



# Business Environment Reforms through Public-Private Dialogue

Lessons learnt from the ICR Facility

July 2024

Implemented by

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## LIST OF ABBREVIATIONS

<b>ACP</b>	African, Caribbean, and Pacific Group of States
<b>ACCI</b>	Abuja Chamber of Commerce and Industry
<b>BB</b>	Business Botswana
<b>BC</b>	Business Council
<b>CCAK</b>	Clean Cooking Association of Kenya
<b>CEMAC</b>	Central African Economic and Monetary Community
<b>EC</b>	European Commission
<b>ECOWAS</b>	Economic Community of West African States
<b>EU Africa RISE</b>	European Union Africa Reform for Investment and Sustainable Economies programme
<b>EUD</b>	European Union Delegations
<b>FEWACCI</b>	Federation of West African Chambers of Commerce and Industry
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MPME</b>	Mouvement des Petites et Moyennes Entreprises de Côte d'Ivoire
<b>MSME</b>	Micro, Small & Medium Enterprise
<b>MoU</b>	Memorandum of Understanding
<b>PPD</b>	Public-Private Dialogue
<b>PPP</b>	Public-Private Partnership
<b>SADC</b>	Southern African Development Community
<b>SMEDAN</b>	Small and Medium Enterprises Development Agency
<b>TAREA</b>	Tanzania Renewable Energy Association
<b>TPSD</b>	The European Commission's Trade and Private Sector Development and Engagement Facility

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## EXECUTIVE SUMMARY

The Investment Climate Reform (ICR) Facility works with public and private partners in African, Caribbean and Pacific (ACP) countries to boost the investment climate for the private sector to deliver sustainable growth, create opportunities and provide decent jobs in the region. Business environment reforms that support the full participation of women in the economy are core to the ICR Facility's agenda, including through the strengthening of Public-Private Dialogue (PPD).

In order to promote healthy and sustainable business environments where policy makers can make informed decisions in ACP countries, targeted interventions have been designed to provide support to a wide range of requesters to enhanced PPD processes in emergent phases and consolidate existing ones in more mature phases. This meant providing support to develop diagnostics on investment climate constraints (i.e. intervention "[Public-Private-Dialogue for private sector recovery in Botswana](#)") and existing PPD practices (i.e. intervention "[Public-Private Dialogue in Cape Verde](#)"), as well as to the design and implementation of PPD structures (i.e. intervention "[Supporting the coordination of the implementation of the National MSME Policy in Nigeria](#)"). They also explored the legal status and set up of dialogue tools (i.e. intervention "[Improving participation of SME and women in PPD in Côte d'Ivoire](#)") and mechanism (i.e. intervention "[Creating a sub-regional Public-Private Dialogue platform](#)") and the value of PPD champions (i.e. intervention "[Support to the Tanzania Renewable Energy Association](#)"), delivering strategic action plans (i.e. intervention "[Supporting the Development of a Strategy for the Southern African Development Community \(SADC\) Business Council](#)") to guide the future PPD process and ensure continued sustainability. Through their demand driven approach, the ICR Facility interventions have paved the way forward for an effective PPD climate supporting the transition from nascent or emerging levels towards more mature and even institutional levels.

The objective of this document is, thus, to present some of the lessons learnt and recommendations from the PPD interventions with the aim to highlight success factors and stories that could serve other public and private actors interested in promoting PPD processes.



## KEY FINDINGS

- » **Strengthening state-business relations:** The ability of the ACP region's private sector to ensure a high level of stakeholder participation and to address the PPD divide depends on governments and key private actors and their willingness to drive, create, and convene dialogue spaces. Planned, regular and ongoing communication will assist in understanding the position of government and key private actors when advocating for change. A thriving PPD process however **should also rely on initiatives and the drive from key private actors whose efforts would rank at the same level. This is however not often the case** in the ACP region where the private sector "voice" is not strong enough and its maturity differs considerably from one country to another. Rare initiatives still exist, and they should be used as good examples of how and why the private sector role is similarly important. A shared understanding can only be supported by clear terms of engagement, jointly defined and communicated PPD objectives as well as coherent and prioritised meeting agendas. Especially during the initial stage of a PPD process, dialogue initiatives may be propelled using specific simpler rules of engagement that can help establish the initial PPD mandate of the private sector rather than e.g., a Memorandum of Understanding which requires higher level or multi-government approval. The enhanced use of evidence from economic reality can play a pivotal role in shaping reform proposals. Whilst the public and private sectors should be partners and initiatives should come from both sides, the maturity of the private sector is a key factor in determining whether the latter may be ready to take over the leadership of the PPD process. Yet, only an ongoing commitment, discipline, and dedication from both public and private stakeholders concerned can deliver continuous dialogue results.
- » **From design to delivery – PPD Action Plans underpin successful and effective dialogue:** A thriving private sector is critical to achieving inclusive growth that creates economic opportunities for all. PPD constructed action plans have the capacity to accompany the planning, coordination, implementation and evaluation of key activities. They can help enforce state-business agreements resulting from PPD.
- » **Identifying and training stakeholders to act as PPD Champions can improve the ownership and sustainability of a dialogue process:** Successful PPDs are often driven by individuals and/or groups acting as convenors, moderators or catalysts in the process. PPD will thrive when the initiators can create a shared platform to address their concerns through a core group of PPD Champions who lead collaboratively. Identifying a group of PPD champions and building their capacity can build stronger ownership and ensure that a group of people feels responsible for taking forward the PPD process thus increasing the chances of such a process being sustainable rather than short lived. However, since people come and go, on the mid-term, the champion approach has to be complemented with structures that go beyond individuals to ensure the processes are sustainable overtime.
- » **Strengthening regional processes through the harmonisation of national PPD frameworks:** Dialogue structures that recognise the local/ national environment within a regional context have the potential to harmonise regional PPD processes and support the adoption of policies and programmes that advance the regional reform agenda. They also have the potential to deliver additional spillover-effects, such as building transparency in the policy process and negotiation capacity for cross-border trade.

## INTRODUCTION

**PPD is an effective tool to enhance collaboration between public and private actors. This is even more so valid in ACP countries where developing dialogue processes may not be a priority.** It is a **continuous process** whereby business representative organisations can establish and maintain regular contact with key public sector actors on the basis of an agreed format to advocate for change as needed and for the public sector to be able to make informed decisions on policy and regulatory reforms. **A PPD is by no means a stand-alone initiative or an event such as a workshop or consultation meeting. Such events will always be part of the overall process, however, and often constitute the beginning of either a successful or a failed PPD process. It is a semi-structured process that brings together various stakeholders to tackle a common issue over a period of time until a specific result is attained. It can also be seen as a regular dialogue structure that overtime tackles different needs and concerns of both public and private actors.** Different stakeholders are brought together in multiple workshops, meetings, and dialogues. A PPD can take various forms. It can be as brief as a series of bilateral or individual meetings and/or workshops as long the PPD objective has been attained or otherwise dropped. PPD is about joint private and public sector engagement and attaining mutually set/ agreed objectives. These objectives could be to gain the support of leaders and influential figures, or to build the capacity of stakeholders. Furthermore, a PPD process could also consist of advocacy activities to gain the support of leading figures or background research to push for change or introduce new legislation, and even communications and media support. The process can often be driven by individuals and/ or groups who act as convenors, moderators, champions or catalysts.

The varying types of PPDs can be distinguished by seven prominent characteristics.<sup>1</sup> These include: i) **area**: regional vs. national vs. local; ii) **scope**: economy-wide vs. sector-specific; iii) **institutionalisation**: permanent institution vs. temporary initiative; iv) **leadership**: public driven vs. private driven; v) **ownership**: 3rd party brokerage/support vs. locally driven/sustained; vi) **focus**: general orientations/many goals vs. specific changes/specific goal; vii) **participation**: many actors vs. few actors. **Amongst these, leadership and ownership can be sensitive characteristics that require further insight and analysis** (see also Lesson Learnt 1).

The ICR Facility has implemented interventions with a focus on fostering PPD, and the aim of promoting well-functioning PPD processes, with all or most of the following elements:

- Shared and defined **problem/ challenge, opportunity** or otherwise acknowledged **conflict** situation
- **Stakeholder engagement** (a carefully thought out, **not rushed** – stakeholder engagement and analysis is required ensuring that all concerned entities are involved **from the very beginning**; omitting or involving some stakeholders too late can quickly undermine the whole process)
- **Proper planning and mutually agreed process and timeframes** (stakeholders should have a clear understanding from the beginning and at specific points in time of the steps to be undertaken and associated timeframes)
- **Clear definition of the chain of command** for communication, decision making, leadership and responsibilities mutually agreed by the concerned stakeholders
- **Inclusiveness** (involves both dominant and less dominant stakeholders), in particular, ensuring a gender-sensitive approach

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<sup>1</sup> Herzberg, B. & Sisombat, L. (2016). State of play: Public- Private Dialogue, Washington DC: World Bank, Public-Private Dialogue Practical Notes Series

- **Fosters knowledge management** (i.e. capitalises on lessons learnt) and learning (i.e. interactive learning processes encouraging stakeholders to see things differently and from the perspective of others)
- **Supports transformative and institutional change rather than “business as usual”.**

The expected benefits of PPDs implemented in ACP countries generally include an **enabled/ improved and inclusive investment climate for the private sector, as well as enhanced legitimacy and effectiveness of the decision-making processes of the government.**

Although the gender dimension is not the focus of this paper, the core mission of the ICR Facility is to empower women and girls, advance gender equity and promote social inclusion. The ICR Facility report “Promoting women’s organisations into Public- Private Dialogues to foster Women’s economic empowerment (WEE) in ACP countries” contemplates on how gender transformative business environments are not only essential but also good for business and provides additional depth to the question why empowering and investing in women is not only a moral consideration, but a key condition for ACP countries’ sustainable development (see Box 1 for further information).

### **Box 1: ICRReport: Promoting women’s organisations into Public-Private Dialogues to foster women’s economic empowerment in ACP countries**

This report focuses on how to support the creation, growth and sustainability of women’s business associations (WBA) and women’s chapters in chambers of commerce. Secondly, it shows how these women’s organisations can positively promote women’s economic empowerment (WEE) and thus sustainable economic growth in ACP countries by advocating for their needs in PPDs.

Women are less likely than men to be involved in PPDs, in part because of the under-representation of women in leadership positions among business associations, chambers of commerce, and senior official government roles. Additionally, the outcomes of PPDs do not necessarily, by design, address the differential needs of, and barriers faced by, women-owned businesses and female employees. Social and cultural norms, existing laws and regulations, and family dynamics (e.g., time scarcity, male control mechanisms) that exclude women from the public sphere further explain this lack of participation and representation in PPDs.

## **KEY FINDINGS:**

- » Social and cultural norms, family dynamics, and laws and regulations affect women’s likelihood to participate in PPDs, both as decision-makers and as private sector representatives.
- » Women’s participation in PPDs is key to supporting reforms that benefit women-owned businesses and female workers.
- » Promoting women’s associations and women’s chapters of chambers of commerce can help to encourage more inclusive PPDs.
- » Women’s organisations can champion key business environment reforms in PPDs that promote better work conditions for female workers and women-owned businesses.





## ABOUT THIS REPORT

This report will provide specific **lessons learnt and recommendations gained from the ICR Facility interventions** on PPD in a way that is helpful for representatives from public and private organisations in ACP countries who are planning or implementing similar interventions and projects. The document thereby helps:

- To promote the recurrence of desirable outcomes,
- To preclude the recurrence of undesirable outcomes,
- To share the ICR Facility’s experience and success stories on PPD,
- To raise awareness among public and private partners about our vision on PPD,
- To trigger further discussions with potential requesters of technical assistance.

This report is neither meant to be an all-encompassing guide on PPD, nor does it intend to replicate existing publications. Instead, it focuses on specific lessons learnt that have been derived from ICR interventions, which aimed at strengthening PPD.

The report therefore builds on the experience of the ICR delivering technical assistance interventions in this field, as well as existing research and publications on PPD, such as the PPD Handbook<sup>2</sup>, the EU Africa RISE (Reform for Investment and Sustainable Economies) programme’s report on international best practices on PPD, the ICReports “[Promoting youth participation in Public-Private Dialogue](#)” as well as the Trade and Private Sector Development and Engagement Facility’s How-to-tools “[Facilitating Public-Private Dialogue in Fragile and Conflict-Affected Situations](#)” and “[EU Member States Experience on Public-Private Dialogue](#)”.



2 For more information refer to: Benjamin Herzberg and Andrew Wright A. (2006): The Public- Private Dialogue Handbook: A Toolkit for Business Environment Reformers”, DFID, WB, IFC, OECD.

## LESSON LEARNT 1: REGULAR AND STRUCTURED DIALOGUE, CLEAR RULES OF ENGAGEMENT AND STRONG GOVERNMENT INVOLVEMENT MAKE PPD EFFECTIVE

The ability of the private sector to ensure a high level of stakeholder participation and to address the PPD divide depends on governments and their willingness to drive, create, and convene dialogue spaces. Both stakeholder groups need to establish and maintain regular and ongoing contact to ensure each party understands the others' interests and needs, thereby building trust. Clear terms of engagement, which are accompanied by a coherent and prioritised agenda, as well as evidence-based reform proposals help generate buy-in from all stakeholders.

### Regular and structured dialogue builds stakeholder trust

Where governments lack credibility with the local and international private sector, PPD can be instrumental in improving the private sector's perception of the public sector. It can also be instrumental in building the legitimacy of a reform process and improving the information flow and inputs from the private sector to the effective design of public policies. Public-private sector collaboration remains a vital part of the solution for creating and boosting economic recovery and growth after COVID-19. However, lack of trust in government and by the government in the private sector commonly impedes full engagement of the actors in PPD. Mistrust makes it harder for the PPD to deliver on its promises. The more efficient and trusted the institutions are, the greater the likelihood of achieving PPD results. Harnessing the political and institutional will from the actors will help build trust. Regular and ongoing contact will help to understand the other's position in general, and not just when advocating for change.

A **meeting action tracker** is one of the resources that has been used successfully to strengthen and manage PPD (refer to Box 2). This tool helps with tasks and assignments arising from meetings and keeps track of decisions made during consultations.

### Box 2: Meeting action tracker helps making clean cooking a priority issue in Kenya

In Kenya, as in many countries, the burden of lack of access to clean cooking fuels falls heavily on women. By recognising that men and women have differentiated priorities in energy services, by involving women in decision making, and by creating opportunities for women in energy, the sector can contribute towards increasing gender equality. [The Clean Cooking Association of Kenya \(CCAK\)](#) is a private business membership organisation which coordinates a dialogue mechanism involving private sector actors (through sector pillar working groups) and government agencies (through the Climate Change, Health, Energy Technical Working Group and The Interministerial Committee on Clean Cooking) to address the concerns of the clean cooking sector. CCAK has therefore set out to impact at least 7 million women through its five-year strategy. The ICR Facility helped identify important areas to discuss with relevant working groups, assess existing gaps, and review ideas to promote business environment reforms for the sector. **A meeting action tracker was developed to help keep track of priority issues and tasks per stakeholder as well as dialogue progression** over a set period (i.e. one year). This allows those responsible for overseeing the CCAK's advocacy efforts to keep track of their tasks, assess the time and effort necessary to complete them and analyse the outcomes once specific actions and dialogue goals are reached. The five most important details of the action tracker are:

- The name of the stakeholder / agency
- The (current and future) issue(s) / advocacy tasks / action items
- The team member in charge of the respective action item
- The status of the action item
- The relevant dates involving the action item, incl. the date of the last update.

The tool has great potential **for improving a team's advocacy efficiency and for further adoption by other PPD mechanisms in the region**

Experience from the ICR Interventions also shows **that effective communication helps to build strong stakeholder relations** and their buy-in. PPD objectives and outputs must be well-defined and communicated. There is often a need to draft **clear and prioritised meeting agendas before consultations**, which take into account the perspectives of all stakeholders, and which are communicated to stakeholders well in advance (refer to Box 3). Ideally, the involved stakeholders also agree on a mechanism for introducing new agenda items.

### Box 3: Building trust in PPD for private sector recovery in Botswana

**Business Botswana (BB)**, a business representative body renowned for pioneering private sector programmes and initiatives seeking sustainable and inclusive economic development, developed a recovery plan post COVID-19 in response to the national lock down effects which brought the Botswana economy to a standstill. BB's emphasis is on the private sector taking the lead in post COVID-19 economic recovery and supporting the strengthening of capacity and competitiveness of micro, small, and medium enterprises (MSMEs) and Community-Based Organisations. The organisation and its recovery plan recognise women's and youth's role in increasing and diversifying the economy of Botswana. The intervention's PPD approach, which included 10 online PPD sessions with business councils, local authorities and other public and private stakeholders across the country illustrated that **building an atmosphere of mutual trust and understanding between the public and private sector is the first and foremost step in improving business and social cohesion**. Whereas the private sector had often taken a position that persistently critiqued government, this tended to create resistance. The intervention drew on the existing PPD structures before the COVID-19 pandemic to develop a **PPD engagement strategy** and deliver a training on the PPD methodology developed for BB. The recommended steps for enhancing stakeholder engagement and for the trust building to be addressed systematically included guidelines on **agenda setting and effective communication**. It was concluded that **strong stakeholder relations are built on regularly consulting, involving, and informing relevant partners**.

## Clear terms of engagement create momentum for PPD

There is a need for stakeholders to be involved early in the planning and implementation of PPDs. This includes a structured approach towards stakeholder engagement, whereby **rules and operating guidelines for engagement are well-defined and communicated**. The intervention “[Supporting the development of the strategy for Southern African Development Community \(SADC\) Business Council](#)” (refer to Boxes 4 and 6) showed that a more formal mandate in the form of a Memorandum of Understanding (MoU) may be necessary to create credibility of private sector associations and to better integrate dialogue into an existing institutional framework. However, **the initial drafting of rules of engagement helped establish the association’s endorsement, while ensuring that momentum on the dialogue initiative was not lost (see Box 4)**.

### Box 4: Rules of engagement lay the foundations for effective PPD in Southern Africa

The role of the private sector in wealth creation, employment generation and poverty alleviation, is firmly accepted by all member states of the Southern African Development Community (SADC). As the principal executive institution of SADC, the SADC Secretariat is responsible for the implementation of decisions of SADC policy and institutions as well as strategic planning, co-ordination and management of the SADC programmes. The Secretariat had a strong interest in improving and simplifying the relationship with Southern Africa’s private sector, and therefore supported the setup of the [SADC Business Council \(SADC BC\)](#), a recently established apex body of national and regional business associations. The institutions drafted in a first step rules of engagement to kick-start the PPD process. **These rules of engagement defined the focus areas, level of interactions, type, and structure of engagement between the involved parties. They essentially paved the way for the recently signed MoU** which required the approval of the SADC Council of Ministers and therefore took much longer to be made operational (for more details on the ICR Facility’s support to SADC BC, please refer to Box 7).

## Building capacity for evidence-based reform proposals

A transparent and multilateral dialogue can help the government to invest in qualitative reforms, develop policies based on evidence from economic reality and build communication channels with business and receive feedback constantly.

The ICR Facility’s interventions not only helped develop capacities and tools for the private sector to better engage in PPD, but also helped **provide the evidence required for successful reform proposals and their advocacy** (refer to Box 5 and Box 9).

### Box 5: Boosting evidence-based reform proposals through online inputs from MSMEs

In Côte d’Ivoire, the ICR Facility focused on enhancing the advocacy capacity of the association [Mouvement des Petites et Moyennes Entreprises de Côte d’Ivoire](#) (MPME) to actively engage in the Public-Private Dialogue process. The intervention facilitated the development of a comprehensive tool aimed at connecting with MSMEs and especially women-led enterprises. This tool served a dual purpose: first, it enabled efficient communication with MSMEs, and secondly, it allowed for the collection of online inputs directly from them. The approach provided a system to understand the primary constraints faced by MSMEs in the local context. By gathering evidence directly from the stakeholders, policy makers gained valuable insights into their challenges and concerns. The tool enabled MPME to use the data to inform and prioritise their advocacy efforts. The insights gathered through the online input collection tool played a pivotal role in shaping the reform proposals that were ultimately submitted to the government via the PPD platform.

## Strong Government involvement or co-leadership is a powerful driver of change

Agreeing to work together is no guarantee of success. However, it can be the beginning of a successful partnership through a carefully designed PPD platform, a joint commitment to pursue a mutual goal, strong leadership, and the involvement of people with strong facilitation skills. Desk research of various ICR interventions as well as interviews with project management and beneficiaries suggests that at times PPD-driven initiatives often start full of energy and with a strong sense of commitment. The initial enthusiasm may diminish however when key individuals leave, or results are not immediately visible. It is therefore in some occasions beneficial for development partners to support, promote, fund and encourage continued dialogue, but **the objective needs to be to ensure that as soon as possible the process is owned (institutionally and financially) by the local partners to ensure success and sustainability**. It is important to ensure that the process does not end when a donor funded initiative comes to an end, but instead the process continues and leads to implementation of reforms.

Setting up a PPD structure does not automatically lead to an established collaboration between stakeholders. It is only the first step of a long and often challenging journey of implementation **which may require considerable patience**. Stakeholders involved in the process often have differing, opposing or even competing interests, hence it can be a slow and difficult process to develop trust and mutual understanding. Conflicts and changing political agendas will also hinder or even reshape partnerships. It may take time until stakeholders agree on the need for shared decisions and collective action. It is therefore **important to ensure that PPD processes are sufficiently sustained and have a clear leadership and ownership**.

**There are varying opinions as to who should lead and own the PPD process.** The public and private sectors should be partners and **initiatives can come from both sides**, but the maturity of the private sector is a key factor in determining whether it may be ready to take over the leadership of the PPD process. Africa, the Caribbean and the Pacific are vastly different regions that face different challenges and need different solutions. Constraints in areas such as access to finance, infrastructure, employee skills, and the investment climate are, however, a common denominator for all and a constant challenge for the development of the private sector. Whilst a fully matured private sector may be able to assume the leadership of PPD processes, in most cases a government driven PPD process is likely to be more promising. This is even more valid for those countries where the government may still be, either formally or informally, the major actor in the economy. Although some powerful economic operators may have the capacity to drive the PPD process, inclusiveness will not be guaranteed for MSMEs as it takes a well organised private sector to have the ability to lead the process and feel comfortable including all segments of the economy. Most interviewees have emphasised that the public sector has all the necessary administrative tools to drive the PPD process and that **strong political will is needed to lead the process. Whilst governments cannot deliver their primary obligations without support from the private sector, the attitude of the public sector can promote or destroy PPDs. Government participation therefore needs to be at a high level. Strong political will to willingly and enthusiastically provide leadership for dialogue and a well-organised private sector with strong initiatives, teamwork and entrepreneurial attitude will ensure effective dialogue.**

**In the context of most ACP countries, it is therefore important for governments to take an active role and be genuinely open to change policy** as a result of the PPD process. **Government leadership is, however, not to be interpreted as imposing a certain position, but rather as a means of ensuring legitimacy and enabling and facilitating a particular transformation.** In the end, the objective is to change policies and regulations, and this will not happen without leadership from the government. PPD is a consultation process where the private sector is given the opportunity to contribute and substantiate their view. The private sector is there to share their needs and suggestions for change, but it is largely up to the public sector to change policies and processes.

The interventions of the ICR Facility have supported both the strengthening of existing PPD structures (refer to Box 3 on the intervention “[Facilitating Public-Private Dialogue for private sector recovery in Botswana](#)”) and the creation of new PPD structures, including the establishment of PPD supportive task forces and platforms (refer to Box 8). In other instances, the technical assistance highly benefitted from a government-led PPD and the use of more institutionalised methods (see Box 6 on the intervention “[Supporting the coordination of the implementation of the National MSME Policy in Nigeria](#)”).

## Box 6: Public sector driven PPD to support the National MSME Policy implementation in Nigeria

Technical assistance was provided to the [Small and Medium Enterprises Development Agency \(SMEDAN\)](#), a government owned agency, and the [Abuja Chamber of Commerce and Industry \(ACCI\)](#), to support the coordination of the implementation of the National MSME Policy 2021-2025. The intervention facilitated the organisation of the first PPD sessions at the national level of the long-term coordination mechanism and provided advice for the organisation of PPD sessions at state level. The intervention ushered the beginning of a process that will serve as a foundation for dialogue around policy implementation. It also increased the profile of SMEDAN and ACCI as MSME Policy champions and strengthened their linkages with other actors. The initial PPD sessions need to transition into more structured dialogue over time, which includes moving from brainstorming to analysis of options and then preparation of costed and time-bound reform proposals. Participating stakeholders need to understand this process and future PPD sessions need to be organised accordingly. State facilitators were given a training on PPD facilitation, and this was included in the manual of the coordination mechanism. The process was initiated and led by the government with 65% government participation and 35% private sector participation. In this case, the intervention showed that **participation levels of PPD can differ, depending on whether the dialogue is government or private sector driven. If the PPD is led by the private sector, then the level of participation tends to be lower than if organised by government.** The intervention highlighted the **need for the public sector to be engaged at an early stage in the PPD process, thereby driving the process, convening stakeholders, and following through on the dialogue.**

## LESSON LEARNT 2: WELL-DEFINED PPD ACTION PLANS SUPPORT THE PRIVATE SECTOR’S PPD EXECUTION AND LEARNING

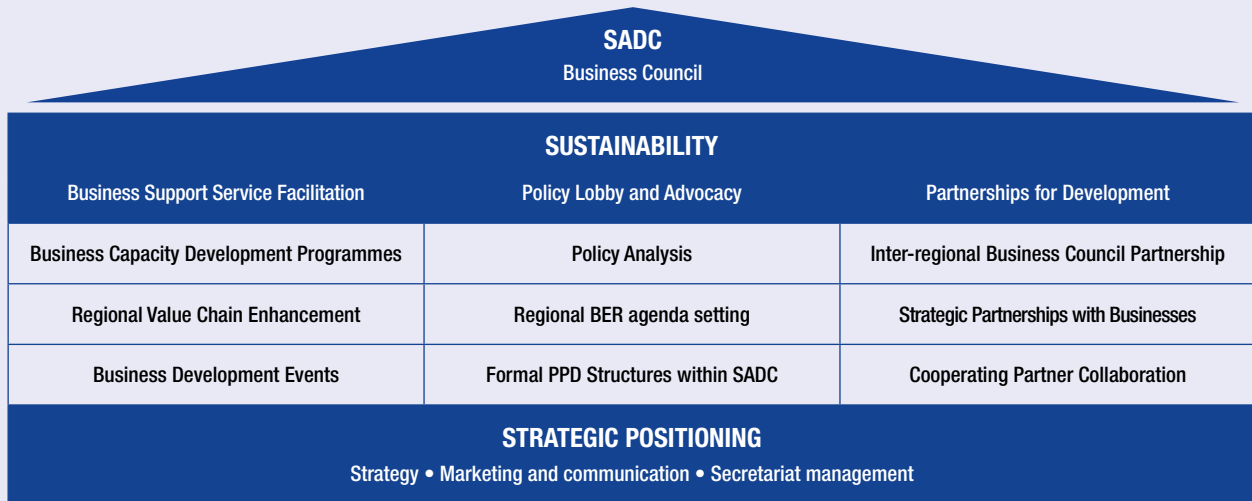
**Clearly outlined dialogue strategies and action plans provide crucial stepping stones for the private sector to successfully and effectively engage in PPD.**

A thriving private sector is critical to achieving inclusive growth that creates economic opportunities for all. Identifying suitable private sector organisations, which guide and mobilise their members with an interest in a shared economic activity, industry, value chain, or mission, is key to expanding and strengthening private sector participation in the development of their home countries. Given the importance of the private sector for growth, jobs and economic opportunities for the majority, the government’s development strategies and investment plans cannot focus exclusively on the public sector but need to leverage the potential of the private sector as an agent and partner in growth and development. The structure of the private sector across ACP countries is often characterised by a “missing middle”. To fully reap the rewards of a government-enabled and private sector-led growth model, PPD will need to tackle those factors that inhibit the participation and emergence of mid-sized enterprises.

The ICR Facility has successfully supported the design of PPD engagement strategies for business membership organisations across ACP countries, which are commonly informed through an in-depth stakeholder analysis. These strategies set out the organisations’ dialogue priorities and define the five W’s (who, what, when, where, how, and why) of the engagement with government (see Box 6). It has furthermore promoted capacity building for the business community and government to participate in dialogue, to achieve a concerted strategy and to communicate reform issues through clear and targeted messaging.

### Box 7: The SADC Business Council’s strategy – a means for captivating an attentive ear from the public sector

The **SADC Business Council** (SADC BC) is a recently established apex body of national and regional business associations. With support from the ICR Facility, it developed a 5-year strategy and action plan, as an enabler to engage the SADC Secretariat and public sector in constructive and evidence-based PPD. The business council’s first strategy and action plan, which is currently mid-way in its implementation, has helped the organisation to **strategically position** itself and achieve its mission of “facilitating regional industrialisation, economic growth, and development”. Central to the SADC BC’s operations is the **‘policy lobbying and advocacy’** pillar. Under this pillar, working groups, such as the existing Pharmaceutical Group and recently activated Trade and Transport Group, will be used or created to compile common policy issues affecting stakeholders around priority value chains and topical issues to set agendas for policy reform. The work of the group is expected to contribute to **the creation of opportunities for the employment and economic development of women**. Its comprehensive **logical framework (including specific performance measures)** not only serves as a **tool to coordinate PPD activities** in the short to medium term, but also to monitor their implementation and **to evaluate if the business council delivers on its mandate**.



Source: Penias Chabwela (2001): SADC Business Council Strategy 2021 – 2025, Stakeholder Validation Presentation Version presented on 30.4.2021

Action plans often served as stepping stones to address PPD development goals. They addressed the identified challenges and helped to plan, coordinate, implement and evaluate discrete, strategy related activities and/ or agreements between the public and private sector resulting from PPD. When action plans serve as documented proof of the discussions between the public and private sector, they build and enforce the commitment for the implementation of specific measures.

They were often complemented by highly replicable **roadmaps, which defined major steps in reaching the desired PPD goals and outcomes**, - at the same time **visualising the necessary time frame to meet set objectives**. They often served to **validate PPD approaches and triggered a dialogue around necessary PPD structures (see Box 8)**.

### Box 8: Pragmatic roadmaps put PPD into action

The intervention [Strengthening the Public-Private Dialogue in Cape Verde](#) aimed at promoting a more efficient and regular PPD in the island state. A classical PPD approach was applied, which assessed the status and potential/ need of a PPD in the country. The diagnostics revealed that large, well-connected firms have been able to establish themselves and communicate their interests to local governments through nurtured ties and channels. However, micro, small and medium enterprises (MSMEs) are still underrepresented in policy dialogue and are unable to advocate for their needs, priorities and rights before the government.

Based on the results of the diagnostics, **a five-step PPD roadmap was proposed to government**. The roadmap made **concrete and credible suggestions for the establishment of a PPD platform** that would serve as a coordination mechanism for public and private stakeholders. Although the government agreed to the proposed PPD objectives, they felt that an independent PPD platform would not be the best instrument to achieve these. Instead, **the government created three government-driven public-private committees that discuss and deliberate on key topics concerning the private sector and especially MSMEs**. Progress was made on issues such as taxes, the minimum wage and labour law reform. These reforms are likely to increase women’s participation in the labour market and reduce constraints that prevent Cape Verdeans’ females from developing their full economic potential.

Although the roadmap was not implemented as initially planned, **it kick-started the discussion around the need for a more inclusive and constructive PPD and laid the foundation for a more structured PPD in the country**.



## LESSON LEARNT 3: PPD CHAMPIONS ENHANCE OWNERSHIP AND SUSTAINABILITY OF PPD PROCESSES

**Identifying and training PPD Champions can enhance the ownership and sustainability of PPD processes.**

Successful PPDs are often led by competent, credible, and influential individuals, both from the public and private sectors, who help steer and advance the PPD process. Identifying suitable individuals to represent the interests of both sectors and ensure that their leadership translates into concrete improvements in the business environment is not an easy undertaking. These “PPD champions” need to be well prepared for their role, which may require them to initiate, organise and conduct the dialogue process across the three phases of a PPD life cycle: the entry or discovery phase, the high-impact phase, and the exit or transfer phase.

There is a high risk that dialogue processes depend on specific, well suited, and strong individuals, but falter with their withdrawal from the process. Likewise, PPD may highly benefit from a champion’s ability to curb stakeholders’ scepticism, existing animosities, and misunderstandings, but may fall short of their ability to broaden the agenda and drive other reform issues and processes. For enhanced sustainability and inclusivity, it is therefore suggested to strengthen and institutionalise the structures of PPD champions.

Experience from the ICR Facility’s interventions suggests that **identifying a core group of PPD champions and building up their capacity can enhance the sustainability of PPD processes and create stronger local ownership**. By forming a team of champions, who were well trained for their tasks, such teams have gone beyond the expectation to keep the dialogue alive and are even taking further reform issues forward (see Box 9).

### Box 9: Boosting renewable energy through PPD on net metering

The ICR Facility provided support to the [Tanzania Renewable Energy Association \(TAREA\)](#), an umbrella organisation representing private renewable energy stakeholders in Tanzania mainland, with the aim of promoting the use of grid-connected solar photovoltaic installations through the application of the country’s Net Metering regulation. In 2018, the Government of Tanzania enacted the new Electricity (net metering) Rules to support grid connected solar photovoltaic systems. To understand and potentially address any challenges around the application of the regulation, a team of TAREA staff received training in PPD as well as expert advice on net metering. Stakeholder discussions and recorded experiences from elsewhere where net metering has been implemented were assessed and analysed to understand the reasons behind the lack of implementation of net-metering. **Evidence-based proposals to advocate for the introduction of net metering were formulated**. Several PPD rounds were held as part of the project. Both the public and private sector sides eventually agreed on a range of measures with the aim of implementing net metering. This included working on a specific adjustment to net metering rules, organising a pilot project to test the rules, and implementing training measures on the rules. The implementation is a work in progress.

A group of **six private PPD champions** was formed, including two female TAREA members. **Whilst this was only intended for net metering, since the end of the intervention, TAREA used the same group to advocate for the uptake of other renewable energy technologies (e.g., VAT exemptions on solar irrigation pumps or the removal of exercise duty, which has a negative impact on the uptake of solar home systems) given they are now trained in PPD and feel ownership**. The PPD training, which addressed the

lack of codified knowledge specifically on how to implement PPD initiatives, clearly boosted participants' confidence in their consultation skills. The PPD Champion title and the stakeholders' strong interest in resolving issues relating to the new regulation have significantly contributed to achieving tangible dialogue results.

A key replicability model is to **identify and train PPD champions** that will lead the implementation of PPD reforms. To identify suitable PPD champions the following criteria could be taken into account:

Do the champions have sufficient time and self-interest to act as a PPD champions and to drive the PPD process forward?  YES  NO

Do the PPD champions evoke trustworthiness and are well respected stakeholders?  YES  NO

Are the PPD champions adequately prepared and/ or trained to take on leadership in a collaborative process?  YES  NO

Is the team of PPD champions gender balanced and has a recognition of how reforms will impact women's empowerment?  YES  NO

Are PPD champions capable of facilitating the PPD process in the long run and/ or do they sufficiently ensure that the process is carried forward should they no longer be able to act in the role of PPD champions?  YES  NO

## LESSON LEARNT 4: STRENGTHENING REGIONAL PROCESSES THROUGH THE HARMONISATION OF NATIONAL PPD FRAMEWORKS

**The harmonisation of national PPD frameworks can support the adoption of policies and programmes which accelerate PPD processes at regional level. Where harmonised regional PPD frameworks exist, regional consultations within an established PPD framework can support the harmonisation of legislation at regional level.**

The level of development of PPD can be very heterogeneous amongst different member states of regional political and economic unions, as e.g., in the case of the Economic Community of West African States (ECOW-AS). In addition, national PPD frameworks are often insufficiently connected at regional level to be able to raise regional concerns at regional decision-making level. Likewise, the sharing of experiences between national executives is often poorly developed, even though interesting initiatives deserve to be identified and shared between member states. PPD is a relevant means of coordinating the development of regional policies and programmes aimed at accelerating the pace of reforms, both at regional and national levels.

In the West African context, the narrowness of most national markets constrains the development of economies; more than elsewhere. Regional trade integration is therefore important. The ICR Facility supported the [West African Economic and Monetary Union](#) (UEMOA) to strengthen regional integration, but also to improve national business climates, by harmonisation and the sharing of good practices (see Box 10).

### Box 10: Creating a sub-regional PPD platform with the West African Economic and Monetary Union

The ICR Facility supported the private sector section of the Commission of the [West African Economic and Monetary Union](#) (UEMOA) to develop a win-win partnership between the public and the private sector in the Sahel region and improve the business and investment climate. The technical assistance delivered an assessment report of the state of play of existing PPDs in UEMOA member states. The ICR Facility provided tailored support to identify and propose solutions for regulatory, administrative, and institutional bottlenecks of business environments through conducting PPDs at the regional and national levels. A framework document containing a regional strategy on PPD was delivered to the UEMOA Commission for implementation, which builds on the following three strategic pillars:

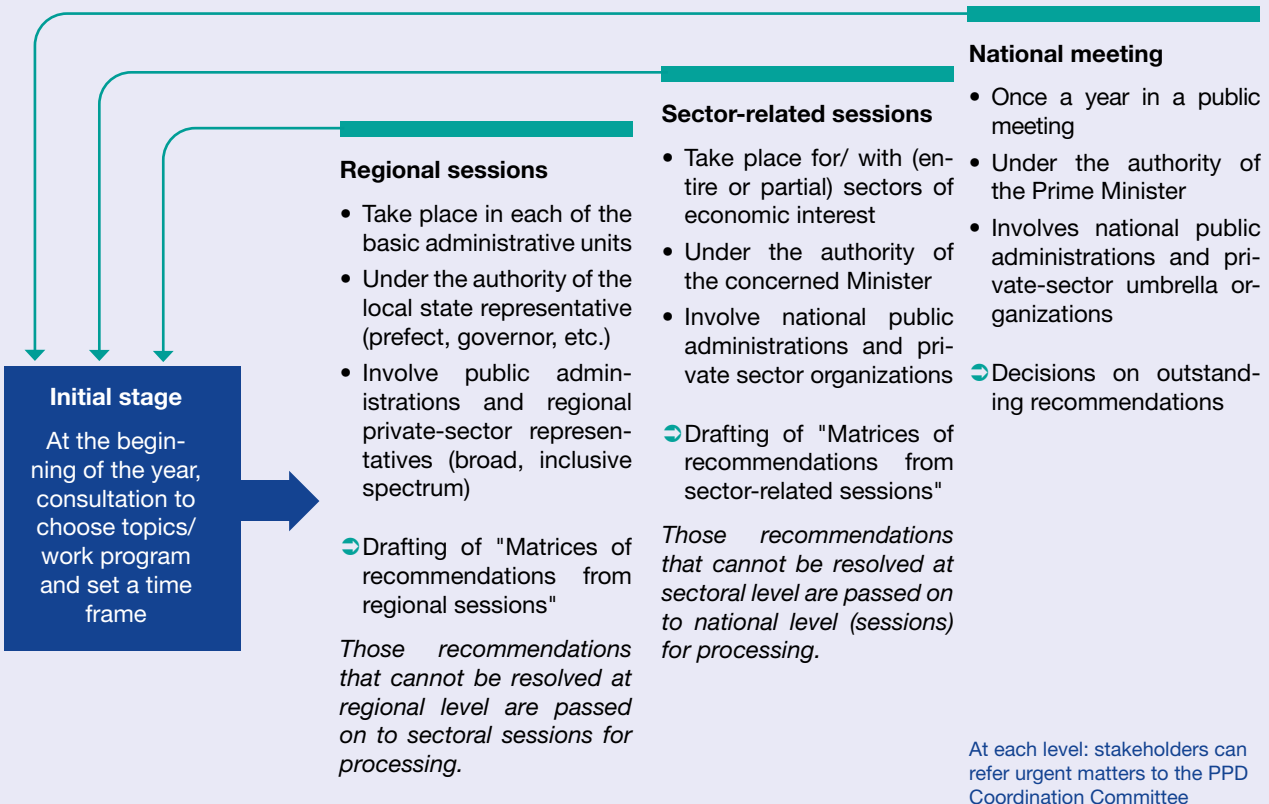
- the adoption of a standard model of national PPD frameworks in the UEMOA region,
- the establishment of the regional UEMOA PPD platform (“FoRD”), and
- the adoption of a UEMOA-wide regulation on PPD.

The systematic analysis of the various national PPD frameworks made it possible to determine a **“standard model”, which includes elements that have been tested in one member state, and which could lead to the real possibility of improvements in the different states** (see figure below). Such a standard model of a national PPD framework, defines the PPD process as well as involved stakeholders and can be applied to all UEMOA member states. Its comparatively “light” coordination structure is very noticeable. The model considers the principle of subsidiarity. It recognises the need to reconcile a regional standardisation with each member state’s institutional structures, history, and organisation.

## Digital infrastructure facilitates and accelerates information sharing

Green arrows: decisions taken return for follow-up in the annual work program, until they are effectively implemented.

Those recommendations that cannot be resolved at national level are passed on to UEMOA level for the "linchpin" of the national framework, the PPD Coordination Committee.



**Clearly defined annual process, overseen by the PPD Coordination Committee**  
(institutional support to be determined according to national contexts)

Source: Julien AYME (2022): Projet de Stratégie de Dialogue Public-Privé dans l'UEMOA, Second Rapport ICRF - draft VF au 04/04/2022, SNV.

It remains for the Member States to follow through with the implementation of the model. **The concept of structurally connecting the national frameworks and the regional PPD framework with a harmonised mechanism, tools, and timetable, may well be replicated** at the level of the Economic Community of West African States (ECOWAS) or on the level of the French-speaking Central African Economic and Monetary Community (CEMAC).

## RECOMMENDATIONS

Every PPD process is unique and will follow its own path and logic, but there are some common areas that require attention in any scenario. Some of these have been set out in the four lessons learnt.

Based on **Lesson Learnt 1 and its associated interventions**, policy makers, private sector associations and providers of technical assistance are advised to:

- ➔ Reiterate the need for regular and ongoing contact between public and private sector actors involved as well as the need to understand each other's interests to reinforce cooperation and trust.
- ➔ Ensure that stakeholder expectations and consultations are guided by a clear agenda, a well-defined timeline, and evidence-based discussions.
- ➔ Ensure that the roles and responsibilities, PPD focus areas, the level of interactions, and the type and structure of the engagement between the involved parties are clearly defined and communicated.
- ➔ Promote government co-leadership and -where adequate- help establish a suitable coordinating mechanism and management structures to sustain the dialogue.
- ➔ Keep stakeholders informed of the progress and impacts of the PPD process in order to maintain their commitment.

**Lesson Learnt 2 and its associated interventions** reveal the importance of:

- ➔ Promoting technical assistance and capacity building, which supports the private sector in developing a concerted PPD engagement strategy and/ or a strategy that builds on agreed PPD results.
- ➔ Securing stakeholder engagement through detailed and regularly updated action plans, which address PPD development goals and generate buy-in for the implementation of specific activities.
- ➔ Making use of local knowledge especially during the PPD diagnosis phase to assess the local context and proposed PPD structures.

Based on **Lesson Learnt 3 and its associated intervention**, it is proposed to:

- ➔ Identify a group of individuals that can act as PPD Champions to create stronger ownership amongst a committed group of individuals for the PPD process.
- ➔ Train the identified group of PPD Champions on PPD to ensure they have the right skills and tools to successfully lead the PPD process in the country and support the advancement of the reform agenda beyond just one initiative.
- ➔ Avoid the risk of creating structures that are too dependent on one or a set of persons and therefore jeopardise the sustainability of the PPD model.

**Lesson Learnt 4 and its associated intervention** stress the significance of:

- ➔ Identifying and sharing national PPD initiatives, their outcomes and implementation experience between member states of a regional political and economic union to support future PPD initiatives.
- ➔ Promoting technical assistance that supports the harmonisation of national PPD frameworks and the adoption of policies and programmes that have the potential to expedite PPD processes at regional level.

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## IMPRINT

The ICR Facility supported the production of this publication. It is co-funded by the European Union (EU), the Organisation of African, Caribbean and Pacific States (OACPS) under the 11th European Development Fund (EDF), the German Federal Ministry for Economic Cooperation and Development (BMZ) and the British Council.

The ICR Facility is implemented by GIZ, the British Council, Expertise France, and SNV. The contents of the publication are the sole responsibility of the author and do not necessarily reflect the views of the EU, OACPS, BMZ or the implementing partners.

The ICR Facility supports countries and regional institutions of the Organisation of African, Caribbean and Pacific States (OACPS) in their public-private dialogue process to create a more conducive and sustainable investment climate.

### PUBLISHER:

ICR Facility, Rue du Trône 108,  
1050 Brussels - Belgium  
[www.icr-facility.eu](http://www.icr-facility.eu)

### URL LINKS:

Responsibility for the content of external websites linked in this publication always lies with their respective publishers.

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Brussels, July 2024

### DESIGN/LAYOUT:

FLMH Labor für Politik und Kommunikation

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