

AI

POLITICS is LOCAL



BARCELONA'S
INNOVATIVE
URBAN PPP
CREDITS SUCCESS
TO ITS WORKING
RELATIONSHIPS
WITH POLITICIANS





A PPP

in Barcelona aimed to reinvigorate the city, strategically building a vibrant urban center to attract businesses as well as creative institutions. The ambitious goal—to guarantee a sound economy, pleasant surroundings, and a sustainable environment for decades to come, satisfying visitors as well as residents—had never been undertaken at this scale. Public and private cooperation made it possible, proving that even for the most innovative PPPs, old-fashioned political relationships are as important as ever.

In this interview, **Barcelona Global CEO Mateu Hernandez** teases out the nuances of working with politicians on a PPP and advises *Handshake* readers how a push for transparency can lead to innovation.



Urban PPPs like Barcelona Global may have closer interaction with local politicians than other PPPs. How do you balance the relationship with elected officials alongside the needs of the other stakeholders?

There is always a need for a strong sense of independence from politicians when the private sector goes into public-private strategic planning. Private sector leaders should be aware from the start that being independent from policies and politics is essential for the success of the process. Some of the issues the private sector might propose might not be “politically correct” for the governing party, and politicians then use their influence interrupt the process. The government and the opposition parties will all try to bend the process their way, either to legitimize their policies or to try to erode the governing party. That is why it is so important to create clear rules for interaction and seek broad political agreement before the PPP launches. It is also important to foster meetings between the private leaders of the process and the opposition to the government.

How would you advise others on how to meet the needs of politicians while achieving the best results for a PPP?

In a public-private partnership, politicians are typically seeking a kind of legitimacy—he or she wants to be perceived as an open and collaborative political leader. This desire for openness can have a positive outcome when the public officials provide total autonomy to the group formed by the private sector. When this happens, we see innovation. It often enables a new and interesting strategic planning process in which the private sector plays a key role defining key objectives and concrete programs. This process can also pave the way for key private commitments when implementing the strategic plan.

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Where have you seen relationships with politicians go wrong in a PPP?

I've seen three broad categories of mistakes when dealing with elected officials:

When the call for collaboration on strategic planning is mainly a political movement or an image campaign for the politicians, the collaboration is not genuine, and the private sector should avoid it. The best way to know when a call for collaboration on defining a strategic plan for a wider objective or a sector is legitimate is to ask for some rules to follow, including: no public interference; full ability to nominate who is going to assist and participate in the process; whether or not technical assistance is required; the go-ahead to hire for this function independently; and the ability to maintain top-level coordination. If these needs are met, the coordination should be kept active through regular formal and informal meetings, which build a deeper personal relationship.

If the process of public private strategic planning is built as it should, avoiding the first mistake, a second kind of mistake happens when the private sector tries to mimic the role of the public sector, or of politicians. Political skills are unique to politicians. Private sector leaders involved in a strategic consultation should use the skills that made them successful: remaining focused on concrete goals and actions, business-oriented, and factual.

Another mistake to avoid is regarding implementation. Some strategic processes led by private stakeholders might fail when going into implementation. Many strategic processes have failed when not committing themselves fully to the implementation process. Private sector players have to be committed when asked to design strategies and especially when suggesting actions to develop.



How have the public and private partners of Barcelona Global divided their roles to play to their strengths while remaining committed to the PPP?

Barcelona Global is the child of the marriage between public and private partners who deeply believed in the value of strategic planning for Barcelona. Once the planning stage concluded, private leaders understood that they needed to create an independent body to monitor the implementation of the plan and make some of the strategic issues happen. The private sector decided to fund and participate a more action-based agenda, which they thought of it as a platform of commitment with the city and its future. This platform enables private individuals to work to make Barcelona one of the best cities in the world, which translates into attracting talent and developing economic activity. They commit time, contacts, and institutional resources.

How did your past experience managing PPPs inform this strategy?

My past experience on public private strategy—including perspective born of lessons learned the hard way—showed me that there is a need for private sector institutions to be responsible for certain projects. If the private sector involvement devolves to individuals or individual organizations, there are many chances that the process won't move forward. The involvement of private institutions—fully privately funded and staffed by professionals—is a precondition for success when the private sector is asked to contribute to strategic planning in the public sphere.