Public-Private Dialogue

PROMOTING ECONOMIC DEVELOPMENT AND GOOD GOVERNANCE THROUGH PUBLIC-PRIVATE DIALOGUE

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(PSGG)

THE WORLD BANK
A WIDE RANGE OF DIALOGUE PROCESSES
PPD HAS ALWAYS BEEN AROUND
- Between 80,000 and 100,000 jobs
- €7,500 millions per year
SECTOR-SPECIFIC

SALMON EXPORT FACILITY IN CHILE
SECTOR-SPECIFIC


Direction of influence are expressed in the following arrows:
Strong ➔ Weak ➔ Mutual collaboration
2001-onwards

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Strong ➔ Weak ➔ Mutual collaboration
Caraga is an administrative region of the Philippines, on the northeastern portion of the island of Mindanao. Rich in natural resources, it has great potential for development. It is characterised by a wood-based economy, extensive water resources and rich mineral deposits, such as iron, gold, silver, nickel, chromite, manganese and copper.

Multi-stakeholder dialogues, participatory land use planning, strengthening of community-based “wardens”, watershed protection in marginalized communities, reduction of violent conflicts on the use of these resources.
CITIZEN ENGAGEMENT
CLASSIFICATION
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
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  - Participation
  - Few actors

Herzberg, World bank Group, 2013
PPDs are structured mechanisms, anchored at the highest practical level, coordinated by a light secretariat, and aimed at facilitating the discovery process by involving a balanced range of public and private sector actors in identifying, filtering, accelerating, implementing, and measuring actions and reforms that tend to improve issues of matter to the stakeholders.

Source: Herzberg, World Bank Group, 2014
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
75 percent of the production facilities in Aleppo, Syria's commercial capital, are no longer operating. Transport difficulties have hit the agricultural sector—farmers have been unable to till their fields or sell their crops. Food is becoming scarce and increasingly expensive.

More than 50 percent of the Syrian healthcare system's infrastructure has been destroyed.

Of the 75 state-run hospitals, just 30 remain in operation.

- In the embattled city of Homs, just one of 20 hospitals remains open.
- The Al-Kindi Hospital in Aleppo, once the largest and most modern medical facility in the country, is now a pile of ash.
WHAT’S IN IT FOR ME?
1- GOVERNMENT CAN PRIORITIZE

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

Competitiveness

Source: Subramanian, 2006
2- ENTREPRENEURS INCREASE COMPETITIVENESS

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

National Committee for Business Environment (CNEA) - Morocco

http://www.youtube.com/watch?v=myupfhnxFNY#t=3m11s
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
Rwanda Public Private Dialogue (RPPD)

http://www.youtube.com/watch?v=Zxw0FhBlggQ#t=35s

From Lobbying to Structured Advocacy
5- EXPAND THE SPACE FOR VIABLE REFORMS

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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
6- LEVERAGE SECTOR IMPROVEMENTS FOR GOVERNANCE GAINS

Sector fundamentals:
- Coordination
- Regulations
- Transactions
- Information

Governance fundamentals:
- Inclusiveness
- Fairness
- Accountability
- Transparency

Source: Herzberg & Howard, World Bank Group, 2011
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

Extracted from WBG Independent Evaluations, 2011
PPD IMPACT ON ROAD REPAIR IN NOSY BE & FORT DAUPHIN

*Nosy Be Pont cassé*

*RIP 118 : Soanierana – Ranomafana*

*Rue Camille Valentin Nosy Be*

Source: Uy, 2011 (Madagascar Growth Pole project, FPD Africa, World Bank Group)
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
Health in Kenya Initiative

http://www.youtube.com/watch?v=mMz-3auPhTA

Sector Focus
HOW TO IMPLEMENT PPDs?
Consider 4 dimensions to start it

Public Authorities:
Engagement means sufficient capacity, political will and leadership.

Business 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 (may also supplement champion in QA)

Source: Herzberg, World Bank Group, 2005
IMPLEMENTATION

Consider 12 dimensions to sustain it over the long run

IMPLEMENTATION FRAMEWORK: 12 KEY PROCESSES

1. Mandate and Institutional Alignment
2. Structure and participation
3. Champions
4. Facilitator
5. Outputs
6. Outreach and communications
7. Monitoring and evaluation
8. Sub national relevance
9. Sector-specificity
10. Relevance to FDI
11. Post-conflict/disaster, crisis response
12. Development partners

A number of options to choose from
A number of good and bad practice to learn from
A number of decisions to implement

Source: PPD Charter of Good Practice
PRACTICAL IMPLEMENTATION TIPS TO GET RESULTS
-1-  
A LOT OF WORK 
Huge coordination and mediation business

Source: Bosnia & Herzegovina, Bulldozer Regional Committee, 2002
-2-
PLAN A
PHASED AND INCLUSIVE APPROACH

Source: Herzberg, World Bank Group, 2011
-3-
STRONG FOCUS ON
TARGETED,
MEASURABLE REFORMS

Focusing on this
will bring the others
The Ethiopian Public Private Consultative Forum (EPPCF)

http://www.youtube.com/watch?v=VRM1nQ8e4Eo#t=2m4s

Objectives
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
Business Initiative Leading Development (BUILD) in Bangladesh

http://www.youtube.com/watch?v=5frLlFPCZ2c#t=1m12s

Structure
Overlap in coordination and abundance of bodies with policy-making decision power can scare investors away, as it creates lack of predictability and uncertainty.

Source: Benin Investor Council, Private Sector Engagement for Good Governance, World Bank, 2012
PRESIDENTIAL INVESTOR COUNCIL

President

18 Investors

Permanent Secretariat

Implementation Workgroup
- Administrative coordination
- Technicians
- Regular meetings and reporting
- Reporting to Head of Permanent Secretariat
Meetings of the Regional Consultative Council (RCC) to improve the business environment and investment climate of the Chairman of Khatlon region

Secretariat of the Regional Consultative Council

Working Groups

- WG on attracting investment for development of enterprises engaged in harvesting and processing of agricultural products
- WG on facilitation of tax payments, especially for farmer households
- WG on water security of farmer households and timely payment for water supply services

Roundtables (expanded private sector participation)

Decision-making level

Coordination of activities of working groups

Level of analysis and project development solutions

Level to identify problems and proposals

Source: Sultanova, Rahmonov, 2011
5 Water Issue Themes

- Legal and regulatory Issues clarifying the relationship between JVA and the WUAs
- Task transfer issues for the WUAs
- Agricultural skills, technology and innovation; Marketing, export, trade and access to finance
- Integrated water management infrastructure (O&M), water quantity and quality
- Adaptation to climate change impacts on the water sector

Hundreds of issues faced by Jordan Valley farmers

20 best proposals (5 from each Zone Committee)

10 best prioritized and selected by Steering Group

10 proposals presented to Government during the JVWF for enactment and implementation follow up

Steering Group

4 public representatives (from MoWI, JVA, and MoA) | 4 private representatives (1 from each Zone Committee)

Official Adoption → Implementation → Monitoring and Evaluation

Source: Mandell, Hijazi, Herzberg, World Bank Group, 2012
-5-
A TEMPLATED, OPEN AND DISCIPLINED WAY TO COLLECT AND VET REFORM PROPOSALS
FILTERING PROCESS TO ENSURE TRANSPARENCY AND FAIRNESS

Source: Tajikistan Presidential Investment Council, 2010
NBF ADVOCACY EFFECTIVENESS = 22%

Ratio of Implemented to Recommended Reforms by WG

Source: Howard 2012, extracted from Nepal Business Forum Record
STRONG CONVINCING POWER
Bosnia Bulldozer initiative, “50 reforms in 150 days”

Georgia legal and judicial reform

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

Accountability gets specific in (corporate governance reform)
GOOD PLANNING
-8-

MONITORING PROCESS AND EVALUATING IMPACTS

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Source: PPD Handbook, PPD Evaluations
-9-
UNDERSTAND THE
RISKS
PPDS ARE RISKY BUSINESS

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)
   - 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)
   - 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

Source: Herzberg, World Bank Group, Wright and Sisombat, 2006/2013
-10-

AS YOU ENTER,
THINK ABOUT: WHAT’S NEXT?
INITIATIVE OR INSTITUTION?

Public authorities

Private sector

Herzberg, World Bank Group, 2009
LIFE AND DEATH OF A PPD MECHANISM

Phase 1
- Trust
- Education
- Discovering what works / What doesn’t
- Setting up production process

Phase 2
- More capacity
- Better production
- Better product
- More conflict

Phase 3

Results

EARLY RESULTS
1 to 3 years
HIGH IMPACT RESULTS
1 to 3 years

Time

Trust Education Discovering what works / What doesn’t Setting up production process More capacity Better production Better product More conflict

Institutions
BMOs
Permanent brokering
Ownership without capacity

Source: PPD Handbook
LINKING THE PPD TO OTHER REFORMS PROCESSES

SEZ

Clusters

Value chain

Reform Unit

Open governance initiatives (e.g. open budgets)

RIA and regulation review process

Regulatory simplification
HOW TO SHARE EXPERIENCES, GET GOOD PRACTICE MATERIAL, TOOLS?
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)

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
http://www.facebook.com/publicprivatedialogue
Twitter: #PPDialogue @PPDialogue
RECOGNIZING PPD EFFORTS
The Public-Private Dialogue

Howard

Named in memory of Nicholas C. Howard
The Public-Private Dialogue

HOWARD

Named in memory of Nicholas T. Howard
is awarded to

For: Outstanding Achievements

At the 7th Public-Private Dialogue Global Workshop
In Frankfurt, Germany, on March 6, 2014

On behalf of the Public-Private Dialogue Community of Practice

Three PPD Howards:
Outstanding Achievement
Resilience
Innovation
THANK YOU!

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