

# Public-Private Dialogue

PPD Short Notes

N. 4/2023

## The Public-Private Dialogue for Results (PPDR) Status

Exploring the full complexity of PPD

By James P. Brew

February 2023

## PPD Short Notes

The Public-Private Dialogue community of practice is releasing a series of short notes highlighting key research findings drawn from recent national and international research. Each note focuses on a particular dimension of PPD -- reviewing key research results and presenting the views of selected national and international experts about what has occurred and what can be done now. These notes can either provide practical guidance and concrete tools for PPD practitioners to integrate new ideas into programming – with a view to contribute to building sustainable PPD practices.

## This issue

PPD Short Note n. 4/2023

“The Public-Private Dialogue for Results (PPDR) Status”

By James P. Brew

Published in February 2023 by [www.publicprivatedialogue.org](http://www.publicprivatedialogue.org) the Public-Private Dialogue Community of Practice.

## About the author of this PPD Short Note

*James Brew is an economic development consultant. He is a global expert in the field of Public Private Dialogue having worked in South East Asia, Africa, Central Asia, Europe, the Caribbean, the Middle East and the Caucasus. Mr. Brew has extensive field experience in working on private sector development in developed, middle income and emerging markets including in fragile and conflict affected states. Mr. Brew has worked for leading international development agencies including multi-lateral and bi lateral donors including the World Bank Group, UNDP, USAID, UKAID, GIZ, OECD, DANIDA, AUSAID and other major development partner organizations. His work has cut across the wide range of sectors and has involved work with all levels of governments. He has worked extensively with Business Membership Organizations (BMOs) and with MNCs to sub national investors. Mr. Brew is credited with establishing a word best practice PPD in Cambodia in addition to establishing from scoping to implementation and advising management on PPD development in over thirty countries. In addition to a number of articles on PPD he is a credited contributor to the World Banks PPD Handbook. Mr. Brew is educated at the Royal Melbourne Institute of Technology, Kings College, London, and the University of New South Wales.*

# The Public-Private Dialogue for Results Status

## Exploring the full complexity of PPDR Status

### 1 - INTRODUCTION

A Public Private Dialogue (PPD) is an implicit need in a market economy. It is essential for long term economic development that the PPD is effective. PPD has been described as the platform whereby the public and private sector work together to overcome impediments to the investment climate. This description is reflected in the growing pool of analysis on the topic. It is, however, only one half of what is required to achieve results from PPD. The structure that supports PPD needs to be invested in. Process supports PPD outcomes but the structure that supports process creates sustainability. Dialogue results derive from process implementation. Such a process can be managed by external agencies. This assistance includes that from international development agencies. Indicators used for results derived from the dialogue process include policy, legislative, regulatory or other process reforms. Structural results reflect the work required to develop the framework that supports the implementation of the PPD process. Structure results, broadly, range from of the development of the PPD mandate to maturing advocacy capacity in business membership organizations (BMOs). The Public Private Dialogue for Results (PPDR) Approach supports both structural and process results. Without a focus on both the dialogue will not be sustainable. The impact of this that a critical need for a market economy will not contribute to national economic development. Incorporating the PPDR Approach is, consequently, of inherent strategic value. The first step of the PPDR Approach is to assess the PPDR Status in a country.

The PPDR Approach recognizes that the status of each country's public and private sector engagement differs. **The first step in understanding how to make the PPDR efficient is to identify the PPDR Status.** The recognition of the status of the PPDR the right type of support can then be identified. Stakeholders are then able to conduct a conversation regarding resources, timeframes and result indicators. Regardless of the duration of potential external support, stakeholder engagement is a need in any market economy. Understanding the strengths, weaknesses and needs of the PPDR System provides a platform from which stakeholders can begin to work together for change. Ultimately it is stakeholder ownership that will make PPDR work.

**This PPDR Short Note introduces four levels of PPDR Status; 1. Nascent. 2 Emerging. 3 Mature. 4. Institutionalized.**

## 2 – PPDR STATUS

**A function of BMO Advocacy Departments is to provide policy makers with inputs based on the interests and expertise of their members.** This input provides a government with an informed, evidence based, opinion. It is a government's responsibility to use this information, or not, to inform its policy decisions. When governments declare that *'the private sector is the engine of growth'* they benefit from private sector engagement. The Group of Twenty (G20), for example, rely on the BMO framework of its members states. Those members are the twenty largest industrialized nations in the world. *'The Group of Twenty (G20) is the premier forum for international economic cooperation. It plays an important role in shaping and strengthening global architecture and governance on all major international economic issues.'*<sup>1</sup> To engage with the private sector the G20 has the Business Twenty (B20). The B20 coordinates with the G20 member states to provide direct inputs into G20 deliberations. The importance of this engagement is such that if a G20 economy did not have the BMO capacity to support the B20 then it would create it. **At the level of the most advanced industrialized nations public and private dialogue is of strategic significance. The absence of the structure that supports PPD in emerging markets is, equally, a strategic oversight.**

**In emerging markets, the characteristics that mark PPDR are often absent.** BMOs lack advocacy departments, governments don't have clear mandates for public and private sector engagement, trust is an issue, dialogue between stakeholders is a 'talk shop', tangible results for effort are too few. In brief there is an absence of the structure that supports effective dialogue. The consequence of this is that even where there may be a clearly defined process (there rarely is) then without structure there can be no sustainability. This situation is far from uncommon. This is despite, in some countries, decade's worth of external development assistance. There are many reasons for this oversight. Included is the fact that economic development assistance is provided directly to executive levels of government. The development of strong BMO advocacy is not a priority. In countries where for political reasons this is challenging then assistance is provided at the enterprise level e.g. to Small and Medium Enterprises (SMEs) or micro finance. Building sustainability within BMOs and within governments Ministries to enhance stakeholder engagement on economic development is too often overlooked. **This is the detriment of economic development and the employment and opportunity that comes with it. The PPDR Approach aims to change this by providing a framework to approach the issue of sustainability,**

In creating change, it is important to identify the challenges. **The PPDR Approach has identified four PPDR Status levels; 1. Nascent. 2. Emerging. 3. Mature and 4. Institutionalized. A Nascent PPDR Status implies that the PPDR is, compared to what it could be, dormant. At the other end of the spectrum, an Institutionalized PPDR is highly efficient. This efficiency is marked by stakeholder engagement activities that are predictable, institutionalized, functions of private sector and government stakeholders. In this instance the PPDR System<sup>2</sup> component parts are connected and result oriented.**

---

<sup>1</sup> The Group of Twenty (G20); <https://www.g20.org/en/about-g20/#overview>

<sup>2</sup> Brew, J.P; The PPDR System, [www.publicprivatedialogue.org](http://www.publicprivatedialogue.org)

### 3 – THE FOUR PPDR STATUS LEVELS

**Figure 1. Four PPDR Status Levels**



The PPDR Status enables stakeholders to identify future milestones and set objectives. These will be designed to strengthen the PPDR System so that the process for achieving results through dialogue becomes sustainable. PPDRs that are Nascent and Emerging require the most intensive levels of support. Indicators are required that reflect the intensity of the capacity needed.

#### **Characteristics of PPDR Status:**

1. **Nascent:** PPDR that are not functioning, have no discernible process and have no clear methodology for measuring and monitoring outputs and outcomes.
2. **Emerging:** PPDR that has discernible elements of a PPDR that includes an identifiable process, capacity within BMOs, platforms for PPDR and a consistent public sector champion or champions.
3. **Mature:** A PPDR that has broad engagement from relevant public and private sector stakeholders, a process that produces outcomes, a monitoring system that communicates events and results with stakeholders.
4. **Institutionalized:** The highest status of a PPDR, institutionalization, means that the PPDR System is functioning. It can be engaged by stakeholders to achieve a variety of outcomes. Institutionalized PPDR are characterized by fully integrated PPDR process that is outcome driven. Public and private sector stakeholders have ownership of the tools, activities and functions that make the PPDR outcome oriented.

A Status evaluation will provide stakeholders an understanding of the PPDR challenges and opportunities. The aim of the PPDR Approach status assessments is not only to identify the strength of any current practice of stakeholder engagement. It is also designed to understand the strength of the institutions that

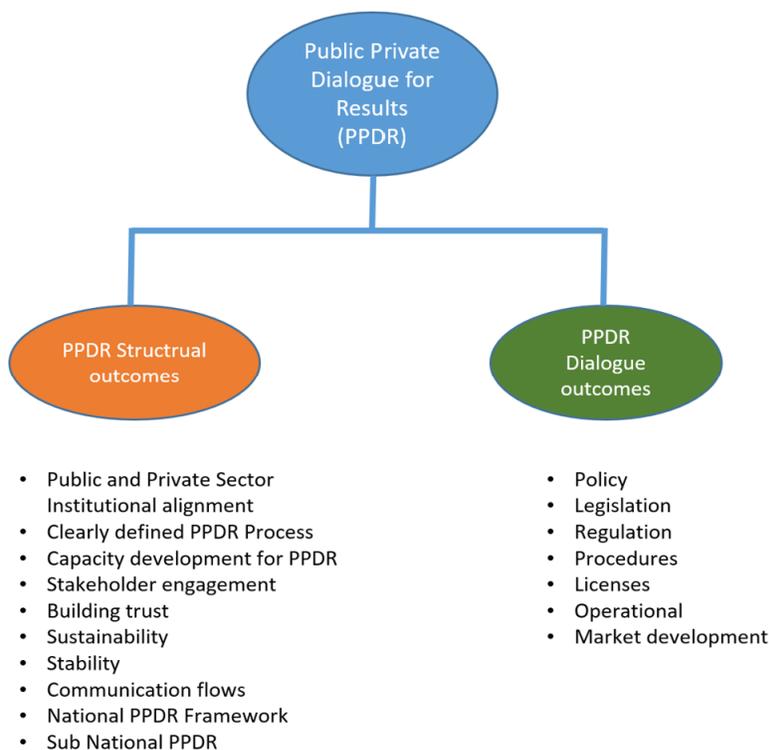
support public and private sector interactions. The circumstances in each country or province that enable stakeholder engagement vary. **Issues that influence PPDR include, but are not limited, by the following:**

- The viability of BMOs
- Political stability
- Crisis
- Political ideology
- Capacity
- Culture
- Resources
- Incentives
- Trust
- Process
- Institutional alignment
- Political will

#### 4 – PPDR STATUS – STRUCTURE AND DIALOGUE

The PPDR Status will be evaluated based on a) structure and b) dialogue. The following Table 1 illustrates elements of Structure and Dialogue outcomes that need to be taken into consideration for evaluation purposes. The Status of the PPDR will provide stakeholders a more realistic appreciation of what is required to manage a PPDR. The challenges are broad. The risks are ameliorated by bringing stakeholders together in what should be a shared objective. The overall aim is to have a direct positive impact on economic development.

**Table 1. The PPDR Results evaluation focuses on PPDR Structure and PPDR Dialogue outcomes.**



The results of the PPDR Status analysis is intended to be used by key stakeholders to generate support from stakeholders. The support can be:

- **Internal:** BMOs, Government Ministries, agencies, research institutes.
- **External:** International development partners, International Chambers of Commerce) support.

The PPDR Status Evaluation provides stakeholders with entry points for supporting PPDR. PPDR Status provides a pathway to graduation from one level to another. There is, however, no easy path achieving results. In particular where government and or private sector have a history of distrust and where institutions require substantive support. Although international development agencies may provide programmatic support, the PPDR is strategic. Consequently, all inputs should be viewed within the context of providing targeted support e.g. PPDR tools, capacity building, process development. This support should assist the stakeholders to improve the connectivity of all stakeholders. Ultimately these will make the PPDR System sustainable.<sup>3</sup>

Diagnosing the status of the PPDR will provide guidance for stakeholders that want to support PPDR. The PPDR Status analysis will also reflect previous work undertaken on PPDR. There are instances where countries have received previous support for PPD. This may have been substantive support that finished ten or more years previously. The work may have produced results. Those past efforts may have become

---

<sup>3</sup> Brew, J.P; The PPDR System, [www.publicprivatedialogue.org](http://www.publicprivatedialogue.org)

distant memories or forgotten altogether. This can be due to variables such as personnel changes in government and BMOs, political instability or due the nature of programmatic support. In a PPDR analysis previous work is captured. Anything that is undertaken to support the PPDR to become efficient is documented. This information should then be accessible for any stakeholder intending to support PPDR in a particular country.

## 5 – CONCLUSION

The PPDR Status analysis provides a reality check. There can be multiple reasons why the PPDR System is not functioning. Governments may be willing to dialogue but BMOs may not have the capacity. In turn, where BMOs have capacity a government may not have the inter-ministerial alignment to accommodate private sector inputs. Defining the PPDR Status should influence perceptions regarding the expected outcomes can be managed. Stakeholders need to be ambitious for their PPDR. An effective PPDR System can support the realization of the often-stated objective to make the private sector the *'engine of growth'*. External support can create a period of high performance for the PPDR process. If standard indicators are achieved but stakeholders are not given the tools to take forward the PPDR functions then the PPDR is unlikely to be sustainable. If support is not provided holistically, however, future analysis will reveal little overall improvement to the PPDR System and the PPDR Status will remain the same. Where the goal is to support a sustainable result driven PPDR then all stakeholders have a role in achieving this objective. The ambition needs to be underpinned by steps to build the system to deliver structural and dialogue results i.e. PPDR.