

Summary Africa Regional Workshop 2008 Dakar, Senegal

Implementing Reforms through PPD

Public-Private Dialogue

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Introduction

Public Private Dialogue (PPD) is becoming an increasingly recognizable need for developing economies. The basic premise of bringing public and private sector participants together to focus on improving the investment climate is straightforward. However, there are nuances within emerging markets that make this appreciably difficult to achieve. The difficulties are multiplied in post conflict societies where the fabric of society has often been damaged. In spite of this, PPDs have proven results despite the many difficulties confronting them. As a consequence of the emergence of PPD as an important contributing factor to economic development a growing effort at capturing PPD knowledge has gradually emerged. The IFC (a member of the World Bank Group) in particular has captured emerging PPD trends. Through promoting a web based knowledge network and in hosting annual PPD fora for the PPD management teams to meet the IFC is continuing to assist PPD become platforms for results.

PPD is now a recognized concept that is designed to address investment climate reform in emerging markets. The World Bank Group (WBG) is working with around twelve PPDs in Africa. Currently WBG support ranges from detailed management support of independent secretariats (e.g. Sierra Leone) to an as required advisory basis (e.g.

Zambia). One of the most challenging issues for those working PPD is the focus from all involved on the PPD management teams to deliver. The Dacca workshop provided an opportunity to demonstrate to a number of PPD teams that a PPD network is growing in the region. This network is composed of all PPD facilitators and PPD-engaged IFC/WB staff. It is important for the PPD managers to be able to work together on PPD. Where the work of managing and facilitating the PPDs is understandably intense with demands coming from both the public and private sectors and the need to provide high level organizational and secretarial support, the Africa PPD workshop demonstrated that there is now the resources and shared experiences available for the managers to be able rely on a network to provide support to achieving the outcomes of each PPD.

Despite many shared characteristics, PPD's throughout the world are individual reflecting the political and economic environment in each country. Although there are some general guidelines that can be espoused when establishing a PPD much depends on the Government and the private sector in each country establishing a framework that is transparent, relevant and works in accordance with the particular political economy of each nation. In this context it is important that in each PPD all parties have a clear understanding of the 'rules of the game'. A process towards achieving outcomes that is understood by all parties is one of the main challenges of a PPD. Therefore the creation of meeting agendas that include a monitoring mechanism are important if the PPD is not to descend into a 'talk shop.' As verifying the relevance of issues on an agenda can be an early issue within a PPD, surveys such as Doing Business or Investment Climate Assessments can be important tools in ensuring that the process moves beyond talking and into action. When this analytical work is undertaken in conjunction with a PPD infrastructure, it can help provide an agenda by: **1.** Prioritizing areas to tackle. **2.** Giving examples of how others address those areas better and **3.** Via the annual rankings they can give a sense of fast progress and feed-back, instead of having to wait years for the effects of the Investment Climate improvements to be felt. PPDs are best if they incorporate a communications element, ensuring the information on what is discussed spreads beyond the walls of the PPD discussions. However it is also important that communications strategies do not 'get beyond the dialogue,' i.e. they have to reflect the status of the dialogue as communications that run contrary to the actual status of the work will decrease confidence in the overall process and may disenfranchise early champions.

The PPD workshop provided an opportunity for respective PPD management teams to provide an overview of their programs. On the second day of the workshop the development of Action Plans demonstrated that despite the varying progress of each PPD, that the project management work was similar. In going forward this means that a focus on increasing knowledge management and providing direct team support will be an important contributor to making results oriented PPDs in emerging markets.

1. IFC PPD Roll out – *What have we learned in the last year?*

Benjamin Herzberg provided the opening session of the Workshop. Benjamin is a global leader in PPD and has co written the important 'PPD Handbook'. Benjamins initial

presentation reviewed PPD theory before elaborating on some of the substantive developments that have occurred in the past twelve months. Benjamin emphasized the role of monitoring and evaluation and provided a renewed focus on sustainability and the exit strategy for PPDs. Benjamin identified core challenges that are confronted in varying degrees by each PPD. Benjamin noted that 69% of issues arising from PPD's are regulatory related and 17% are related to clarification. This points to the practical nature of PPD's where business people are requesting Government intervention to remove obstacles to businesses and or are requesting information required so that businesses can better plan. Working to overcome obstacles and improving lines of communication between the Government and the private sector enables the participants to build trust and awareness of each other. Gradually experience and mutual appreciation leads to a more robust mechanism that in turn leads to better enforcement and mutual dependence based on respect and transparency.

Benjamin outlined steps required to get progress from a PPD mechanism: **1.** A lot of work! **2.** Assessment of PPD model and approaches. **3.** Strong focus on targeted and measurable reforms. **4.** Establishing a simple and explicit organization. **5.** A unique, transparent and disciplined way to collect reforms. **6.** A filtering process that ensures quality of proposed reforms. **7.** Implement a transparent and understandable reform process. **8.** Good planning. **9.** Strong convincing power. **10.** Monitor progress and evaluate impacts.

Benjamin's presentation, in addition to all those presented during the two day workshop, can be found at www.publicprivatedialogue.org

2. Status of today's PPD's.

Each PPD management team present during the workshop provided a unique presentation. The workshop presented a rare opportunity for the management teams of each PPD to present features such a structure, results and a gender dimension. As would be expected the PPDs offered a range of results including regulatory and legislative reform. The presentations belied the amount of time, patience and effort is required by each PPD management team to achieve the results. PPD's arising in post conflict countries such as Rwanda, Liberia, Sudan (Federal and southern state) and Sierra Leone are contributing a fundamental step in the process towards trust building through a focus on private sector development. In post conflict countries the models evolve in accordance with the political climate. The PPD management teams demonstrated that despite the gradual pace of reform in such countries, the issue of whether the PPD's have a place on the reform agenda is not an issue as the function itself is welcomed as a contributing factor to post conflict institution and trust building.

In general the issues raised during the presentations were on those fundamental steps of pulling the various strands of a PPD together to achieve results i.e. working with the public and private sector in a structured, focused, results oriented manner. As a contrast to those PPDs in the process of establishing themselves in post conflict markets, Uganda's PPD model demonstrated the versatility of a PPD in its capacity to broaden its

focus as it becomes established to providing additional services. This is important for when considering the issue of sustainability.

The PPD management teams are located variously within Chambers of Commerce, within Government or are located independent of major public or private institutions. The issue of the location of the Secretariat, support to its management and the issues of sustainability are all important factors that require careful planning and consideration from the earliest stages of a PPD irrespective of country. It is the support and concentration on each of these areas that are critical for the consideration of anyone involved in PPD and will be subject for further consultation for the PPD group in the future.

3. The gender dimension.

The gender dimension of PPD was explored in a presentation provided by Mark Blackden, Gender Consultant of the World Bank. As PPD's are by design inclusive and transparent, a gender dimension is inherent within the mechanisms regardless of whether it has been recognized or not. The challenge is to enable the gender interaction to be an explicit part of a PPD where it is evident that a gender is otherwise not participating. Gender related issues from a PSD perspective are business issues. Therefore, improving the investment climate through PSD should help all investors regardless of gender. However, being explicitly inclusive of gender and reaching out to specifically encourage the participation of women business associations and entrepreneurs so that any specific gender related issue can be tabled within the PPD can directly impact the business environment. For example, reforming regulations that restrict women from registering a business can increase formal business registration. This can be an important factor for directly impacting the lives of women entrepreneurs who, because of such a restrictive regulation, will have had substantive restrictions placed on them in terms of accessing finance, exporting or importing products. Women entrepreneurs are a recognizably critical part of any vibrant economy. Consequently the gender voice and representation at the PPD table needs to be a focused part of a PPD communication and outreach program.

According to Mark Blackden Country PPD programs could consider incorporating one or more of the following actions in their work plans for the coming year.

- Prepare an inventory of women's business associations, women entrepreneurs, and the distribution of men and women in the institutions and organizations involved in PPD, including in the PPD secretariat and in working groups formed to discuss specific issues. This will provide a baseline for outreach to, and dialogue with, women's business groups.
- Invite women entrepreneurs and women's business associations to a dialogue event which has as its primary purpose to discuss the principal issues and constraints in the business environment faced by this constituency, with a view to outlining a program of action, including further dialogue, and/or more detailed analysis and research as required, to address them. This will provide a foundation for addressing gender-focused issues as a PPD task.

- Review, in the context of existing or planned PPD dialogue focus areas, where gender issues are or might be relevant, so as to inform the process. This will provide entry points for gender-focused work within existing PPDs.

All three steps may not be necessary in all countries, if there is already a knowledge base or if some outreach to women entrepreneurs has already been undertaken.

In line with the gender related recommendations it will be a good idea to prepare such a template to guide the gender-focused work, using the PPD Action Plan as prepared by Ben Herzberg and M&E templates.

4. Communications Change.

An effective PPD communications strategy reflects the current status of the dialogue mechanism. It enables the participants to grasp the progress of the PPD within the context of its own maturity. For example, when starting, the PPD will not be able to demonstrate a broad portfolio of reforms and investment climate reforms that a mature PPD will be able to. Consequently an effective communications strategy needs to be able to reach out to the community and demonstrate the relevance of the PPD in building an inclusive process that will in time provide the aforementioned portfolio of results.

The 2008 PPD Workshop provided an insight and emphasis on how strategic communications can make public-private dialogue more effective and provide a platform for sustained reform. The discussion covered the key objectives for engaging stakeholders strongly from the very beginning of the process – raising awareness of the reform and its benefits; informing dialogue and enhancing transparency of process; generating buy-in by creating champions and enhancing local ownership.

IFC communications experts also outlined the basics of what constitutes a good approach to communications i.e. the need for a:

- (i) detailed stakeholder mapping
- (ii) baseline and follow-up surveys to gauge stakeholder perceptions at the beginning/during/post-reform
- (iii) communications audit
- (iv) customizing stakeholder messages, sequencing delivery while using targeted channels of deployment
- (v) building internal capacity to better manage change

Country cases such as the Liberia Better Business Forum (LBBF) were highlighted, where communications through mediums including radio, newsletter, website and most of all the establishment and sponsorship of an economic journalists association has helped bring a lot of attention to the issues the Forum is tackling. This and experiences shared by the other PPDs, some of which are at a very early stage of implementation, generated a interest from participants who expressed the need to better embed this component into their PPD agendas going forward. Toward that end the workshop provided a chance for participants to engage in offline discussions with IFC

communications experts and also received copies of the *IFC Strategic Communications for Business Environment Reforms* toolkit which provides detailed information, case studies and templates for the design and implementation of communications components for reform initiatives.

FY09 Action Items and Way Forward: The country presentations discussed communications efforts that had been made to date – radio and print media were amongst the most frequently used communications mediums. The PPDs recognized the need to step up their communications efforts and engage stakeholders more effectively, as reflected in their FY09 action plans; examples included:

- Preparation of a communication audit (North Sudan)
- Development of a communications strategy and messages (North Sudan and Chad)
- Hiring of communications officer (Chad)
- Development/distribution of 1 brochure and quarterly newsletter (Liberia)
- Baseline survey at beginning of FY09 with a follow-up at end of FY to assess change in stakeholder perceptions/level of buy-in (Liberia)
- 2-3 stakeholder workshops/seminars a year on specific topics (Liberia)
- Supplying media with an events timetable (North Sudan)
- Development of (and on-going updates to) Forum website (Liberia)

5. Using PPDs deliver reforms.

The presentations throughout the first demonstrated the range of reforms that the PPDs are working on. Achievements have to be viewed in the context of each countries particular dynamic. Overcoming trust and capacity issues with all stakeholders requires a strong commitment from the management teams. This means that to achieve results there is a strong focus from each of the teams on understanding the political economy of each country. Working with stakeholders to achieve results means that the teams have to be focused on delivery. Consequently organizational capacity from the teams is of critical importance in achieving PPD outcomes.

Day two of the conference focused on structuring action plans.

Day Two Thursday 13th

1. Introduction

Outcomes from PPDs cover a broad swathe of issues including strategy, policy, legislation, regulation and operational issues. Many outcomes such as building trust and introducing process to PPD are difficult to measure. To capture the outputs from a PPD as it matures the WBG has built an M&E template that measures, grades and controls the development of its PPDs through the PPD self-evaluation tool. Benjamin Herzberg provided an introduction to this evaluation process on Day 2 of the workshop. The work undertaken throughout the day on working to build action plans for the PPD's resulted in a mix of self assessments regarding the progress of each PPD.

The evaluation tool covers three core aspects of a PPD: 1. Organisational Effectiveness. 2. Impact of Reform Process and 3. Economic Impact. Each of these three issues were worked on throughout the three sessions of Day 2 of the Workshop.

Session 1. Building a 12 month Work Plan – Working from PPD Work Plan Template.

1. Mandate and institutional alignment. 2. Structure and participation / gender inclusion. 3. Leaders & Champions. 4. Facilitators.

Session 2. Building a 12 month Work Plan.

5. Outputs. 6. Outreach and communication.

Session 3. Building a 12 month Work Plan.

7. M&E. 8. Sub National. 9. Sector Specific. 10. International Role. 11. Crisis mitigation. 12. Development partners.

2. Evaluation Wheels

As a consequence of the work throughout the three sessions of day two, each of the PPD management teams created an evaluation wheel that indicated their own perceptions of the current status of the PPD. Although these were not independent evaluations, the evaluation wheels do enable the PPD management teams to apply on ongoing evaluation process that enables them to identify their own strengths and weaknesses. For example, South Sudan and Burkina Faso identify strong Development Partner linkages but both recognize that Sub National is an area of weakness. The challenge for both is to maintain the strong linkages to Development Partners who are often a source of funding, management expertise and analytical work whilst reaching out to the countries vulnerable regions. Sudan has made little head way on post conflict reconciliation despite the fact that PPD has been established in both the major cities of Khartoum and Juba. However, both are at the earliest possible stages of introducing PPD and it is envisaged that as the mechanisms mature then well managed PPD's will seek to reach out at every opportunity to build relationships that have been severed due to conflict. This issue is also important for Rwanda and Liberia but does not have the same resonance for Zambia. As a consequence, Zambia may not need a recognizable focus on post conflict but will continue to build its relationships with development partners particularly with a desire to deliver outputs that were rated as a weakness. Raising the issue of outputs through a self evaluation is critical to asking the question 'what more can be done to achieve outcomes'.

The entire evaluation process enabled PPD management teams to focus on the specific areas that constitute a PPD and what makes it work. Many lessons learnt through experiences elsewhere are reflected in the M&E process that was demonstrated on Day 2 of the workshop under Benjamin Herzbergs guidance. In working through the process, the teams were given a best practice introduction into the many variables that constitute a well managed, outputs focused PPD.

3. Conclusion

Supporting PPD means supporting those participating in it. The most relevant way to achieve this support is to enable the PPD management teams to reach their potential. The 2008 Workshop provided the managements teams with an avenue for reflecting on their own progress whilst benefiting from the experience of others. Significant progress has been made in the past twelve months by the WBG on building the M&E framework for PPD's. With so many PPDs now moving forward in varying stages of development, it will be important for the management teams to feel that resources are available to support them. Although each country is different, many of the issues remain similar e.g. working through process to achieve outputs. The IFC will be working throughout 2008 to build a responsive mechanism to provide guidance and support to each PPD. It is the results of this work that will be the focus of the 2009 PPD Workshop.

The IFC understands that achieving in a PPD is based on good management teams operating in the field. It is this personal commitment that is often the difference between outcomes focused PPDs and 'talk – shops'. The WBG want to provide as much support as possible to enable the PPD teams to succeed. As the body of PPD knowledge increases to grow in this arena it is evident that a number of follow up issues can be started in the near term that will be of material support to the PPD teams. A few of these are outlined below:

- Provide corporate level PPD reports to the PPD management teams in the field.
- Ramping up the use of M&E tools for PPDs
- Gender outreach support.
- Communication strategies including the provision of a Website code that can be amended for each PPD.
- Doing Business –increase alignment to Doing Business and BEE products to provide the analytical and program support at the, for example, Working Group level.
- Enable close collaboration for PPDs with exchanges between PPDs.
- Keep growing the community of practice through utilizing the knowledge center of www.publicprivatedialogue.org
- Keep producing tools at the corporate level that is rolled out to all of them.