Public Private Partnerships for Impacting Poor Community

Roundtable Proceedings

This document captures the highlights of thoughts and solutions on promoting partnerships among private, public and community impacting the poor.

India International Centre, New Delhi, 21st July 2010

Roundtable on
**Public Private Partnership for
Impacting the Poor Community**

MART

UNDP India

India International Centre, New Delhi, 21 July, 2010

Pradeep Kashyap, MART

ANDAVARKAR PIETER BULT BOSCH PRADEEP KASHYAP T. VIJAY KUMAR BOSCH KAZUHIRO NUMASAWA KULDEEP SHARMA

A Roundtable on Public Private Partnership for Impacting the Poor Community was organized by MART, sponsored by UNDP and co-sponsored by World Vision India on 21st July 2010, which brought together Government, non-profit sector, private sector and donors on one platform to debate and discuss issues, challenges and highlight solutions for promoting Public Private Partnership for Inclusive Growth.

Context Setting

The conference started with an introduction from **Professor Kuldeep Sharma** from BIMTECH, who served as the moderator for this roundtable. Prof. Sharma raised a very important point about Public Private Community Partnership (PPCP) for the audience to consider and think about. Could we plan and design a PPCP as a living organism, which is self-correcting and self sustainable? He also emphasized certain key elements about a PPCP that need to be planned for. Not only stakeholders but the stakes also need to be defined. The model must have a business plan to work on with full accountability at each level. Exit strategy must be planned and defined. The exit of various partners before handing it over to community should adopt a phased approach. He set the context for this roundtable by highlighting a number of challenges with PPCPs, but also appreciating that it is the only way to move forward, hence understanding how to make it work is very critical.

Opening Remarks

By Pieter Bult, Deputy Country Director, Programs, UNDP

Pieter Bult provided a macro level view on private sector partnerships and Millennium Development Goals (MDG). He provided his perspective on PPCP and highlighted that it is easier to plan such a partnership, but more difficult to implement, just like the implementation of the MDG program. He emphasized that poverty measurement needs to be standardized and a call to action to all businesses is required for alleviation of poverty. Between years 2002 and 2009, UNDP joined hands with CII for developing a PPP model for disaster management, which turned out to be a successful PPCP. Other such successful models need to be identified, documented and replicated. He also emphasized the importance of increased private sector involvement in PPCP.

Summary of Panel Discussion

Public/Government Perspective on PPCP - Mr. T. Vijay Kumar, Joint Secretary, Government of India

Vijay Kumar emphasized the need for empowering the poor and keeping them in the centre of the Public Private Community Partnerships (PPCP). This speaker session focused on what needs to be done at the community level in order for a PPCP to be successful. As per his experience of working with various Government projects, he identified that the real challenge lies in organizing the poor and building their capacity because he believed that when they are organized; their energies can be channelized to enhance their bargaining power. He also mentioned that providing knowledge to the poor

communities is important, because they do not have an understanding of the value chain. Even with empowered groups, knowledge still plays a big part in the success of a PPCP. There is a trust deficit in this paradigm and it needs to be tackled in order for PPCP to be successful. He highlighted that in this context, the Government is as much an exploiter as the Private sector, which is why the country is not achieving the Millennium Development Goals (MDG). In order for a PPCP to be a genuinely win-win, the poor need to experience the sustaining benefits. As far as the roles of the different partners, he suggested that the Government should serve as a referee and the Private companies should ensure that they make profits in an equitable and sustainable manner.

Success Story:

SERP has tied up with Shreshta, an organic foods company, which is supplied by Self Help Groups (SHG). The project helped organize marginal and small farmers and built their capacity by providing technical inputs and linking them with the private sector. In this case, the company knows that if these organic practices are followed diligently, everyone wins. Transparency has been key in the success of this PPCP. This project helped improve the incomes of the marginal and small farmer community.

Summary of Learning:

- It is important to organize the poor community in any PPCP
- Capacity building and providing knowledge of the markets is an important element of a PPCP
- In such a partnership, there has to be an equitable distribution of value to all stakeholders

Private Sector Perspective on PPCP – Ashok Chandavarkar, Asia Pacific Regional Manager, Digital Health Group, Intel

Mr. Ashok Chandarvarkar focused on healthcare in specific and highlighted that there are innumerable issues that India is facing like infant mortality, communicable diseases and execution of health programs. The health volunteers who are an integral part of these programs do not have access to information or feedback. Intel believes that they need to develop mechanisms that can empower the health workers by using technology. It is important to understand the areas that cause hindrances to health programs and how technology can be an enabler. Our objective is different from the need; in this case, it is unburdening the administrative problems of health worker and increasing their capabilities.

Success Story:

Intel is involved in a number of programs including Intel Teach Programs, in which they have trained a million government teachers. This education program run by Intel is called "Train the Trainers" and the program has been

in India for 10 years. The program has been able to train more than a million teachers and seven million worldwide. Intel believes that it is a true PPCP.

Summary of Learning:

- It is important to educate the stakeholders and develop a clear business model
- It is necessary to have a clear objective of what you are trying to do and then develop metrics in order to ensure that the pilot is meeting those objectives
- It is better to involve the government and civil society to achieve scale and outreach
- It is important to build capacity at the last mile in order to be sustainable

Micro views on methodologies, process and future perspective - Kazuhiro Numasawa, Program Officer, UNDP

As far as the private companies' involvement in development, many of them started with Corporate Social Responsibility (CSR), but then CSR just became donations with no true focus on impact. Then companies moved towards strategic CSR, but I think the successful involvement of private companies lies beyond. It lies in developing inclusive markets, while keeping the community at the centre of development.

He highlighted some of the important challenges that the poor community faces, which have to be addressed in a PPCP such as lack of market information, lack of proper physical infrastructure, knowledge and skills, and access to funding and services. He also suggested some solutions in order to address the above issues that include adopting well-defined processes and technologies, investing in removing constraints, combining resources and capabilities and collaborating with the government.

Success Story:

Rajasthan Mission on Skills and Livelihood (RMoL) promoted by UNDP and the State Government of Rajasthan is a good example of a successful PPCP. Through this initiative, poor youth were provided a number of short-term training in the areas of plumbing, electrical, construction and IT. RMoL tied up with a number of private companies like ITI, CCCL and L&T for training and for job placements.

Summary of Learning:

- Identifying the market opportunity is important, ensure that a large market exists for the skills you are building
- Identify the partners and understand their interests more clearly
- Develop a viable business plan that includes the interest of all the stakeholders. This integrated plan will help negotiate with stakeholders.
- Allow for dynamism and flexibility in partnerships

Allow for dynamism and flexibility in partnerships.

Mr. Kashyap explained the evolution of PPCP by telling a story of his personal journey of PPCP. After working for three MNCs for a period 17 years, when he moved to the social sector, he immediately recognized that PPP's can really be beneficial. He tried to bring the big names of the different sectors, government. Private and public through workshops and realized that it was a hard job to try to get all the different parties to see the common benefits and get them to work together. Today, however, PPCPs are much more recognized and we have realized that is the way forward.

Success story:

The Rasoi Ghar model, which was developed for HPCL is a very good example of a successful PPCP. On behalf of HPCL, MART has already rolled out over 6000 community kitchens in 2,000-plus population villages in half-a-dozen states, where women from the poorer sections can experience the convenience of cooking with LPG in a pollution-free environment. The PPCP model involves the panchayat donating a small room accessible to the socially and economically backward classes, HPCL contributing gas stoves, LPG cylinders and cooking utensils and a woman from the Self-Help Group (SHG) being appointed as a caretaker. Women bring in their raw material and take back cooked food paying a small fee of Rs 2 per hour. The money collected is used to buy cylinder refills and pay honorarium to the caretaker. Thus the model is economically viable. As women understand the safety aspects of LPG and get hooked to easy cooking, SHGs also set up `kitty' schemes where monthly contributions lead to women in turn acquiring their own 5 kg LPG connection.

Summary of Learning:

• If you're talking about community based PPP (PPCP), community must be at the centre. Community must be empowered or exploitation can happen

• It is important to have complete alignment of partners' objectives with the vision.

• Need to develop a detailed business model that articulates the equitable benefits and defines clear roles and responsibilities of each partner

• Somebody has to take the leadership role and drive the agenda and a facilitator who can understand all different partners should be identified

• Government needs to be flexible, private companies need to sensitive to the needs of the poor and NGO needs to enable the scale up

It is important to have complete alignment of partners' objectives with the vision.

Mr. Kuldeep Sharma then requested Mr. Sankar Datta from The Livelihood School to throw some light on PPCP from his experience. Mr. Datta used the example of Sujala as he believed that it is one of the PPCP that has worked very well. They spent about two years on project design and everyone assumed a strong ownership of the project. He also mentioned that recruitment of partners and fund management for the project is very crucial and should be done very carefully. In the case of the Sujala project, professional chartered accountants handled the fund management. It is also important to address issues as they come up through a grievance forum. The MOU remained flexible and was modified a number of times during the project.

Develop a detailed business model that articulates the equitable benefits and defines clear roles and responsibilities of each partner.

The audience put forth following key questions to the esteemed panelists

Question1. Rural youth are going out of the state in various cities to work as a wage labor through PPCP intervention but they come back after some time as they could not cope up with the environment there. So what would be the solution to this problem?

Answer: The panel and the members of the audience appreciated that it is not only important to provide the youth with training and job opportunities, but also integral to provide them with the necessary life skills, which will enable them to survive in a different context. One member of the audience mentioned that his training company ensures that the life skills component is built into the training curriculum because they realize that it is one of the most important challenges for the youth and this has to be addressed at the training itself. Another issue that needs to be addressed are the private firms that exploit these youth. This issue can be addressed by ensuring some checks in the training and induction process and also by having a transparent relationship with the private partner with clearly defined goals.

Question2. In case of an NGO working with small number of beneficiaries say 5000, how can PPCP be applied?

Answer: Panel was of the opinion that 5000 itself is a big number as far as linking poor with private sector is concerned as it would be offer sufficient economy of scale for building partnership. Panel also suggested that people with marketing acumen could be identified from among the community who could then be capacitated to provide leadership to the initiative.

Question3. How the sustainability of PPCP model can be ensured in the wage employment sector.

Answer: The sustainability of PPCP for wage employment model would depend on the business plan prepared and the contribution made by each partner. It is important to identify growth sectors and skills requirement in these sectors. Poor basically be trained in various trades and placed in private sector jobs. Government under its social mandate will train poor by engaging training agencies and private sector will provide the job placement.

Concluding Remarks

At the end of the question – answer session Prof. Sharma asked panelist to quickly conclude the learning by highlighting solutions for developing Public Private Community Partnerships. The responses could be summarized as below:

- Poor must be kept at the centre of the PPCP initiatives
- Develop win-win deal for all partners
- Develop clarity on the purpose of developing partnership; develop shared vision
- Government should serve as a facilitator
- Need to showcase more successful models; document learning and success stories
- Develop a detailed business model that articulates the equitable benefits and defines clear roles and responsibilities of each partner
- Be clear on risks and rewards for all partners
- Develop appropriate monitoring systems

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