World Bank Group

Establishing effective state-business relations and measuring impact on governance & competitiveness

UNU – WIDER Conference on LC2
Learning to compete: Industrial Development and Policy in Africa
Helsinki – June 24, 2013

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SBRs platforms in the WBG

• More than 60 state-business relations (SBR) platforms - public private dialogue (PPD) supported by the World Bank Group;

• Different formats: Presidential Councils, Consultative Groups or Public-private Sector Dialogue platforms;

• Objective: to promote inclusive and sustainable growth by leveraging the private sector in collaborative governance initiatives

• Principles of managing PPDs now used for social accountability, establishment of coalitions between CSOs, media, parliamentarians with larger scope such as for budget / contracting transparency, Open Data Initiatives, governance in extractive industries, etc
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 PPDs
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

Acceh 2008
Albania 2008
Bangladesh 2007
Belarus 2007
Cambodia 1999
Chad 2008
Cameroun 2008
CAR 2007
Ethiopia 2008
Jordan 2012
Laos 2005
Liberia 2007
Iraq 2013
Nepal 2008
Pakistan 2008
Sierra Leone 2007
Romania 2006
Senegal 2002
North Sudan 2007
South Sudan 2007
Tanzania 2002
Timor Leste 2008
Tonga 2005
Uganda 2004
Vanuatu 2008
Vietnam 1997
Zambia 2007
Benin N/A
Ghana 2002
Mali 2004

Start-up investment of $100k-$200k
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
SBRs are about people coming together.
PPDs are risky business

- Reinforcing vested interest
- Over and under representation
- Marginalizing the disfranchised (Informal sector, Women)
- Sustainability issues
- One man shows
- Political risks
- Institutional misalignments- Corruption
Sequencing our intervention – 4 phases

1 - DIAGNOSTICS
Mapping tool for diagnosing the status and potential of multi-stakeholders engagement

2 - DESIGN AND IMPLEMENTATION
Based on the Charter of Good Practice in Using Public-Private Dialogue for Private Sector Development

3 - MONITORING AND EVALUATION
Standardized Evaluation Framework

4 - STRENGTHEN THE PPD
Processes, capacity building
Prerequisites

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)

Herzberg, 2005
<table>
<thead>
<tr>
<th></th>
<th>Implementation framework: 12 key processes</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mandate and Institutional Alignment</td>
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<tr>
<td>2.</td>
<td>Structure and participation</td>
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<td>3.</td>
<td>Champions</td>
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<td>4.</td>
<td>Facilitator</td>
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<td>5.</td>
<td>Outputs</td>
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<td>Monitoring and evaluation</td>
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<td>8.</td>
<td>Sub national relevance</td>
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<td>10.</td>
<td>Relevance to FDI</td>
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<tr>
<td>11.</td>
<td>Post-conflict/disaster, crisis response</td>
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<tr>
<td>12.</td>
<td>Development partners</td>
</tr>
</tbody>
</table>

A number of options to choose from

A number of good and bad practice to learn from

A number of decisions to implement
VOICE: Ensuring inclusiveness

- Ensure all constituents are represented
- Reduce Information Asymmetries
- Engagement Process:

  - **Entry**: surveys and polling to better prioritize themes, give voice and feed in PPDs
  - **During**: information disclosure, dissemination campaigns and feedback loop on process and content of PPDs, while reforms are designed, discussed and reviewed, and eventually implemented through the PPD, using offline and online media
  - **Exit**: feedback campaigns to assist stakeholders in monitoring implementation and hold accountable those who are intended to substantively contribute to the reform
MSEP

Tools and processes for managing PPDs

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
Tools and techniques for M&E

SUMMARY TABLE

<table>
<thead>
<tr>
<th></th>
<th>SCORE</th>
<th>Weight</th>
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</thead>
<tbody>
<tr>
<td>Mandate and institutional alignment</td>
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<td>Champion(s) and leadership</td>
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<td><strong>Average score:</strong></td>
<td><strong>5.66</strong></td>
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## Part 1: Evaluation of Organizational Process and Effectiveness

2 or 3 indicators are derived for each of the 12 elements of the Charter; with one or more indices defined - each scores from 0 to 10 - to be combined in the calculation of each indicator.

<table>
<thead>
<tr>
<th>SUMMARY TABLE</th>
<th>Evaluation Wheel Score (over 10)</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Mandate and institutional alignment</td>
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<td>Development Partners</td>
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</table>

**PPD Score**

5.58
Impact on the reform process

<table>
<thead>
<tr>
<th>PPD Evaluation Wheel Score (over 3)</th>
<th>1. Diagnostic</th>
<th>2. Solution Design</th>
<th>3. Advocacy and Handover to Public</th>
<th>4. Legislative / Executive Process</th>
<th>5. Implementation, M&amp;E, Follow-up</th>
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<tbody>
<tr>
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<td>1.42</td>
<td>1.42</td>
<td>1.25</td>
<td>1.75</td>
</tr>
</tbody>
</table>

- **0**: The PPD has no impact on this step.
- **1**: This step benefited from input from the PPD.
- **2**: The role of the PPD was crucial in the accelerating this step.
- **3**: The PPD was solely responsible for this step.
Outcomes and contribution to sector impact

Impacts are to be tracked by specific improvement in the sector of application of the PPD e.g.

- Number of regulations/laws proposed
- Number of regulations / laws modified or enacted
- Number of people from disfranchised groups (women, informal, youth, etc) benefitting from reforms proposed
- Number of new jobs
- Private sector savings
- New investment
- Increased agricultural productivity through management of water resources
- Reduction of Co2 emissions
- Increased health services and benefits
New directions

• A global indicator measuring private sector engagement in public policies is under development by the Global Partnership on Aid Effectiveness (“Busan Process”).

• Citizen’s voice an important matter (e.g. Arab Spring) in dialogue with state and private sector for inclusive growth.

• Open Private Sector: demand for transparency also valid for private sector in disclosing their company registration data, contracting in public private partnerships (investment), ensuring sustainable supply chain. Concept recently launched by WBG at the G8 in London.
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
- The PPD Handbook

Diagnostic tool

M&E Tools for PPD secretariats