GOOD PRACTICE

Public-Private Dialogue

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High Level Technical Training
Policy delivery, Participatory Governance and Accountability
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WHAT IS IT, WHAT DOES IT LOOK LIKE?
WHAT IS A PUBLIC PRIVATE DIALOGUE (PPD)

“A sustained process of engagement among private sector and government stakeholders, with a common view to achieve shared objectives and play a transformational role for a particular set of issues”.

Source: Herzberg, World Bank Group, 2014
PPD HAS ALWAYS BEEN AROUND
NATIONAL
NATIONAL COMPETITIVENESS COUNCILS

Malaysia

Korea

Ireland

Colombia

Haiti

Chile

CARIBBEAN GROWTH FORUM
SECTOR COMPETITIVENESS

CRUISE SECTOR TURKEY

- Between 80,000 and 100,000 jobs
- €7,500 millions per year
Typology of PPDs: 7 interlocking types

National, Economy-wide, Permanent institution, Public-driven, 3rd party brokerage/support, General orientations/Many goals, Many actors

Area, Scope, Institutionalization, Leadership, Ownership, Focus, Participation

Local, Sector-specific, Temporary initiative, Private-driven, Locally driven/sustained, Specific changes / Specific goal, Few actors

Herzberg, World bank Group, 2013
WHEN TO USE IT

1- As a growth **discovery** mechanism (whether at economy wide or industry level, whether at national or local level)

2- As a crisis **detection** mechanism (to capture early warning signals and take defensive actions)

3- As a post-crisis **resolution** platform (to quickly set up and implement mitigation strategies)

4- As a **governance** mechanism to ensure inclusion, fairness, transparency and accountability

*Source: Herzberg, World Bank Group, 2011*
WHAT’S IN IT FOR ME?
1- GOVERNMENT CAN PRIORITIZE

- Labor Cost
- Red Tape
- Poor Productivity
- Costly and unreliable Utilities
- Logistics

Competitiveness

Source: Subramanian, 2006
2- ENTREPRENEURS INCREASE COMPETITIVENESS

Source: Herzberg, World Bank Group, 2006
3- REGULATORY PAYOFFS

EASE OF DOING BUSINESS: Morocco improved by 41 places from the 128th place in 2009 to the 87th in 2013.

- Implemented reforms in 2010
- facilitation of the process of starting a business by reducing the time, cost and number of procedures:
  - deleting the minimum capital requirement,
  - reducing costs by 40%,
  - reducing the time from 15 to 5 days;
- Simplification of the procedures of registering property and paying taxes (introduction of e-payment / e-statement etc.);
- the implementation of an alert mechanism against administrative abuses involving all stakeholders (Ministry of Justice, Moroccan Instance for Anti-Corruption etc.).

Source: Morocco National Committee for Business Environment, 2014
4- A WAY TO BE OPEN AND COLLABORATIVE

FROM

Mitigating risk by solving a few issues

Politics
Focus on few public officials and on private sector supply chain

TO

Sponsoring a discovery process for solving the underlying factors to issues faced by stakeholders

Policies
Public-Private Dialogue & Multi-stakeholder engagement

Source: Herzberg, World Bank Group, 2012
5- EXPAND THE SPACE FOR Viable REFORMS

Structured dialogue → Workable reforms → Reforms that work

PPD contributes to all steps of reform process

Diagnostic
- Engagement
- Definition
- Empowerment

Solution Design
- Consensus building
- Filtering

Implementation
- Ongoing support
- Watchdog
- Resources

Monitoring & Evaluation
- Watchdog
- Feedback loop

Source: Herzberg and Palmade, World Bank Group, 2006
WHAT IS THE IMPACT OF PPDs?
EVIDENCE OF DEVELOPMENT EFFECTIVENESS

2005:
Independent evaluation of 5 Investors Advisory Councils in Africa

2007:
Independent evaluation of 3 Business Forums in Mekong

2009:
Independent evaluation of 30 WBG-sponsored PPD

2011:
Impact assessment of 4 IC country programs (Rwanda, Liberia, Sierra Leone, Burkina Faso)

2012:
IFC internal evaluation of IC programs and their development effectiveness

2012:
Impact of IC programs in Fragile and Conflict Affected States

Over 400 reforms achieved in over 50 distinct areas
Economic impact (private sector savings)
Conservative estimate: $500 millions
Cost effectiveness
Start-up investment of 100k-200k / ROI $1 = $2.9

Extracted from WBG Independent Evaluations, 2011
SECTOR GROWTH THROUGH PPD

Comparison of 2 sectors in 5 countries (Egypt, Lebanon, Malta, Spain and Turkey) + Comparison of 10 different PPD case studies in one region of Spain - Catalonia

Source: Herzberg, Kassim, Majumdar, Sudan, Stanford University research team, Watson, Zeng, World Bank Group, 2011
WHERE IT CAN GO WRONG
PPDS ARE RISKY BUSINESS

1- Political Economy, Institutional misalignments (e.g. Uganda NF, Benin)

2 - Reinforcing vested interest (e.g. Mongolia, Belarus, Tunisia, Egypt)

3 - Over and under representation (e.g. Tanzania, Benin 6/6/6)

4 - One man shows (e.g. Botswana, Nepal)

5 - Sustainability issues (e.g. Bolivia, Cameroon, Liberia)

6 - Political risks (e.g. Bosnia, Bangladesh)

Source: Herzberg, World Bank Group, Wright and Sisombat, 2006/2013
SOUNDS FAMILIAR?

WHY THE PPD DID NOT SUCCEED:

- Lack of true integration with government policy
- Lack of government leadership
- The private sector was not unified
- No research capability
- No business vision
- The political cycle was a very serious problems (elections)
- Lack of resources

*PPD in Jamaica, Keith Collister, IDB, November 2009*

Challenges found in PPDs can be analyzed from the angles of (i) process/governance and (ii) impact. Requires analysis of both dimensions.
LESSONS FROM THE FIELD - 2014 GLOBAL PPD WORKSHOP
140 participants, 33 PPD initiatives, 40 countries.

- **Leadership** of government and business actors
  - Capacity of the state determines rent seeking behavior, corruption and collusion, or if they will support developmental growth.
  - Well-organized business associations are able to effectively represent a wide range of private interests and pursue broad-based reforms

- **Fragmentation** of PS voice

- **Government Coordination**
  - Need a clear status, empowered civil servants
  - Level of representation
  - Establishing objectives, responsibilities, expectations and benchmarks for success.

- **Technical** Capacity (organization, research) of the Secretariat

- **Relationship** management: trust building, communication

- **Sustainability** of platforms supported / initiated by donors

- **Outputs**
  - Doable agenda, M&E in place, Public outreach
  - Higher chances of success if the goals are narrow and measurable

...SAME FINDINGS IN ACADEMIC STUDIES.
STARTING AND ASSESSING PPDs
Public Authorities:
Engagement means sufficient capacity, political will and leadership.

Business/CSO community:
Needs to be somehow organized, led and feel a basic sense of security.

Champion:
Needs credibility, expertise and the ability to get media attention

Instruments:
Need logistical facilities, seed funds

Source: Herzberg, World Bank Group, 2005
### PPD CHARTER OF GOOD PRACTICE
IMPLEMENTATION FRAMEWORK: 12 KEY PROCESSES

<table>
<thead>
<tr>
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<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Mandate and Institutional Alignment</td>
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<td>2</td>
<td>Structure and participation</td>
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<td>3</td>
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<td>Outreach and communications</td>
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<td>11</td>
<td>Post-conflict/disaster, crisis response</td>
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<td>12</td>
<td>Development partners</td>
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*Source: PPD Charter of Good Practice*

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TEN PRACTICAL IMPLEMENTATION TIPS TO GET RESULTS
A LOT OF WORK
Coordination and mediation business

Source: Bosnia & Herzegovina, Bulldozer Regional Committee, 2002
PLAN A PHASED AND INCLUSIVE APPROACH

a. Assessment
b. Consultations
c. Reaching out to constituents

Source: Herzberg, & Howard, World Bank Group, 2011
-3-

STRONG FOCUS ON TARGETED, MEASURABLE REFORMS

Focusing on this will bring the others
SIMPLE, EXPLICIT ORGANIZATION

Public-Private Mandate

Coordinating secretariat

Working group 1
Working group 2
Working group 3
Working group 4
Working group 5

Private sector advocates, associations, government representatives, donors

Source: PPD Handbook, 2011
-5-

A TEMPLATED, EVIDENCE-BASED, OPEN AND DISCIPLINED WAY TO SELECT REFORM PROPOSALS

Source: Tanzania Development Vision 2025; PPD handbook (WBG, 2006)
-6- BUILD REFORMS TEAM

- After the high level meetings, what happens?
- Work needs to be done: for each activity / reform, a work plan developed with timeline and responsibilities assigned
- Stakeholders mapping:
  - Who are involved in the process?
  - What are their formal and informal links?
  - What do they want?
  - How influential are they?

Source: Leadership for Results Program, World Bank Group, 2014
-7-

STRONG CONVINCING POWER

Bosnia Bulldozer initiative, “50 reforms in 150 days”

From the Protocols for Prosperity... To the Prosperity Garden (Bosnia)

Cambodia SME credit reform - TV shows on location (SMEs) + Experts

Georgia legal and judicial reform

Accountability gets specific in Bosnia (corporate governance reform)

Source: PPD Handbook
GOOD PLANNING

Bulldozer Committee 1st Plenary Session
Vetting 8 reforms

Bulldozer Committee 2nd Plenary Session
Vetting 15 reforms

Bulldozer Committee 3rd Plenary Session
Vetting 27 reforms

Bulldozer Committee
50 REFORMS
PUBLISHED IN PRESS

Source: Bosnia Herzegovina, Bulldozer Committee, 2011
MONITORING PROCESS AND EVALUATING IMPACTS

<table>
<thead>
<tr>
<th>SUMMARY TABLE</th>
<th>SCORE</th>
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<td><strong>Average score:</strong></td>
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### Table: Evaluation Indicators and Impact Metrics

<table>
<thead>
<tr>
<th>Indicator</th>
<th>(1) Reach</th>
<th>(2) Private sector savings</th>
<th>(3) Investment generated</th>
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<tbody>
<tr>
<td>Business entry</td>
<td># of firms that register</td>
<td>Cost compliance savings</td>
<td>Investment generated</td>
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<td>Construction permits</td>
<td># of firms that get a construction permit</td>
<td>Cost compliance savings</td>
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<tr>
<td>Other permits and licenses</td>
<td># of firms that comply with reformed licensing procedure</td>
<td>Cost compliance savings</td>
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<td>Inspections</td>
<td># of firms that comply with reformed inspection procedure</td>
<td>Cost compliance savings</td>
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<td>Debt Resolution</td>
<td>Restructuring &amp; Insolvency</td>
<td># of Limited Liability Companies (LLC) with bank financing</td>
<td>Cost compliance savings, Returns to stakeholders²</td>
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<td></td>
<td>Alternative Dispute Resolution</td>
<td># of commercial cases filed in Courts and ADR centers³</td>
<td>Cost compliance savings</td>
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<tr>
<td>Trade logistics</td>
<td># of firms that export and/or import</td>
<td>Private sector savings²</td>
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<tr>
<td>Business taxation</td>
<td># of firms that file tax returns</td>
<td>Cost compliance savings – Other savings²</td>
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<td>Investment policy</td>
<td># of foreign firms and local firms affected by investment policy reform</td>
<td>Cost compliance savings</td>
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<tr>
<td>Industry</td>
<td>Agribusiness</td>
<td># of firms and farms operating in the agribusiness industry</td>
<td>Private sector savings</td>
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<tr>
<td>Tourism</td>
<td># of firms operating in the tourism industry</td>
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<tr>
<td>Health</td>
<td># of people with access to new and/or improved health services</td>
<td>Private sector savings</td>
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</tr>
<tr>
<td>Infrastructure</td>
<td># of people with access to new or improved electricity services</td>
<td>Private sector savings</td>
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Source: PPD Handbook, PPD Evaluations
1. Political Economy, Institutional misalignments (e.g. Uganda NF, Benin)
   - Political economy analysis, embrace institutions, use/train technical staff

2. Reinforcing vested interest (e.g. Mongolia, Belarus, Tunisia, Egypt)
   - Be open and transparent – Publicize quality control – Broad based

3. Over and under representation (e.g. Tanzania, 18%, Benin 6/6/6)
   - Strengthening BMOS – Equal representation – Periodic review

4. One man shows (e.g. Botswana, Nepal)
   - Foster bottom-up support – Secure written commitment – Prepare transition

5. Sustainability issues (e.g. Bolivia, Cameroon, Liberia)
   - Clear agenda and proposals – Manage expectations – Live and let die

6. Political risks (e.g. Bosnia, Bangladesh)
   - Depoliticize through outreach – Woo parliamentarians – Go local
Trust
Education
Discovering what works / What doesn’t
Setting up production process

Phase 1

Phase 2

Phase 3

Results

EARLY RESULTS

High Impact Results

1 to 3 years
1 to 3 years

Trust

Education

Discovering what works / What doesn’t
Setting up production process

Phase 1

Phase 2

Phase 3

Results

Time

Institutions

BMOs

Permanent brokering

Ownership without capacity

Source: PPD Handbook

1 to 3 years
1 to 3 years

More capacity
Better production
Better product
More conflict

-10- AS YOU ENTER, THINK ABOUT EXIT
COMMUNITY OF PRACTICE

KM Website
Charter of good practice
Lessons learned papers
Interactive PPD handbook
50 case studies
Operational documents
Templates
M&e Tools
Workshop materials

Workshops
2006 PPD Workshop (Paris, 30 countries represented)
2007 PPD Workshop (Douala, 7 countries represented)
2008 PPD Workshop (Dakar, 8 countries represented)
2009 PPD Workshop (Vienna, 20 countries represented)
2010 PPD Workshop (Vienna, 23 countries represented)
2011 PPD Workshop (Vienna, 20 countries represented)
2014 PPD Workshop (Frankfurt, 40 countries represented)

Donor partnerships
OECD (on implementation guidelines)
DFID (co-funding of KM and projects)
GTZ (co-implementation of PPD projects)
EBRD (co-implementation of PPD projects)
USAID (our PPD training to their PSD staff)
Catalonia ACC10 (research partnership)

TOOLS

Implementation guidelines
Diagnostic tool
M&E Tools for PPD secretariats

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THANK YOU!

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