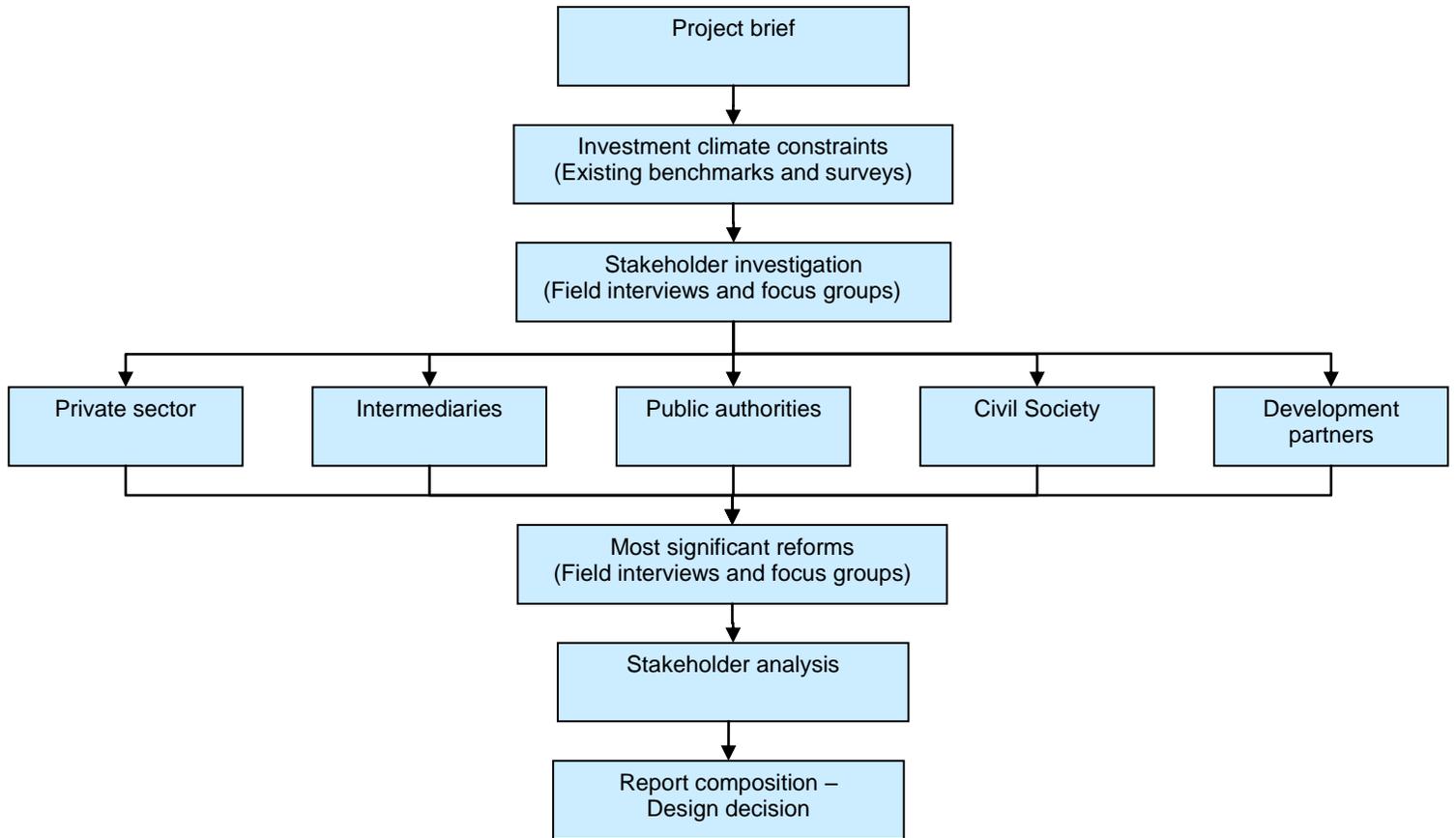


B.2. DIAGNOSTIC PROJECT SEQUENCES



The above figure represents the different steps to be taken during the PPD diagnostic. Each step is detailed in the sections below.

In term of time management, it is estimated that the completion of the diagnostic project takes 14 days:

Writing the project brief – 1 day

Investment climate constraints (desk study) – 3 days

Stakeholder investigation (field interviews) – 3 days

Most significant reform (field interviews) – Integrated into the above.

Stakeholder analysis (field and/or desk) – 2 days

Report writing – 5 days

Total: 14 days.

B.2.1. Project brief

The project brief sets the terms of reference (ToR) for the project. These are the key elements it needs to define:

- The rationale for the exercise
- The geographic area where it will take place and public sector jurisdictions it will cover
- Mention of any relevant previous exercises or knowledge
- The types of outputs desired from the diagnostic: only a report, or also recommendations?
- Names of people who will manage the project.
- Budget and time allocation for the project.
- Project plan, including the sequences of activities through which the project will go and details of each activity
- Monitoring and evaluation indicators for the project.
- Target completion date.

B.2.2. Investment climate constraints

This phase of the mapping tool relies on desk research of existing surveys and benchmarks, such as the World Bank's Doing Business reports and Investment Climate Surveys. Specific sources of information should be collected from the closest field office if available, and from practitioners who have knowledge about the studied location.

The aim here is to build up an overall understanding of the nature of private sector activity in the country or region under consideration, with specific emphasis on constraints to private sector development.

This enables the project team to understand the terrain and have a preparatory framework for understanding the responses received during the stakeholder investigation phase.

Key questions to consider at this stage:

- What are the main constraints on the private sector?
- What are key existing and potential sectors for the economy?
- Have priorities been identified in a Country Assistance Strategy or Poverty Reduction Strategy Paper?
- Are there institutions dealing specifically with PSD who could contribute more knowledge in this desk research phase?
- How important is foreign investment compared to home-grown enterprises?
- Do state-owned industries have a prominent role?
- What is the balance between large and small enterprises?
- Have larger companies shown interest in developing local supply chains?
- Is there a strong regional concentration of private sector activity, both in general and around specific sectors?
- How large is the informal sector?
- How important is the export market?

This series of questions is aimed at identifying where the bottlenecks to business investment lie. If task managers want to fit this investigation within an overarching structure, we advise them to use a tool such as the Policy Framework for Investment (PFI), which was developed by a task force of 60 OECD and non-OECD economies and in partnership with the World Bank Group. Such tool is

useful to ensure a comprehensive and coherent diagnostic. The World Bank's Doing Business reports and Investment Climate Surveys actually offer indicators to use in response to the PFI checklist questions.

The PFI brings together ten sets of questions covering the policy domains having the strongest impact on the investment environment and represents a comprehensive and integrated approach to diagnosing and implementing good policy practices for mobilizing private investment that supports development (see box). The PFI can be downloaded at: www.oecd.org/daf/investment/development

The 10 policy areas of the PFI are a useful guide to diagnose business environment constraints.

The PFI covers 10 policy areas identified in the Monterrey Consensus as influencing the quality of the investment environment. These are:

- ☑ **Investment policy:** The quality of investment policies directly influences the decisions of all investors, be they small or large, domestic or foreign. Transparency, property protection and non-discrimination are investment policy principles that underpin efforts to create a sound investment environment for all.
- ☑ **Investment promotion and facilitation:** Investment promotion and facilitation measures, including incentives, can be effective instruments to attract investment provided they aim to correct for market failures and are developed in a way that can leverage the strong points of a country's investment environment.
- ☑ **Trade Policy:** Policies relating to trade in goods and services can support more and better quality investment by expanding opportunities to reap scale economies and by facilitating integration into global supply chains, boosting productivity and rates of return on investment.
- ☑ **Competition policy:** Competition policy favors innovation and contributes to conditions conducive to new investment. Sound competition policy also helps to transmit the wider benefits of investment to society.
- ☑ **Tax Policy:** To fulfil their functions, all governments require taxation revenue. However, the level of the tax burden and the design of tax policy, including how it is administered, directly influence business costs and returns on investment. Sound tax policy enables governments to achieve public policy objectives while also supporting a favourable investment environment.
- ☑ **Corporate Governance:** The degree to which corporations observe basic principles of sound corporate governance is a determinant of investment decisions, influencing the confidence of investors, the cost of capital, the overall functioning of financial markets and ultimately the development of more sustainable sources of financing.
- ☑ **Policies for promoting responsible business conduct:** Public policies promoting recognized concepts and principles for responsible business conduct, such as those recommended in the OECD Guidelines for Multinational Enterprises, help attract investments that contribute to sustainable development. Such policies include: providing an enabling environment which clearly defines respective roles of government and business; promoting dialogue on norms for business conduct; supporting private initiatives for responsible business conduct; and participating in international cooperation in support of responsible business conduct.
- ☑ **Human resource development:** Human resource development is a prerequisite needed to identify and to seize investment opportunities, yet many countries under-invest in human resource development due in part to a range of market failures. Policies that develop and maintain a skilled, adaptable and healthy population, and ensure the full and productive deployment of human resources, thus support a favourable investment environment.
- ☑ **Infrastructure and financial sector development:** Sound infrastructure development policies ensure scarce resources are channelled to the most promising projects and address bottlenecks limiting private investment. Effective financial sector policies facilitate enterprises and entrepreneurs to realise their investment ideas within a stable environment.
- ☑ **Public governance:** Regulatory quality and public sector integrity are two dimensions of public governance that critically matter for the confidence and decisions of all investors and for reaping the development benefits of investment. While there is no single model for good public governance, there are commonly accepted standards of public governance to assist governments in assuming their roles effectively.

To complement the general diagnostic on the business environment, the desk research phase should also identify a significant recent reform to serve as the basis of the “most significant reform” exercise (see below section B.2.4.).

While it is important to collect and digest reports, the best source of knowledge is often phone, e-mail, or face-to-face conversations with practitioners who have worked in the country or location where PPD is being diagnosed. It is a wise investment of time to find such practitioners, as their insight is likely to be invaluable in preparing for the field interviews.

B.2.3. Stakeholder investigation

The aim of the stakeholder investigation phase is to map the perceptions of potential participants and stakeholders in PPD. These include the private sector, intermediary organizations, the public sector and civil society.

The methodology for this phase includes interviews and focus groups. The sections below outline what the reports should tell us about each of the five types of stakeholder.



Annex B includes sample questionnaires that can be adapted for interviews and focus groups with each type of stakeholder. These are also available as Word documents on www.publicprivatedialogue.org/tools. The questions are intended as a starting point, to elicit responses that will be

helpful in compiling the diagnostic report (also in the annexes). They should not be treated as exhaustive – questions can be added, deleted and adapted according to local context and needs.



B.2.3.1. Private sector

A representative sample of businesspeople should be interviewed. What constitutes a representative sample should be informed by the above analysis of the composition of the private sector, and by initial findings as to which companies have been active policy advocates or not.

It is important to include various groups that play a significant role in different sectors and industries of the market, from small-scale informal entrepreneurs to foreign multinational corporations.

Key questions to be answered:

- What are perceived to be the main investment climate constraints?
- Does the private sector interact directly with the government or with government officials? At what levels does this interaction take place? (Ministerial, departmental, civil servants, mayors, low-level bureaucrats, etc).
- Have businesspeople attempted to get their concerns heard by the government? Have there been attempts to organize? With what degree of success?
- What is the general attitude of entrepreneurs towards government? Is it characterized by a feeling of trust or is there frustration? Do politicians and businesspeople frequent the same social circles or do they rarely interact?

- How much time do businesspeople spend dealing with government agencies? Are dealings with government officials fair and transparent or do they tend to involve informal payments?
- To what extent do businesspeople keep track of laws and regulations? Is there a sense of predictability and stability of policies? What are the mechanisms by which they stay informed about policy and regulatory changes?
- What is the legal capacity of the private sector? Is it easy to get advice on abiding by laws and regulations?
- Do businesspeople typically belong to a representative membership organization? Do they feel they are well served by them?
- To what extent do small entrepreneurs believe that the interests of large and small enterprises diverge and coincide?
- Are there dynamic individual business leaders who command widespread respect and could act as figureheads in the PPD process and champions for the private sector? Who are they?

B.2.3.2. Intermediary organizations – e.g. business membership organizations (BMOs), Chambers of Commerce, etc

Organizations that serve as intermediaries for the private sector to represent its concerns to the public sector come in many forms. They may or may not exist in any given region – and if they do exist, they may be more or less effective at representing their members and providing services. The most common types are summarized in the table.

Characteristics and Functions of Different Types of BMOs¹

BMO Type	Defining Factor	Typical Functions and Services
Business Associations		
Trade/industry Associations	Occupation/Industry	Arbitration, quota allocation, industry standards setting, lobbying, quality upgrading
SME associations	Size of firm	Entrepreneurship training and consulting, finance schemes, group services
Women's associations	Gender	Entrepreneurship training, microfinance, gender-specific advocacy
Employers' associations	Labor relations	Interest representation vis-à-vis unions, professional information, and training
Confederations	Apex bodies	High-level advocacy, general business information, research, coordination of member associations
Bi-national associations	Transnationality	Trade promotion, trade fairs, matchmaking
Chambers	Geographic region	Delegated government functions, arbitration courts, basic information services, matchmaking, local economic development

Key questions that the diagnostic report must answer about intermediaries:

¹ Adapted from *Building the Capacity of BMOs: Guiding Principles for Project Managers*, Alejandro S. Alvarez de la Campa et al., The World Bank Group, 2005.

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- Do private sector representative organizations exist? What kind?
- Are they vibrant and inclusive or moribund or captured by narrow interest groups? Which are the most effective organizations? Which have the most dormant potential?
- How effective are intermediary organizations at representing their members at national and local level?
- What kind of services do they offer to their members? (Training? Services on behalf of public authorities? Information on laws and regulations?)
- What kind of information dissemination services do they provide? Do they organize regular meetings? Do they gather information on the binding constraints faced by their members?
- Do they genuinely represent the interests of SMEs?
- Do they have any important recent accomplishments?
- What is the importance of other kinds of intermediary between government and the private sector, such as lawyers and notaries?
- Are there institutional linkages between business membership organizations and government agencies or public bodies?

The report should include a table that summarizes the strengths and weaknesses of different intermediary organizations, such as this example:

Intermediary	Mandate	Membership type and size	Strengths and accomplishments	Weaknesses	Contact information
Manufacturers association	Represent manufacturers in policy discussions. Provide training services, advice on setting up companies and mediation with unions.	Voluntary. 720 businesses are members, representing 32,000 employees.	Legal department is well regarded and arbitration service commands respect. Some successful input into recent labor regulations bill.	Narrow membership based around the automotive industry and in one city. Foreign investors are ineligible for membership.	
Chamber of Commerce	“Organize, represent and promote the country’s private sector interests.”	Compulsory. All businesses with more than 10 employees must join.	Existing membership gives it the potential to reach all businesses. Legal mandate gives it close links with government, which could be capitalized on.	Widely seen by its members as corrupt, ineffective and not democratic. Compulsory membership fee is resented.	

A blank template of this table is available in Annex B3 and on www.publicprivatedialogue.org/tools.



B.2.3.3. Public sector

The attitude of the public sector can make or break public-private dialogue. Public sectors are rarely homogenous in their willingness or capacity to engage in dialogue – there will often be wide differences between different levels of authority, agencies, departments, and regions. The mapping tool needs to identify the pockets of capability and enthusiasm.

- What is the level of capacity of technical staff at each level of the public sector?
- What are attitudes of politicians and civil servants towards the private sector?
- Are there mandatory requirements for government bodies to engage with the private sector? Which ones, at what level, and at which stage in the process of enacting a legislation or regulation?
- Have the public authorities issued safeguards to prevent cronyism, trained public sector officials in handling relationship with the private sector, or communicated internally about public-private relationships?
- Are there any government departments regarded as especially favorable or inimical to private sector concerns? Which are they?
- Are there any individuals who can act as public sector champions for reform and who are not perceived as politically divisive figures? Who are they?
- What is the extent of decentralization of decisionmaking?
- To what extents do local layers of government have responsibility for implementing decisions taken at national level?
- How effectively do layers of government work together?

Department or program	Jurisdiction and audience	Strengths and accomplishments	Weaknesses	Contact information
President's office	Advises president on appointing ministers, structure of national government, new policy initiatives.	Personal access to president. High concentration of enthusiasm for private sector development and technocratic ability among foreign-educated staffers.	Regarded as out of touch with the public. Often have difficulty in practice in getting their initiatives accepted by other departments.	
Ministry of Trade and Industry	Regulates industry and represents government in international trade talks.	Strong negotiators. Minister is one of the most powerful figures in government.	Many civil servants have bureaucratic mindset and take a confrontational approach to private sector.	

A blank template of this table is available in the annex B4 and on www.publicprivatedialogue.org/tools.



B.2.3.4. Perceptions of civil society

Dialogue between the public and private sectors does not take place in a vacuum. The attitude of civil society towards private sector input into policymaking is a critical success factor. The mapping tool must therefore diagnose the views of civil society towards the private sector and potential dialogue.

Civil society includes:

- labor union representatives;
- non-governmental organizations (NGOs);
- academia; and
- media

Questions to be answered in the report about civil society:

- Are small-scale entrepreneurs generally perceived as contributing positively to society or as untrustworthy and parasitic?
- Are larger and foreign-owned businesses viewed as contributing positively to society or as untrustworthy and parasitic?
- Is the government generally perceived as overly hostile to the private sector, overly accommodating of the private sector as a whole, or beholden to vested interests within the private sector?
- Are international donor agencies, who could act as sponsors and champions for dialogue, perceived as part of the country's problem or the solution?
- Are there leading think tanks or academics that produce research-based recommendations on private sector development?
- What are the media outlets that produce radio or TV programming or written content about the economy? What are their distribution, reach and limitations?
- Who are the leading media figures who have an influence on different types of population (youth, workers, seniors, etc.)?
- Which NGOs deliver economic aid, and what types?
- What are the main trade unions? Which sectors do they represent? Are they perceived as over-protecting workers at the cost of economic growth, or are they perceived as the last line of defense against ultra-liberalization?
- Is there a lot of transferability of competencies between the civil society and the government? Or is it rare to see a leading academic taking a government position?

Some of the answers may be captured in a table of similar format as in the previous and next round of questions.

B.2.3.5. Perceptions of development partners

In countries where the international development donor community, or development partners, have a strong presence, their attitudes towards PPD can also help to determine its chances of making an impact.

The task manager should conduct interviews with representatives of the major development partners present in a country and compile a matrix mapping their perceptions of dialogue and potential for contributing.



Development partner	Significance of presence in country	Attitudes towards PSD and PPD	Potential for contributing to dialogue	Contact information
DFID	Small field office, mostly concentrating on governance and civil society.	Private sector development is not a focus of DFID's presence here. But broadly favorable to PPD in principle.	Could be willing to consider seed funds and technical assistance for aspects of dialogue that specifically promote good governance and civil society.	
World Bank	Has had major role in development of economic policies over the last two decades.	Strongly favors private sector development. Favor idea of PPD but have established views about the best ways to promote PSD.	In a strong position to provide expert policy advice. Too close an involvement in decision-making could risk dominating the views of local stakeholders.	

B.2.4. Most significant reform

As mentioned above, the desk research stage should have identified a recent reform impacting the private sector, which can serve as the basis for this phase of the mapping exercise. There is no objective way to judge which recent reform is most significant, but this does not matter – if there are several contenders, any one or two reform efforts will suffice.

The aim here is to look at a recent reform and see what happened in practice with regard to the dialogue process and the success of the law. Which interactions between the public and private sectors facilitated the process, and which created interferences that resulted in the reform failing to be adopted as intended? The report should identify gaps in the process, which can join the stakeholder investigation to feed into the analysis of the state and potential of PPD.

- To what extent was private sector input sought, received and acted upon during (a) the diagnosis, (b) the solution design, (c) the implementation and (d) the monitoring and evaluation phases of the reform process?
- Was private sector input based on sound research reflecting the interests of the private sector as a whole, or did it reflect vested interests?
- How did the government react to private sector input, if any?
- What was the contribution of civil society to the debate, including the media?

Through these questions, the task manager should aim to identify specific performance and opportunity gaps, and put them in relation with examples of good practice dialogue that may have taken place in the country or location in question, if any.

Performance gaps serve to indicate how a system of public-private interaction that should have been working did not work to its full performance, and why.

Opportunity gaps are potential new interaction systems that were missed during the reform process and could have been beneficial to its outcome.

B.2.5. Final report template

Before the report is drafted, those who will participate in the dialogue should obviously have the opportunity to discuss the design. This will build good habits and increase buy-in for the design and prepare the field for disseminating the report findings.

The final report should always include an analysis of:

- investment climate constraints;
- private sector concerns and capacity for dialogue;
- intermediary organizations;
- attitude of civil society towards the private sector;
- public sector attitudes and capacity for dialogue; and
- role of donors in supporting the dialogue process.

Report drafting guidelines

Reports should communicate clearly and efficiently. Follow the rules of effective writing:

- Keep it as short as possible.
- Use short sentences and paragraphs.
- Avoid jargon.

The report should include the tables outlined above dealing with the strengths and weaknesses of intermediary organizations and government agencies. Other sectors should be addressed briefly and clearly.

B.2.5.1. Stakeholder analysis

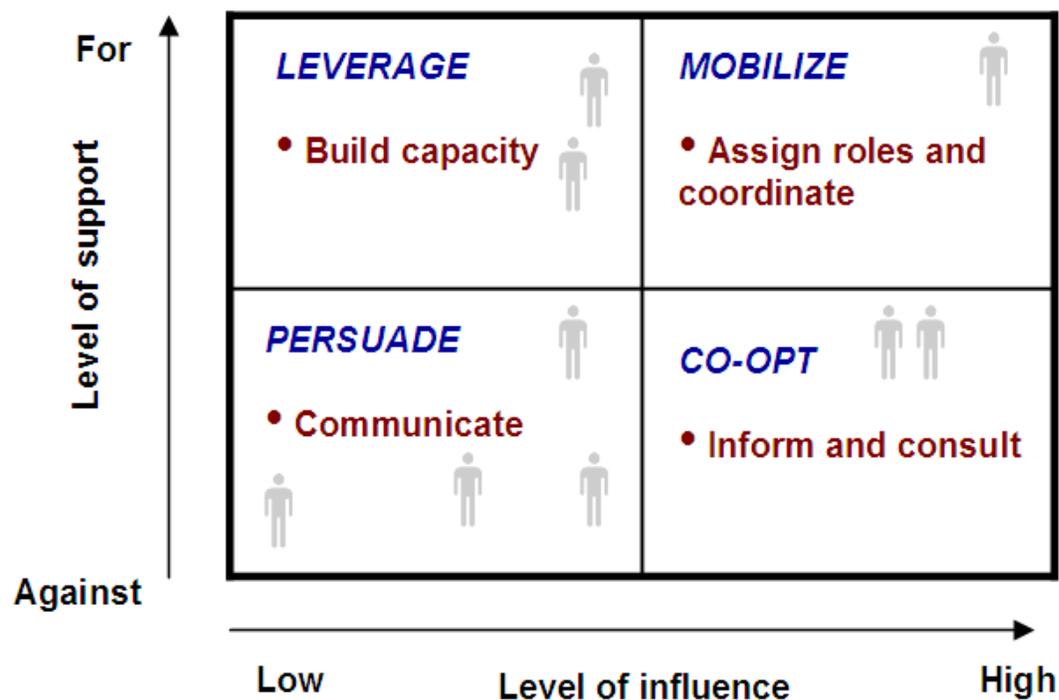
If the report also aims to provide recommendations about establishing or improving public private dialogue, it should also contain a stakeholder analysis.

Doing a stakeholder analysis helps task managers identify:

- individuals and government agencies or departments that are the most willing and capable of engaging in the dialogue process;
- government agencies or departments most necessary for dialogue to succeed and their state of capacity and political will;
- How pockets of capability and enthusiasm within the public sector can be leveraged to bring key agencies and departments into the process;
- any vested interests within the private sector that have undue influence over government decision-making;
- Any stakeholders who are likely to oppose the idea of dialogue, and the reasons; and
- existing intermediary organizations that can be strengthened, and if not, whether it is necessary to create new structures to fill a gap.

Stakeholder analysis should inform strategies for proceeding with PPD. The stakeholder analysis matrix, below, provides a useful framework for identifying which stakeholders need to be approached with which kind of strategy.

Sample stakeholder mapping matrix



Stakeholders who favor the idea of PPD and have a high degree of influence can be brought on board at an early stage of developing dialogue by assigning roles to them and coordinating their input. Stakeholders who favor dialogue but are less influential can be targeted for capacity building.

Where opposition to the idea of dialogue is found, special efforts can be made to co-opt the most influential opponents by informing them about the purposes of dialogue and consulting them about how the design of dialogue mechanisms can make the process more acceptable to them.

Stakeholder analysis is highly dependent on context, and depending on the analysis of the different players, task managers will need to customize a stakeholder management approach responding to the specific challenges of the situation.

B.2.5.2. Recommendations

Diagnostic reports can be for analysis purposes only, leaving stakeholders to fill in the details of how dialogue should proceed. Sometimes, however, the project brief will call for a specific set of recommendation on a draft design for a proposed dialogue mechanism. In these cases, such a design should aim at including the following:

- A draft mission statement.
- Roles of stakeholders, including principles for selection of participants and optimal participation of donors.
- Functions of a secretariat – who should organize meetings, circulate information, organize external resources, etc.
- Proposals for organizing working groups, e.g. by issues, sectors, locality.
- Agenda of initial key issues, based on consultations, respecting both public and private perspectives, and proposed mechanisms for introducing new agenda items in the future.

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- Operating guidelines for dialogue – how often will stakeholders meet, the process for reaching consensus, feedback mechanisms, degree of openness, relationship with government and parliament, etc.
- Nature of outputs – what kind of outputs the dialogue should aim to produce, e.g. policy recommendations, policy papers, etc. See section C II, below, for further ideas.
- Support services that may be required, such as research on issues;
- Communications and outreach strategies, identifying target groups and suggesting methods;
- Organizations that would benefit from capacity-building to enhance dialogue.

To design these recommendations, a strategic planning workshop with the future PPD leaders or participants can be more than helpful. It enables all sides to discuss mission, goals, strategy, action plan, etc.

The next section of this handbook will serve to inform the recommendations that could be made.



ANNEX B1: Template for completing diagnostic report and checklists

On the following pages you will find a standard template for completing the diagnostic mapping tool report outlined in Part A, followed with checklists of questions to answer in each section for ease of reference.

1. General assessment of the investment climate, based on desk research.

(Target length: 500 words)

2. Assess the private sector, addressing the issues raised in the checklist.

(Target length: 500 words)

3. Map intermediary organizations – roles, importance, strengths and weaknesses

Intermediary	Mandate	Membership type and size	Strengths and accomplishments	Weaknesses	Contact information

4. Map the public sector agencies that are relevant to private sector development

Department or program	Jurisdiction and audience	Strengths and accomplishments	Weaknesses	Contact information

5. Assess the attitudes of civil society, addressing the issues raised in the checklist.
(Target length: 500 words)

6. Stakeholder analysis and recommendations, if required by project brief.
(Target length: 2000 words)



ANNEX B2: Template questionnaire for interviews with private sector representatives as part of the diagnostic tool

Name:

Company:

Size and sector:

Contact details:

Date of interview:

Interviewer:

- What are the things that make it most difficult to do business in this country, in your opinion?
- Thinking about your relationship with government, how much time do you spend on interactions with government departments? Do you think this is too much time, too little or about right? Do your interactions tend to go smoothly, or do they tend to involve delays and/or informal payments?
- What kind of interactions do you have with public sector people? As part of your work, do you meet high-level decision-makers, or low-level bureaucrats? Do you socialize with people who work in the public sector?
- In general, do you think the government understands the concerns of businesspeople like yourself? Do you think the government is competent and capable in its efforts to promote the growth of the economy?
- Are there any government departments which you think are especially good or bad at what they do, when it comes to dealing with businesspeople? Which are they? Why?
- Do you make an effort to stay informed about changes in laws and regulations? How? Do you generally feel there is stability of policies, and that you will be aware of any changes that may affect your business?
- Do you have access to legal advice on abiding by laws and regulations?
- Have you ever tried to lobby someone in government, either on your own or by joining an organization? Was that experience successful?
- Do you belong to any representative business membership organizations? For each organization: What services to you receive from them? Do you feel you are well served by them? Do you think they are genuinely representative of the interests of people like you?

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- [For small entrepreneurs:] Some people say that any policy that benefits big businesses like multinational corporations will also tend to be good for small businesses like yours. Do you agree or disagree?

- Thinking about efforts to promote public-private dialogue to improve conditions for doing business, if a well-known person were to appeal publicly for businesspeople and government to work together for the good of the country, who do you think that should be? Who would be listened to?



ANNEX B3: Template questionnaire for interviews with BMO representatives as part of the diagnostic tool

Name:

Organization:

Areas of interest:

Contact details:

Date of interview:

Interviewer:

- How many members do you have, and what kind of businesses do they represent? What kind of services do you provide to your members?
- What are the things that make it most difficult to do business in this country, in your opinion?
- Are there any government departments which you think are especially good or bad at what they do, when it comes to dealing with businesspeople? Which are they? Why?
- What do you think about international donor agencies which have a presence in your country? Do you perceive them as doing a good job for the country, or as interfering? Are there any you have a particularly positive or negative feeling about?
- Thinking about efforts to promote public-private dialogue to improve conditions for doing business, if a well-known person were to appeal publicly for businesspeople and government to work together for the good of the country, who do you think that should be? Who would be listened to?

ANNEX B4: Template questionnaire for interviews with public sector representatives as part of the diagnostic tool

Name:
Department:
Responsibilities:
Contact details:
Date of interview:.....
Interviewer:

- Some people in the public sector think that businesspeople are only interested in themselves. Others think that businesspeople are valuable contributors to society. Which comes closest to your view?
- Do you feel that government generally does a good job of helping private enterprise to improve economic growth in the country? If not, what do you think it could do better?
- Are there any government departments or agencies that you would identify as being especially good or bad at working with the private sector? Which are they?
- Thinking about efforts to promote public-private dialogue to improve conditions for doing business, if a well-known person were to appeal publicly for businesspeople and government to work together for the good of the country, who do you think that should be? Who would be listened to?



ANNEX B5: Template questionnaire for interviews with civil society representatives as part of the diagnostic tool

Name:
Organization:
Areas of interest:
Contact details:
Date of interview:
Interviewer:

- How do you think the government acts towards the private sector in this country? Do you think they don't do enough to help businesspeople, or they let businesspeople get away with too much? In what ways?
- Are there any government departments or agencies that you would identify as being especially competent and capable? Which are they?
- Are you familiar with any representative business membership organizations? For each: Do you perceive them as doing a good or bad job?
- What do you think about international donor agencies which have a presence in your country? Do you perceive them as doing a good job for the country, or as interfering? Are there any you have a particularly positive or negative feeling about?
- Thinking about efforts to promote public-private dialogue to improve conditions for doing business, if a well-known person were to appeal publicly for businesspeople and government to work together for the good of the country, who do you think that should be? Who would be listened to?

ANNEX C5: Structure and participation: Sample PPD participants, roles and responsibilities

This annex illustrates how a sample Private Sector Forum might be constituted.

	Participants	Role/Responsibility
Steering Committee	Minister of Trade and Industry President of Chamber of Commerce Representative of Funding Agency	Sets Agenda Endorses new activities Facilitates constitution of relevant working groups
Secretariat	Forum Executive Director Admin Barriers Coordinator PSD Strategy Coordinator Forum Economist Forum Assistant	Coordinating role between participating business associations and PSD policy reform advocates Establishment of Forum project management plan, with specification of activities, deliverables, monitoring and evaluation framework Convening and organization of Forum meetings Delivery of Forum activities Contracting external consultants/research as needed Preparation of relevant PSD research and establishment of policy reform advocacy material Organization of Chamber of Commerce training Delivery of communication and outreach programs Sensitization on PSD issues, including informality reduction through entrepreneurship
Working Groups	Private Sector Representatives Directors from Involved Ministries/Agencies Civil Society Representatives (academic)	Identification of related priorities and recommendations Establishment consensual policy reform proposals Monitoring reform implementation Review/endorsement of technical committee Support to ongoing implementation
Technical Committees	Line Ministry/Agency managers Expert Consultants Directly concerned private sector representatives	Formulation and drafting of specific reform proposals (including technical and legal drafting) Institutional change programs Implementation activities

ANNEX C6: Sample terms of references for setting up a secretariat to promote and manage PPD

The purpose of the Secretariat is to facilitate a constructive dialogue between the Government and the business community, both foreign and domestic, and thereby improve the investment climate, stimulate private sector development in *[name of country]* to raise employment and improve peoples' lives.

To raise the quality of the government-private sector dialogue and to monitor progress on issues raised by the private sector, the Secretariat will facilitate and coordinate interaction within and between the private sector working groups as well as between the joint government-private sector working groups.

The Secretariat will coordinate its overall activities with *[insert names of relevant institutions]* and assist in organizing joint government-private sector working group meetings and a bi-annual Forum.

The Secretariat will ensure that initiatives and issues emanating from the private sector are appropriately identified, are broadly representative, are adequately researched and are presented to the Government through the joint government-private sector working groups in a focused, solutions-oriented manner.

The Secretariat will monitor discussion of issues raised, implementation of potential solutions and disseminate information to the working groups and the broader community of businesses, multilateral institutions and donors.

The Secretariat will have no decision-making or policy-making powers.

The impact of the Secretariat will be measured by the extent to which coordination and communications within and between the working groups is considered effective and efficient.

Longer term indicators of success would be the degree of participation by the business community in the dialogue process and improvement in the business environment, leading to higher foreign and local investment activity.

Tasks and Responsibilities

- Promote a strong public-private partnership between the Government and local and foreign businesses by acting as a neutral honest broker between the various parties.
- Promote the Government-private sector dialogue within the business community to broaden and deepen private sector participation in the process, especially from local businesses.
- Act as a resource center for private sector-led initiatives.

The Secretariat will report to the Steering Committee. *[Include a paragraph on the composition of the Steering Committee].*

[The following are sample staffing and responsibilities of a Private Sector Forum secretariat]

- **Executive Director.** *[Title could also be: Coordinator, Liaison Officer, Forum Manager, etc.]*

The executive director has a critical role for coordinating, facilitating, administering and otherwise providing structure and form to the PPD process. The Secretariat he or she heads is an important facility for providing resources to the entire Forum process. In addition to its administrative and other duties the coordinator will play the role of the ‘honest broker’ for the entire dialogue process, and especially when working group dialogue process moves from earliest stages to maturity. He or she

- ☑ Assures the overall leadership and management of the PPD activities, maintenance of liaison with government and private sector, brokering of access to funding for studies, etc;
- ☑ Consults with all stakeholders to determine their interests, willingness/ability to participate;
- ☑ Manages Secretariat’s professional and administrative staff;
- ☑ Formulates a detailed program and work plan, distributes necessary tasks, defines priorities and ensures implementation of program tasks by the Secretariat team in particular and other key PPD participants ;
- ☑ Establishes and maintains working contacts and exchanges with the relevant public and private sector principal counterparts for the program;
- ☑ Secures support for the structure of the PPD and appropriate participation from the public and private actors;
- ☑ Arranges meetings between the government and private sector representatives to agree on the topics and agenda of the dialogue process and facilitates discussion during the meetings;
- ☑ Guides the working group in the completion of their stated objectives;
- ☑ Elaborates action plans; assist working groups in finding information on specific topics (seeking donor and government support for technical inputs when needed);
- ☑ Ensures that the partnership stays on course and that the suggestions agreed by the working groups are presented to the government and inform Government policy;
- ☑ Prepares quarterly reports to participants, donors and counterparts; along with other reports which may be required, such as media briefings;
- ☑ With other team members drafts articles, delivers presentations and speeches on reform approaches in each of the program areas;
- ☑ If the secretariat is funding through technical assistance, prepares a plan for continuation of secretariat function, and recommend how the functioning of the PPD will be assured following the completion of technical assistance.
- ☑ Manages funding and is responsible for accountability, transparency and efficiency of the Secretariat and the initiative.

Qualifications include: strong neutral figure vis-à-vis the government and the private sector; relevant academic credential; experience in business, government, law or related profession in country and/or abroad; private sector management experience; demonstrated entrepreneurial spirit; knowledge of business environment reform programs, public-private dialogue processes and related communications programs.

- **Private Sector Development Specialist.** *[Title could also be: Policy Analyst, Business Reform Manager, Economist, etc.]* The PSD Specialist assists the director with sorting through working group’s proposals, coordination or drafting of issues papers that emerge from working groups and elaborates on initial regulatory or policy proposals made by working groups or individual entrepreneurs, applying cost/benefit analysis to reform ideas. He or she:
 - ☑ Participates in the implementation of the action plan or reform program;
 - ☑ Participates in working group meetings and maintains dialogue and support to technical committees;
 - ☑ Provides technical support to private sector participants on economic and policy analysis;
 - ☑ Researches and drafts background papers and policy notes on issues identified by working committees, as needed on an a demand-driven basis;
 - ☑ Participates in the organization and execution of communications program;
 - ☑ Conducts economic analysis of reform proposals as needed;
 - ☑ With other team members drafts articles, delivers presentations and speeches on reform approaches and institutional change in each of the program areas.
 - ☑ Links to private sector, and to policy specialists in government institutions and within the donor community to ensure viability of proposed reforms;
 - ☑ Assist the Executive director in other PPD related activities.

Qualifications include: Strong experience in policy analysis and formulation in areas relevant to investment climate; Knowledge of international good practice on private sector development; strong communications and advocacy skills; ability to interface effectively with government and private sector; strong teamwork and interpersonal skills.

- **Other professional staff.** *[This may include the following, depending on the specific needs of the PPD and the availability – or not – of other resources that which could be drawn upon:*
 - **A Lawyer specialized in development economics** – *if the PPD is processing a lot of regulatory proposals, to ensure their compliance with best practice, their legal workability and to formulate the corresponding amendments.*
 - **A Public Service/Institutional Change Specialist** – *if the government is willing to integrates the findings and work process of the PPD in its institutional framework, to maintain working relationships with all institutional partners, create change management strategies and coordinate their implementation within the institutions.*
 - **A Regional Coordinator or a Sector specific coordinator** – *if the PPD has a strong regional focus and that some parts of the country are significant in term of economic activity but too remotely located; or if a partnership gives a particular emphasis to specific clusters of activities or to particular industrial activity, to manage the work on these regions or sectors.]*
- **Administrative Assistant.** *[Could also fulfill the function of interpreter/translator if needed.]* The Administrative Assistant has a key role in supporting the PPD activities and the Secretariat team. PPD dealings tend to produce a mass of detailed documentation, which the Assistant will help manage effectively. He or she:
 - ☑ Manages the Secretariat office and deals with all logistics related to the Secretariat;
 - ☑ Organizes plenary meetings and working group meetings;
 - ☑ Handles sensitive correspondence, and ensures proper documenting of all Secretariat’s activities and dealings.

Qualifications include: Strong organization and interpersonal skills, good knowledge of local settings,

ANNEX D2: Most Significant Change interviews - Interview format

While conducting interviews and trying to gather information of the Most Significant Change, make sure to follow the following guidelines:

1. Explain clearly to the stakeholder the area of change under review, e.g. the evaluation of PPD in a locality.
2. Explain clearly the period under investigation. This should preferably be more than a year, to give time for consequences of change to have emerged.
3. Ask a few open questions. Examples include:
 - Since the start-up of PPD in your locality/region/country, what, in your opinion, has been the most important change (positive or negative) in relation to the interaction/co-operation between public, private and civil organizations? Please give only one example.
 - What, in your opinion, has been the most important change in the social-economic situation of your family/enterprise/organization during the past year(s)? Please give only one example
 - What, in your opinion, has been the most important change in strategies and activities of your organization since you participated in the PPD? Please give only one example

Examples given by the respondent do not need to be directly related to the PPD.

4. Ask follow-up questions on each example, as appropriate. For instance:
 - What happened?
 - Who was involved?
 - Where did it happen?
 - When did it happen?
 - How did it happen?
 - Why is this example you give more important than others?
 - Who should know about this change?
 - Should something happen to follow up on this change, and if so, what should happen and who should be involved?
5. Ask for proof or references that can be consulted to verify the change described by the participation, if appropriate.
6. Give your own assessment of the importance and coherence of the change described, and give an order of priority to the examples for further use in the evaluation process.



ANNEX D3: Most Significant Change interviews - Interview template

Name:

Company/Organization/Department:

responsibilities:

Contact details:

Date of interview:

Interviewer:

Most Significant Change interview	
Question 1: (insert your question here)	Short description of the example:
Proof/References:	
Your assessment of importance and coherence of this example	
Question 2: (insert your question here)	Short description of the example:
Proof/References:	
Your assessment of importance and coherence of this example:	
Question 3: (insert your question here)	Short description of the example:
Proof/References:	
Your assessment of importance and coherence of this example:	
Your suggestion of which examples to use in further process of evaluation:	

N.B. More questions can be added, but the Most Significant Change interview work best with very few open questions.

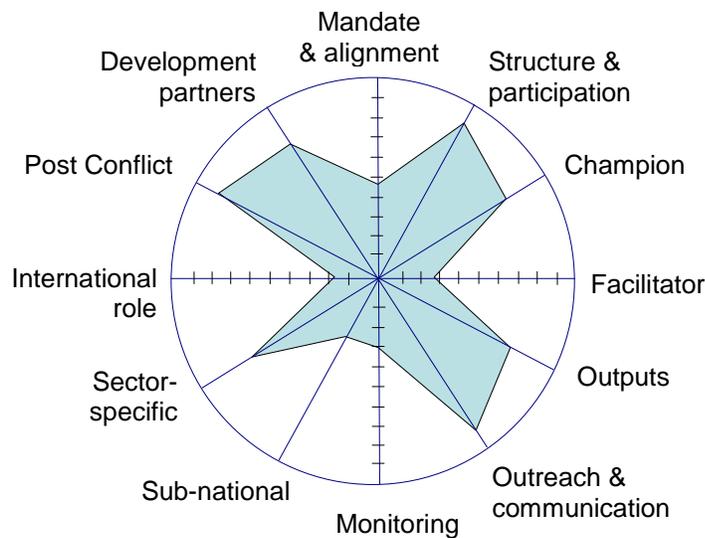
ANNEX D4: Instructions for drawing the evaluation wheel

Step 1: Please assess individually on a scale from 1 (not at all) to 5 (very much) the evaluation questions on your PPD (for presentation of aspects and sub-questions see Annex D5 on next page).

Step 2: Indicate in the figure (blank template figure provided below on Annex D6) the score of your overall assessment (total score of two sub-questions, on a scale of 1 to 10) on each specific factor in the corresponding spoke of the evaluation wheel.

Step 3: Draw a line between the scores to create a graph in the evaluation wheel.

This will produce a picture that looks like this example:



Step 4: In a focus group meeting, results of individual scores or aggregated scores of each stakeholder group can be compared and discussed. Plotting the different scores and drawing a line of different color for each stakeholder's group responses enable visual comparison. As a final step the facilitator/evaluator can also produce a summary evaluation wheel, combining the scores of all stakeholder groups

See following pages for factors to be evaluated and the scoring sheet.