How to build public-private partnerships that create shared value for all stakeholders

A framework to successfully manage public-private projects, inspired by Barcelona's 2024 hosting of the America's Cup.

June 19, 2026

The 37th edition of the America's Cup generated more than €1 billion in GDP and nearly 13,000 jobs. At the heart of its success was collaboration between public institutions and private companies that reconciled the interests of the many stakeholders involved.

In fact, reconciling interests is often the Achilles' heel of public-private partnerships (PPPs). In some cases, those providing capital or technical resources dominate decision-making at the expense of the ultimate beneficiaries and the affected communities.

To achieve joint value creation and distribute benefits fairly in PPPs, IESE professors Africa Ariño, Pascual Berrone and Joan Enric Ricart, together with Xavier Sobrepere (ESCP Business School) and Alexis Yong (Deloitte), propose a governance framework that includes both contributing partners — public and private — and non-contributing stakeholders such as users, citizens and affected communities. Although these groups do not directly participate in service delivery, they have a legitimate interest in its outcomes.

Three critical risks in public-private partnerships

Why do PPPs fail? The research identifies three risks that can derail any project, regardless of scale.

1. Cooperation challenges

When stakeholder groups pursue different objectives, friction arises over what kind of value should be created. Private-sector actors often prioritize financial returns, which can conflict with public-sector goals focused on social welfare and service quality.

2. Coordination failures

Even when goals are aligned, organizations may lack the capabilities and prior experience to share complex tasks effectively, leading to additional costs and operational delays.

3. Unequal value distribution

When power among participants is imbalanced, the value created is often distributed unevenly across stakeholder groups. This may result in abusive contract renegotiations, political exploitation of the partnership by governments, or contributing parties' needs dominating over those of general stakeholders.

How management challenges in PPPs can be overcome

Specific governance mechanisms can mitigate these risks. In public-private partnerships, such mechanisms should be codified and observable. This allows the partnership and accountability structures to function without relying solely on trust-based arrangements, which can create concerns about integrity, favoritism or legitimacy.

Three types of governance mechanisms are particularly important:

- **Participation and representation**

Examples include stakeholder committees and public hearings, which encourage effective cooperation by giving users and local communities a voice. This reduces the risk of social opposition and strengthens project legitimacy.

- **Joint integration**

Steering committees and regular meetings to align contributors' agendas and monitor progress facilitate real-time problem-solving. These structures help organizations coordinate effectively and adapt their routines when unexpected challenges arise.

- **Monitoring and transparency**

Open-data portals and independent audits allow all participants to monitor performance and the distribution of benefits. Such mechanisms discourage self-serving or collusive behavior among the main partners.

The governance paradox

The study emphasizes that effective governance in public-private partnerships involves more than simply identifying a risk and deploying the corresponding mechanism.

A single governance mechanism can unintentionally create new risks. For example, increasing citizen participation to improve cooperation may slow decision-making and complicate logistical coordination. Likewise, very close integration between public and private partners may lead each side to pursue its own interests unless strong transparency controls are in place. Increasing oversight to prevent abusive behavior may reduce trust among partners and make collaboration more difficult.

Solutions for effective public-private partnerships

The authors recommend designing a portfolio of governance mechanisms that balance one another, so that the corrective effect of one mechanism offsets the side effects of another.

Governance in public-private partnerships is not a fixed formula but a living process. As stakeholders' interests, capabilities and power evolve, the institutional design supporting the project must evolve as well.

Ultimately, the authors argue that effective governance of public-private partnerships and other cross-sector partnerships depends on the careful design of mechanisms to mitigate cooperation, coordination and value-distribution risks while remaining mindful of the paradoxes that can emerge when these mechanisms interact.

Bringing collaborations safely to harbor: The 2024 America’s Cup

A notable example of a public-private partnership that successfully balanced competing interests was the 37th America’s Cup, held in Barcelona between August and October 2024.

IESE Prof. Joan Enric Ricart and Jordi Oliver analyzed the partnership’s governance in a case study and noted that Barcelona had to coordinate six different stakeholder groups.

On one side were the contributors: public entities such as the Government of Catalonia, the Barcelona City Council and the Port Authority of Barcelona, as well as private actors such as ACE, the event’s principal organizer. Other stakeholder groups included participating teams, sponsors, spectators, media organizations and volunteers.

Barcelona & Partners acted as a neutral intermediary between the regional government, city council, port authority and private organizers.

All stakeholders were committed to the success of the sporting event, providing a shared objective.

To address challenges related to cooperation, coordination and value distribution, organizers assessed the event’s social impact and identified unintended consequences affecting segments of Barcelona’s population that were not formally included in the project.

In addition, an operational board was established to manage decision-making processes, while a steering board enabled rapid responses to unforeseen circumstances. However, the greatest source of resilience proved to be the quality of relationships among the institutional actors involved.

The results illustrate the rewards of this collective effort. The event generated more than €1 billion in GDP, nearly 13,000 jobs and a positive fiscal impact of €208 million. It also attracted 2.5 million spectators and received 43,186 hours of media coverage across 210 regions, generating 953.7 million views. Tourism in Barcelona also benefited, with hotel occupancy reaching 80% during the event week.

As a result, Barcelona reaffirmed its position as a leading maritime capital on the international stage.

Key lessons from the management of the 37th America's Cup

1. Successful public-private partnerships combine flexible governance with neutral facilitators that build trust by bridging sectors.
2. Managing relational risks (cooperation, coordination) is as important as managing financial risks.
3. Investing in tangible and intangible legacies, such as reputation, innovation and social capital, can significantly increase long-term returns.
4. Creating shared value (economic, social and reputational) strengthens public legitimacy and the long-term sustainability of projects.

MORE INFO:

"A Stakeholder Governance Framework for Public-Private Partnerships" by Africa Ariño, Joan Enric Ricart, Pascual Berrone, Xavier Sobrepere and Alexis Yong, forthcoming in the *Academy of Management Review*.

"Governance of the 37th America's Cup in Barcelona: A Public-Private Partnership Model" by Joan Enric Ricart and Jordi Oliver, published by PPP for Cities.

ALSO OF INTEREST:

All about cooperation, collaboration and partnerships

Lessons from the America's Cup for leading high-performance teams

Public-private partnerships for smart cities: sharing good practices

Africa Ariño

Professor of Strategic Management and holder of the Joaquim Molins Figueras Chair of Strategic Alliances.

Pascual Berrone

Professor of Strategic Management and holder of the Schneider Electric Sustainability and Business Strategy Chair at IESE.

Joan Enric Ricart

Professor of Strategic Management and holder of the Carl Schroeder Chair in Strategic Management at IESE. His work focuses on cities, business models, and offshoring. He is co-academic director of IESE Cities in Motion.

www.iese.edu/insight