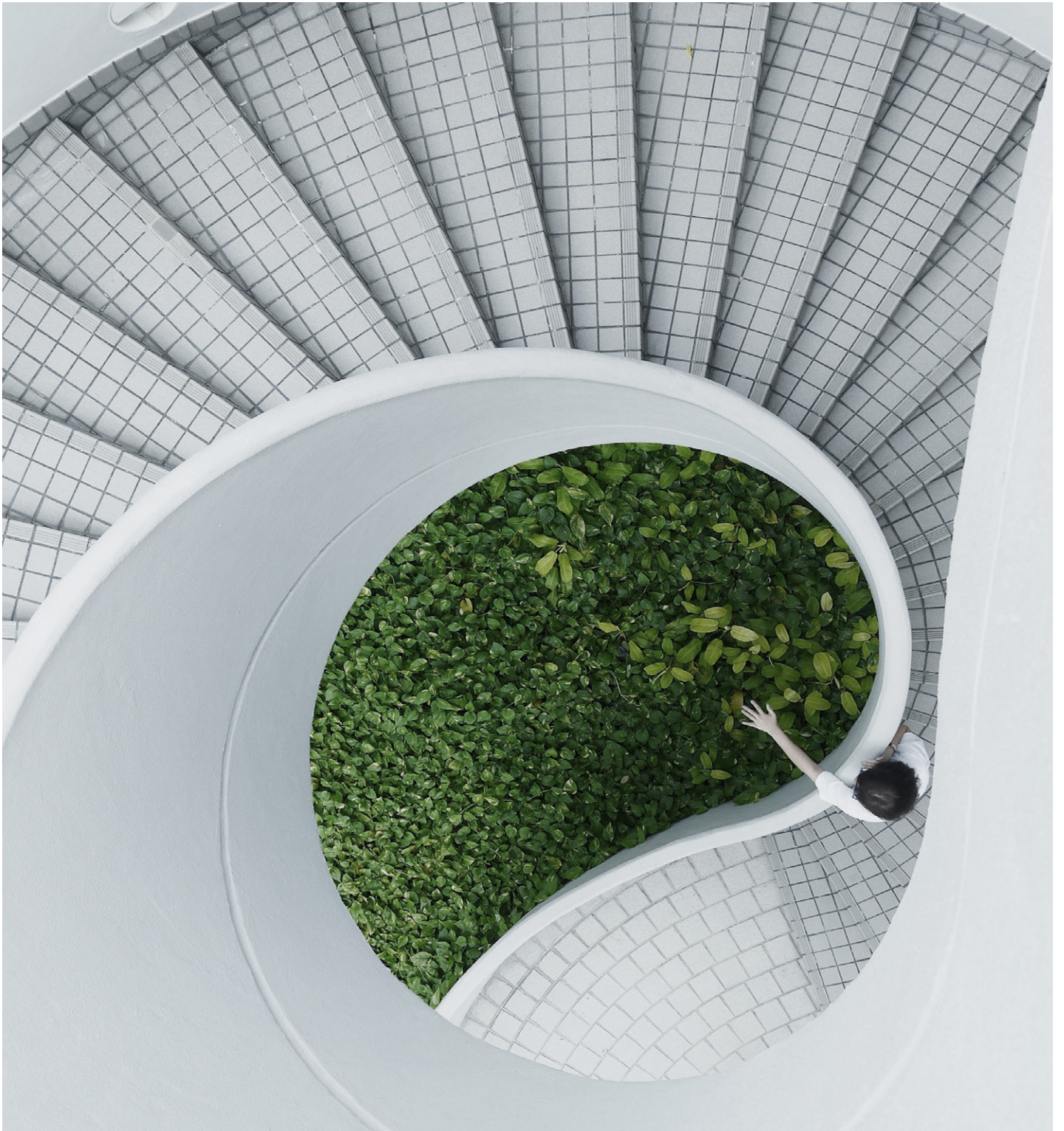
“We, as public-private sector professionals, help facilitate the dialogue because we are interested in resilient infrastructure – we simply cannot continue to scrap it 20 years later and need to work on regenerative lifecycles and circularity. If we were to build on a shared framework globally, we’d have more systematic and repetitive cross-border PPP successes. We’d be able to close the global infrastructure gap much faster.”

“An additional filter for projects is determining where they offer value for people,” says Baxter. “If good assessments of value for money (VfM), value for the future (VfF), and value for people (VfP) are performed better, PPP projects will be proposed by governments. This essentially ties projects to ESG considerations.”

**Jean-Christophe
Barth-Coullar**
Executive Director,
WAPPP Association



“ESG is becoming something that is just part of doing business properly. Young companies today want to offer disruptive innovation, but for it to really be compatible with society, it has to be sustainable innovation to mitigate and adapt to climate change. These tech entrepreneurs have good, creative solutions, and we need to learn and benefit from them.”



Best-practice and next-level PPPs



While the partnership element is stressed in WAPPP, it is really a tripartite relationship, with civil society acting as the third. “There needs to be a solid underlying civil society consultation process behind these things, questioned and involved along all these project gates for the best benefit,” says Barth-Coullaré. This requires stakeholder consultation from the beginning and throughout PPP projects.

“Stakeholders should include the public and private sector partners, as well as members of vulnerable communities (e.g. women) and civil society organizations. It is, however, important that the expectations of stakeholders are managed to ensure that unrealistic expectations do not evolve,” says Baxter.

There’s a responsibility today for future generations to not just ‘build back’ better, but “build forward better and that needs to be reflected in PPP governance,” says Barth-Coullaré. Greater governance has an increasingly important role to play in ensuring there is some certainty and predictability behind these large-scale projects, and that civil society has a voice when it comes to their socioeconomic benefits.

“ESG will be critical and very much tied to governance, strategy, and policy,” says Baxter.

“Countries that don’t do this will have a challenge. They won’t get away with ignoring ESG, which is becoming a pivotal concern of PPP proponents.”

Decisions must be based on data



With Hayek's example of the four sectors above, it's evident that what's important for making stronger decisions is getting access to information that supports PPP decision making as well as the day-to-day monitoring and evaluation of PPP projects.

"The ability to install sensors and gather information is so important. It will tell you a lot about how much water is consumed for example, and where, so you know how to distribute it," says Hayek. "Using AI to measure and collect data – and mine that for decision making – is hugely valuable."

"We can't make excuses any more for bad design, bad build," says Baxter. "Governments are collecting enormous amounts of data on how to implement PPPs better, and the time of pretending we can't do it is over." Additionally, investors are becoming more demanding of data monitoring to ensure that their projects are less risky.

Embracing technology will continue to be critical to supporting best implementation practices in PPPs, from facilitating informed decision making and supporting the individual projects, to leveraging the smart technology and digital infrastructure that will help build a sustainably resilient future that embraces the reality of AI. With the pace of change in technology, the private sector often has insights and foresight that the public sector doesn't. These should be embraced, along with measures to counter technological obsolescence.

"Technological obsolescence is one of the biggest challenges for PPPs, as current tech investments can become irrelevant so quickly. Therefore, there needs to be an upgradability and flexible aspect to technology, such as modular tech you can pull out and replace with something new when needed," says Baxter. "Future proofing is a critically important consideration."

Imagination is the limit when it comes to what technology can do for sustainability. Smart power grids, desalination plants, automated vehicles – all of these can be equipped with sensors so they can share information and channels can be monitored all the time. These innovations should be embraced.



Ziad Alexandre Hayek
President, WAPPP



“PPP must not be regarded as a tool for public procurement, but rather as a tool for development. It is in the context of the larger SDG perspective of overall development that PPPs must be seen. The decision to build a power plant must not be independent from the strategy for the water sector, which is among the largest consumers of electricity. Nor should a water project be contemplated independently of the strategy for agriculture, which is by far the largest consumer of water. The same applies to agriculture, which has a major impact on the environment. We need to look at decisions across the board because they are all interrelated. Policies need to be based on a global cue.”

Using tech to improve PPP processes

We've seen digitalisation and the use of virtual platforms accelerate through the pandemic. The ways of interacting through these digital tools has significantly augmented the quality of communication being conducted.

“Tools like Ansarada help you engage with teams in real time and ensure everything has been read, and is kept up to date on one repository,” says Barth-Coullaré. “They can't replace being under one roof – we are humans, not machines after all – but this new generation of tools is constantly evolving and progressing to make our lives easier when working on complex infrastructure and engineering projects.”

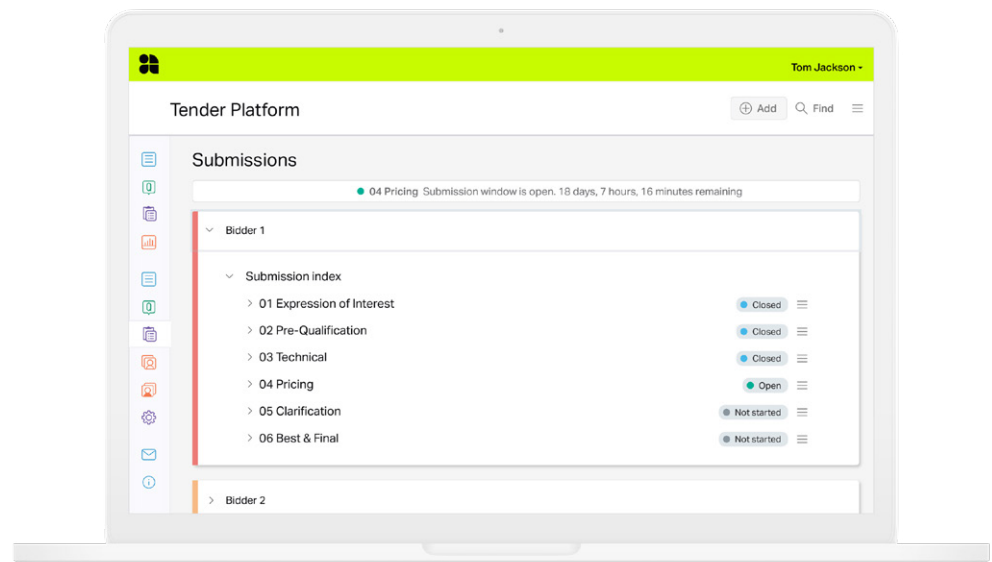
“This renaissance needs to be embraced,” says Baxter.

Critical to executing PPPs is having the right data repository in place, tracking everything and ensuring visibility and transparency across all

parties. In essence, greater governance supported by new tools is key.

“Good documentation of the PPP tendering process is important,” says Hayek. “Firstly, to make sure that your data room has all the info needed by implementers and investors; secondly, by making sure you control access to the data in a transparent and competitive way, and lastly, that you leave an auditable track record.”

If this occurs, greater civil society trust in PPPs will increase and the perceptual stigma of PPPs can be counterbalanced with successful projects that deliver people-focused solutions.



Looking forward

“We’re a young organization, and we haven’t completed our growth phase yet,” says Hayek. “The next three years will be a continuation of the first three in terms of the need to grow the organization, cement its position as a global hub for PPP professionals, servicing members by developing their careers and projects, and perfecting the profession.”

PPPs may be rooted in infrastructure, but they can also function at the diplomatic level; they can act as a platform for people from public and private sectors to come together.

“Government officials need to think about sustainability and resilience, and getting the best future value out of what is invested into a project. They should be looking at procurements that are competitive and transparent. The only way you can ensure you are getting the best deal is to improve the procurement process,” says Baxter.

“I’m very optimistic that PPPs have a future. They are becoming more critical resources. For western societies, they might think they are comfortable doing things the old way, but emerging economies will leapfrog over them in future – not because they are risk-takers, but because they have no choice.”

WAPPP as a people-focused organization has tremendous potential to influence current and future PPP projects. Through its large network, it can better promote future-forward projects and focus on building bridges for all practitioners, whether they come from the public or private sectors.



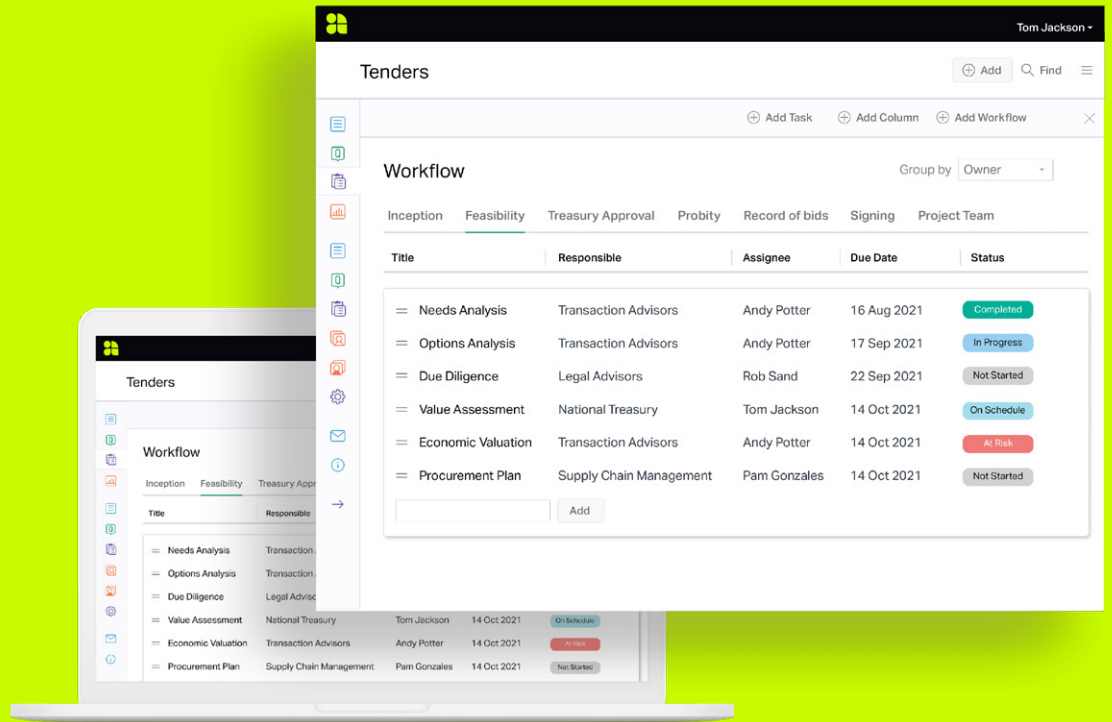
What's next for WAPPP?



Ziad Alexandre Hayek
President, WAPPP



“I think we live in a small world that is becoming smaller all the time. We need to find more efficient ways for decision making and policy making that address the local community while transcending to the global level. It’s a challenge that those in the public sector aren’t paying attention to – and those in the private sector even less. I want us to be that bridge between public and private to break down the barrier. Sometimes projects have cemented relationships between countries. I don’t mean to sound like a Miss Universe pageant winner – but I genuinely believe that PPPs can play a role in global peace.”



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Barth-Coullaré is the Executive Director of WAPPP (World Association of PPP Units & Professionals) and an international Deal Facilitator.

He specializes in deal facilitation in infrastructure projects, dispute boards and mediates business-to-business disagreements.

Barth-Coullaré brings experience from working in both the public and private sector to establish better governance, integrated contract management systems and dispute avoidance schemes for PPPs.

Barth-Coullaré is passionate about improving project governance and has co-authored the book “Early Stage Governance - an effective lever for the development of start-ups” with a group of independent directors from the APIA Swiss NED network.

Barth-Coullaré co-founded the European Champions Alliance to strengthen the European tech ecosystem. He is a board member of the Swiss Federation of Mediation Association and past Co-President of the Swiss Chamber of Commercial Mediation. Recently he joined the faculty of Glion Institute for Higher Education in the MSc Hospitality, Entrepreneurship and Innovation track.

Barth-Coullaré holds an Executive MBA from ESSEC & Mannheim Business School and earlier law degrees from Germany, Switzerland and France. He is a citizen of Germany and France, established in Geneva and is conversant in six languages.

Jean-Christophe Barth-Coullaré

David Baxter



David Baxter is a PPP Infrastructure and development Procurement Planning and Policy Advisor with over two decades of international development and PPP consultancy experience.

Currently, David works as a Senior PPP Advisor for the International Sustainable and Resilience Center (ISRC) and a Steering Committee Member for the World Association of PPP Units and Professionals (WAPPP). David also works regularly as a part-time consultant for the World Bank.

In his long career, David has collaborated with public and private sector clients and partners in over 40 countries in the areas of ethical governance, competitive and transparent procurement, PPP policy and practice, concession planning, and sustainable and resilient development.

As an independent consultant to governments and development agencies, he has supported PPP national strategy and policy programs, provided infrastructure consulting services, and built procurement capacity across nearly every continent.

Most recently, David presented workshops at PPP Forums held in Istanbul, Dubai, and Malaysia. Prior to that, he contributed to a series of institutional PPP capacity building exercises in the Maldives, Saudi Arabia, and Sri Lanka.

Originally from South Africa, David now lives with his wife in the greater Washington DC area.



Hayek is the President of WAPPP (The World Association of PPP Units & Professionals).

He has 41 years of experience in investment banking, corporate strategy, governance, public policy, emerging markets, and government relations. He has lived and worked in Africa, Europe, the Middle East, the US, and Latin America. In 2019, he was nominated to be President of the World Bank.

Hayek has been Vice Chair of the UN Working Party on PPP, Secretary General of Lebanon's High Council for Privatization and PPP, CEO of Lonbridge Associates, Senior Managing Director of Bear Stearns, President of Indosuez Mexico, Head of International Securitization at Citibank, and Vice President at Salomon Brothers

He is and has been a member of the boards of multiple companies, banks, universities, NGOs, and tech startups. He was a member of the US

Council on Foreign Relations and is an experienced entrepreneur and enthusiast of science and digital technology.

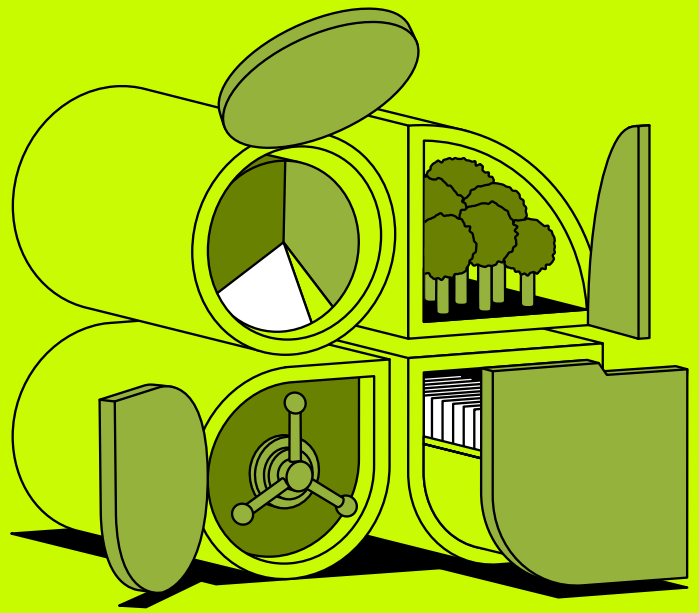
Hayek has an MA in International Management from UT Dallas. He is registered as a CEO of a financial institution by the UK Financial Conduct Authority and certified in AI by IBM.

He is a citizen of the US, the UK and Lebanon, and is conversant in 11 languages.

Ziad Alexandre Hayek

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