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GEF IW:LEARN

# Public-Private Partnerships Guidebook

## Developed by the Global Environment & Technology Foundation

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UNDP
Empowered lives.
Resilient nations.

UNESCO
United Nations Educational, Scientific and Cultural Organization

Intergovernmental Oceanographic Commission

UN environment
United Nations Environment Programme

## Contents

## List of Figures and Tables

## Executive Summary

Global Environment Facility (GEF) International Waters (IW) focal area project managers (PMs) are increasingly directed to engage private sector organizations (companies, non-governmental organizations and private foundations) as a key element of their replication, sustainability and co-finance strategies. The current economic climate has limited the resources available to GEF donor countries, thus making continued investment levels and progress toward important global environmental goals and GEF project sustainability very challenging without consistent private sector involvement.

With this in mind, the Global Environment & Technology Foundation (GETF) was asked by the International Waters Learning Exchange and Resource Network (IW: LEARN) to develop a guide or reference book for GEF project managers to foster private sector engagement as a regular element of GEF IW projects going forward.

The result is this guide which contains the following information:

- Context of Public Private Partnerships (PPPs), including different examples, their advantages and disadvantages and the motivations for their formation.
- Guidance on how to use this manual.
- A sample step-by-step checklist for GEF IW Project Managers to follow when engaging the private sector for purposes of a PPP.
- Suggested foundations and business coalitions that GEF IW projects may consider for a PPP included with their motivations and contact information.
- Case studies and lessons learned from select GEF IW projects as well as from GETF's experience and through the CSR Roundtable that took place at the GEF 6th International Waters Conference.
- A Facilitator's Guide to help GEF IW PMs initiate conversations with the private sector for the purposes of developing a PPP.
- A Partnership Analysis Tool to help GEF projects evaluate the purposes of the partnership, and if established, monitor its ongoing success.
- The business case for the private sector to engage with the GEF. This referential list is a useful reminder of the motivations for the private sector to seek a partnership.

This guide is meant to be a useful tool for GEF IW projects when deciding whether a PPP is appropriate (see "Partnership Analysis Tool") as well as to identify the type or even the specific organization to target (see "Potential Partners"). If this determination is made, the guide provides a set of steps for the project to follow (see "Partnership Checklist") and give guidance on how to facilitate these conversations (see "Facilitator's Guide").

It is important to remember that the contents of this manual are only samples of suggested practices and in no way represent the only processes to be followed for the formation of a PPP. It should therefore be used as a reference of what PMs should know about PPPs, rather than a direction of what exactly they should do.

This guide contains a set of examples in the form of case studies as well as lessons learned, but is in no way complete or exclusive. Suggestions of additional content and examples are welcomed and should be sent to Chuck Chaitovitz with GETF at chuck@getf.org.

## Partnership with GEF and the Methodology Followed

As recent as 2005, a comprehensive review of the GEF's partnerships with the private sector made various observations regarding the barriers the GEF faces to work with the private sector. Among the key issues raised were the following[1]:

- "Most companies are unfamiliar with the GEF;"
- "The GEF and private sector vocabularies are different;" and
- "GEF activities are perceived as taking too long to satisfy private sector timeframes."

The foregoing is illustrative of the lack of the issues and overall successful strategy that the GEF possess for engaging the private sector. Recognizing the importance of this critical area, a GEF IW:LEARN project activity was commissioned to address these issues. IW:LEARN has engaged GETF to accomplish three interrelated goals: 1) to produce a guidance document for GEF IW projects to engage the private sector; 2) Host a roundtable on CSR; and, 3) Promote the PPPs though pilot projects within the GEF IW portfolio.

## Steps for Project Manager Engagement

GETF reached out to GEF IW project managers from 80 GEF IW projects and 112 private sector companies, NGOs and other organizations to achieve the following objectives:

- Identify best practices and experiences from past GETF private sector partnerships to:
  - Leverage resources to meet co-finance requirements and ensure greater outcomes and impacts;
  - Provide rigorous life-cycle costing and vested private sector ownership for project sustainability;
- Gauge the level of interest and involvement of the business community; and
- Scope out what works to prepare regional basin pilot projects.

Based on these surveys (see results in Appendix 2), discussions and additional research, key steps emerged for PMs to follow when engaging the private sector. The following summarizes the "checklist" in Section 3:

- Identify project objectives and rationale for potential collaborations;
- Identify private sector companies, NGOs and foundations with operations and/or priorities in your project's region;
- Identify project resource requirements, capacity needs and how private sector or other organizations can help fill these gaps; and
- Engage key potential partners that are strategic and will assist the project in meeting its goals and outcomes, including cultural fit, meeting user needs and reducing private sector risks to resource mismanagement.

1 GEF/C.27/13, GEF Strategy to Enhance Engagement with the Private Sector, 2005.

# 1. Context

There have been numerous studies recently regarding the importance and value of public-private partnerships in addressing the challenges facing our planet. Often the priorities of the public and private sector are quite different. However when they approach one another not in a consumer relationship but to leverage their respective interests there is an opportunity for significant innovation and impact. Contrary to impressions, public-private partnerships do not mean privatization of services. "Properly constructed public-private partnerships provide sufficient control by the public, while harnessing the management skills, technologies and financial resources of the private sector. The result is a well-executed public-private partnership that can [often] provide a better level of service on a more cost effective basis – and an answer to meeting challenges in these times of financial limitations in the public sector's resources[2]."

The cumulative GEF investment in its International Waters portfolio totals $1.3 billion USD spread over 170 projects in 149 countries, catalyzing a total of $7 billion USD in managing shared waters. These projects target many of the world's most threatened and important transboundary surface water, groundwater and coastal and marine ecosystems. However, this investment pales in comparison to the $22.649 trillion USD that we derive each year in economic services from rivers, lakes, and the marine areas, and the fact that the economic impact of poor ocean management alone is at least $200 billion USD per year[3]. The private sector thus has a material economic interest in the sustainable management of water resources, and is well positioned to assist in this aim. While the GEF is engaged at the highest level of government and policy to bring governance, management and technology solutions to ensure the long-term stewardship, conservation and sustainable use of these critical resources, private sector involvement can add value to the GEF's actions (with capacity, expertise, technologies and resources) and at the same time reduce the real risk that companies and the local communities where they work face if water resources are not protected.

The GEF is no exception. Public-private partnerships can bring benefits across key project functions including financing, management and implementation. It is imperative that all of these options are "on the table" to identify the right solutions and partner mix to address transboundary water issues as GEF replenishment resources become scarce. It is also important to note that a comprehensive analysis of the GEF's current partnerships revealed that funding from the private sector is needed.

2 The National Council for Public-Private Partnerships, 2003.

3 Costanza, R., and others (1997). The value of the world's ecosystem services and natural capital. Nature, 387: 253-260.

## 1.1 Definition

A public-private partnership is "the collaboration of two or more organizations from the public and private sectors to provide a new or improved service in the completion of a GEF international waters project." The GEF and its project managers must seek private partners (companies, NGOs and/or private foundations) that will bring the best value to the project.

## 1.2 Advantages of Public-Private Partnerships for GEF Project Managers

The advantages of public-private partnerships for GEF IW projects include:

- Increase long term sustainability of project deliverables
- GEF co-finance requirements can typically be met with private sector participation.
- Ministry borrowing constraints can be overcome by leveraging in private sector finance at preferential borrowing rates that may allow otherwise unviable projects to get off the ground.
- A rigorous life-cycle costing approach should ensure that ongoing maintenance costs are identified and project sustainability approaches are developed.
- Private sector expertise complements the strengths of ministries and NGOs, which should help to produce a more successful outcome.
- Long-term risks are shared between partners.
- Most cost effectiveness through lower life cycle costs.

## 1.3 Value of Public-Private Partnerships

Public-private partnerships bring outside resources to bear on areas of local need, which is especially relevant to the implementation of GEF projects. Public-private partnerships contribute by:

- Ensuring sustainability of programs by enhancing the skills and capacities of local organizations and by increasing the public's access to the unique expertise and core competencies of the private sector;
- Facilitating scale-up of proven, cost-effective interventions through private sector networks and associations;
- Expanding the reach of interventions by accessing target populations in their milieu (e.g., through workplace programs); and
- Sharing program costs and promoting synergy in programs. Additionally, partners contribute in-kind contributions that otherwise would be beyond the reach of implementers.

## 1.4 Disadvantages of Public-Private Sector Partnerships

There are disadvantages to establishing public-private partnerships:

- There may be differences in culture, ethos and working practices between the private and public sectors, though these differences are less than they were.
- There may be difficulty in apportioning long-term risk between the partners.

The following table offers a model developed by the U.S. Agency for International Development (USAID) regarding the motivation of water related organizations to join public-private partnerships that is also applicable in the context of the GEF IW portfolio and should be kept in mind while reading this guide:

| Type of Company | Motivation |
|---|---|
| **Companies that sell a product or service** | Desire to position itself into a future market, ability to test different approaches for new markets |
| **Companies that use water as an input to production** | Desire to maintain (or more efficiently use?) input source, reduce operational risk, desire for good community relations/social license to operate |
| **Not-for profit philanthropic** | Philanthropy, desire to be more strategic and sustainable |
| **Research Institutes** | Desire to conduct and apply research, promote science and technology, collaborate on innovative solutions to solve water problems or advance sector reform |

*Table 1 – Motivation for Joining Public-Private Partnerships*

## 1.5 Successful Public-Private Partnerships in the GEF IW Portfolio

Among the strongest example of a public-private partnership currently in the GEF IW portfolio is the GloBallast Partnership. This effort is a partnership between the International Maritime Organization and key shipping industry stakeholders. The primary driver is legal and regulatory requirements under the International Convention on Ballast Water Management. The partners share finance, management and implementation responsibilities as described below:

The GloBallast Partnership developed a flexible industry fund (Global Industry Alliance Fund) to promote improved environmental and sustainable performance by funding training, technical assistance, technology development and technology standards. The fund is an annual subscription model. IMO acts as the fiduciary only and GloBallast Partnerships support the execution of activities decided by the GIA Task Force. Industry, through the GIA task Force, is responsible for making the annual decisions regarding how to spend the money. Companies can enter and exit the partnership and contribute to the fund as they please on an annual basis. The aim to build the partnership is for shared problem solving, rather than just mobilizing resources.

# 2. Pocket Guide – How to use this Document

The following summarizes the contents of this document. The sections can be taken in sequence or independently to provide insights to GEF project managers regarding key steps to establish and sustain public-private partnerships:

- **Section 3: Checklist for Public-Private Partnerships –** This short checklist will identify critical steps and approaches to building and coordinating private sector partnerships, including sample sources of private sector and NGO funding that could be interest to GEF IW projects. PMs should focus on "doing their homework" to most effectively identify possible partners that will add value to the project and where project priorities align with the private sector. Business relevant outcomes are critical.
- **Section 4: A Partnership Analysis Tool –** This tool is for organizations entering into or working with a partnership to assess, monitor and maximize ongoing effectiveness. The Partnership Analysis Tool is divided into two activities: (1) assessing the purpose of the partnership, in particular project sustainability and (2) creating a map of the partnership which shows how partner actions increase value and outcomes.
- **Section 5: Facilitator's Guidebook –** This section offers GEF project managers and other facilitators suggested approaches for convening meetings and individual discussions to promote public-private partnerships and tackle some of the key issues in establishing them.
- **Section 6: Case Studies –** Case studies of current GEF IW project partnerships with the private sector will illustrate potential models, practices and lessons learned to guide future GEF collaboration with the private sector. The cases include highlighted practices for PMs to consider. There are also questions derived from the checklist and other appendices included at the end of each case study to illustrate how current projects are addressing private sector involvement.
- **Appendix 1: Private Sector Incentives/Return-On-Investment one pager –** This is analysis of major private sector incentives for cooperation, the barriers and their specific criteria to fit in their agenda.
- **Appendix 2: GETF Survey Findings –** This section includes the results and responses of the GETF survey of GEF project managers and private sector organizations.

# 3. Partnership Checklist

This checklist is intended to provide guidance in establishing public-private partnerships on GEF International Waters focal area projects. The following are key steps for GEF PMs to develop public-private partnerships:

## Step 1: Identify key project outcomes and partnership rationale – Why collaborate?

When deciding whether or not to collaborate, start at the other end – the outcomes. Is it performance goal oriented that private sector organizations can assist in meeting? The following are a list of questions to guide your discussions regarding outcomes:

- What is it that needs to be achieved? Is it the provision of a facility, a service or a product?
- Is there a statutory requirement to provide the outcome? Can legal frameworks or multi-lateral cooperation offer support?
- Is there an existing outcome that can be developed or is a new one required?
- Who is the outcome aimed at – the existing users of the ministries or a wider public? Who are the beneficiaries?
- What organizations (private sector or otherwise) operate or have priorities in your geographies of interest?
- Over what period is the outcome to be provided – short, medium or long-term – or is it just a 'one-off'? Will the outcome be sustainable and/or scalable?

Please see the drivers included in the case studies below, which provide representative examples of the rationale for existing public-private partnerships.

## Step 2: Identify resource requirements

Have clear objectives for the planning, development, implementation, running, maintenance, reviewing and reporting of the outcome.

Analyze in detail all the resources needed to develop, deliver, maintain and monitor the outcome. These may include financial, political and managerial skills, technical knowledge, personnel, land, property, equipment, technology and information.

In particular, try to obtain a clear estimate of all costs over the life-cycle of the project. The more complex the project, the greater the likelihood of overrunning the start-up phase. The time resource is often greatly under-estimated, particularly when strategic decisions have to be made by the public sector partners or by other public agencies involved.

Where there are alternative approaches to the project structuring, carry out a life-cycle cost-benefit analysis of the alternatives. In any case, it is good practice to carry out such an analysis for the 'with/without' alternative scenarios to clarify the exact costs and benefits of the project and how to engage to outside partners.

Please see the case study on the Yellow Sea Large Marine Ecosystem (LME) project for a representative example of how they identified resources.

## Step 3: Assess the in-house capability

Compare in detail the total resources required with those available in-house. Quantify in detail the differences between them. Quantify in detail what resources a potential partner will be required to bring to the project.

## Step 4: Develop the business case

Identify the value proposition to both the project and the private sector partner for engagement (see Appendix 1). Business relevant outcomes are important to include in developing this case.

Please see the GEF/IMO GloBallast and GEF/UNIDO TEST case studies for example of how the partnership focuses on meeting business outcomes.

## Step 5: Select the right partner

The size and complexity of the project will determine whether more than one partner is required (see Section 4). In some instances the choice of partner will be obvious. In others it may be necessary to obtain as much information as possible about two or three possible partners. Evidence of experience in similar projects would be helpful. Whichever partner(s) is selected, they should be able to demonstrate that they can provide all the additional resources required for the partnership.

Please see the Yellow Sea LME case study regarding how various partners provided incentives for others to join.

## Step 6: Determine the appropriate form of partnership

Determine the most appropriate form the collaboration should take – incorporated or unincorporated partnership, private limited company, consortium, charitable or informal. The more complex the project, the greater need for a clear, legally defined structure, or at least some form of contract, agreement or understanding.

There should be a clear demarcation of the roles and responsibilities of each partner. Will each have equal status? Who will act as overall coordinator?

You can find examples of global public-private partnership models, including key legal structures at:

- http://iilj.org/research/documents/DaviniaAziz_AJL_S2044251312000148a.pdf
- http://www.ppiaf.org/sites/ppiaf.org/files/publication/How-to-engage-with-private-sector-Clemencia-Farquharso-Yecome-Encinas.pdf
- http://www.eli.org/search_results.cfm?cx=002250727717472083153%3A1nhdjbonkou&cof=FORID%3A11&ie=UTF-8&q=public+private+partnership+legal+structures&x=0&y=0&siteurl=www.eli.org%2F&ref=www.google.com%2Furl%3Fsa%3Dt%26rct%3Dj%26q%3D%26esrc%3Ds%26source%3Dweb%26cd%3D1%26ved%3D0CCAQFjAA%26url%3Dhttp%253A%252F%252Fwww.eli.org%252F%26ei%3DLCVXUKXUO8H00gGB8ICYBg%26usg%3DAFQjCNHn9eDSYbGUDuF7Evgzue-lE-S3YWw&ss=9197j3331181j43.

## Step 7: Identify the strategic/cultural fit

To be successful, all partners need to work together closely together. This may mean changing the ways they think, work and operate. The public sector ethos is one of service; the private sector is based on an entrepreneurial culture. There may need to be an adjustment of attitudes to accommodate each other's point of view. Management styles and practices may vary considerably and may have to be drawn closer together without loss of face. Differences of opinion on strategic issues should be discussed openly.

## Step 8: Consult with users and potential users

Many projects will take place within a private sector 'best value' framework or involve public sector bodies. Both require extensive consultation with users and potential users to be provided by a public-private partnership. Matters for consultation may include:

- The standards of service and performance targets
- Information about the service – who are the partners and the managers responsible and how they can be contacted
- Seeking user views about the service and the people who deliver it
- Complaints and remedial processes
- Whether the service offers improved value for money or a better use of resources
- Overall monitoring and evaluation of performance

Please use the Facilitator's Guide in Section 5 for possible approaches regarding how to engage potential partners, users and other stakeholders. This section offers key steps required to balance the need for continued dialogue with project and organizational interests.

## Potential Partners

The following foundations provide samples of potential partners and focus on issues related to water, international development and agriculture. Please see the websites for more information regarding key issues areas and the proposal process:

| Foundation Name | Purposes | Assets | Geographic Focus | Contacts |
|---|---|---|---|---|
| **Bill and Melinda Gates** | 1) Global Development, which has such priorities as poverty, agricultural development, emergency relief, access to technology and libraries and water and sanitation; 2) Global Health, which includes major initiatives towards controlling or eliminating AIDS and Malaria, as well as nutrition, tobacco issues, polio, tuberculosis and other diseases. | $33,912,320,600 | South America, Africa, Europe, Asia and Australia | **Sam Dryden,** Director, Agricultural Development, Global Development Program<br><br>**Frank Rijsberman,** D irector, Water, Sanitation, & Hygiene, Global Development Program<br>http://www.gatesfoundation.org/Pages/home.aspx |
| **The Coca-Cola Foundation** | Supports programs designed to promote water stewardship, healthy and active lifestyles, community recycling and education. | $119,126,648 | Africa, Europe and Latin America | **Helen Smith Price,** Executive Director<br>www.thecoca-colacompany.com/ci... |
| **Conrad Hilton** | Supports efforts to improve the lives of disadvantaged and vulnerable people throughout the world by focusing on five strategic initiatives and five major program areas. Potential applicants should see Current Programs for more information. | $1,972,613,697 | Africa, Asia, Global programs and Mexico | **Braimah Apambire,** Sr. Program Officer and WASH Advisor<br>www.hiltonfoundation.org |
| **Howard Buffett Foundation** | Support for environmental conservation to alleviate world hunger and the initiative the Purchase for Progress (P4P) to help poor farmers in the developing world. | $207,444,887 | USA, England and Italy for projects in Africa and Latin America | **Howard W. Buffett,** Executive Director |
| **Packard** | Improves the lives of children, enabling the creative pursuit of science, advancing reproductive health and conserving and restoring the earth's natural systems. | $5,699,231,606 | Global programs, Oceania, South Asia and Sub-Saharan Africa | **Walter V. Reid, Ph.D.,** Director, Conservation and Science<br>www.packard.org |
| **Starbucks** | Supports programs designed to support young people creating change in local communities, water projects through the Ethos Water Fund and social investments in countries where Starbuck buys coffee and tea. | $17,599,190 | Africa, Asia, Canada, China, Europe, Latin America, Middle East, and the UK | **Joelle Skaga Nausin**<br>http://www.starbucks.com/responsibility/community |

*Table 2 – Potential Foundation Partners*

There are several global business coalitions that could offer solid starting points for GEF IW project managers to engage potential partners, including:

| Business Coalition | Purposes |
|---|---|
| **Business for Social Responsibility**<br>**http://www.bsr.org** | BSR works with its global network of nearly 300 member companies to build a just and sustainable world. BSR's Sustainable Water Group is dedicated to responsible practices around water use and wastewater discharge in global supply chains. |
| **Global Environmental Management Initiative (GEMI)**<br>**http://www.gemi.org** | The Global Environmental Management Initiative is a global leader in developing insights and creating environmental sustainability solutions for business. For over 20 years, GEMI has captured the vision and experience of global corporate environmental, health and safety (EHS) and sustainability leaders from diverse business sectors through the development of a wide range of more than 30 publicly-available, solutions-based tools designed to help companies improve the environment, their operations and add business value. |
| **Global Harvest Initiative (GHI)**<br>**http://globalharvestinitiative.org** | The Global Harvest Initiative is a public-partnership united under the common goal of sustainably closing the global agricultural productivity gap to address global hunger and food security. GHI releases its signature GAP Report™, an annual benchmark of the global rate of agricultural productivity. |
| **Global Water Challenge (GWC)**<br>**http://www.globalwaterchallenge.org** | Global Water Challenge is a non-profit coalition of leading organizations committed to addressing water and sanitation issues. Drawing upon the experience, expertise and assets of its members, GWC is able to create partnerships that achieve far greater results than any one organization could by itself. |
| **Global Water Partnership (GWP)**<br>**http://www.gwp.org** | The Global Water Partnership was founded by the World Bank, the United Nations Development Programme (UNDP), and the Swedish International Development Cooperation Agency (SIDA) to foster integrated water resource management (IWRM). IWRM is the coordinated development and management of water, land and related resources in order to maximize economic and social welfare without compromising the sustainability of ecosystems and the environment. |
| **UN Global Compact**<br>**http://www.unglobalcompact.org** | The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. Endorsed by chief executives, the Global Compact is a practical framework for the development, implementation, and disclosure of sustainability policies and practices, offering participants a wide spectrum of work streams, management tools and resources – all designed to help advance sustainable business models and markets. With over 8,700 corporate participants and other stakeholders from over 130 countries, it is the largest voluntary corporate responsibility initiative in the world. |
| **U.S. Water Partnership (USWP)**<br>**http://www.uswaterpartnership.org** | Announced in March 2012 by U.S. Secretary of State Hillary Rodham Clinton, the U.S. Water Partnership unites and mobilizes U.S. expertise, resources and ingenuity to address water challenges around the globe, particularly in the developing world. A joint effort of both public and private sectors in the U.S., the partnership is supported by government agencies, academic organizations, water coalitions, NGOs and the private sector. |

# 4. Partnership Analysis Tool

## 4.1 Objectives

This partnership analysis tool will assist GEF project managers in: 1) evaluating the purposes of the possible partnership and whether to enter into a partnership and 2) monitoring ongoing success.

## 4.2 Partnership Purpose Analysis

The following questions will help outline and increase understanding of the partnership purpose:

- What are the water delivery problems or other environmental challenges that this partnership addresses? The project must first address key transboundary environmental challenges which the partnership should support.
- Who are the public entities in this project? What are their missions? The GEF, implementing agencies and GEF focal points for key ministries in the beneficiary countries and their missions must be identified. What would be the public organization that would serve as the primary partner?
- Who are the private entities? What are their missions? The partnership must be in the interest of the private sector companies and other organizations and their associated missions.
- What is the target population or beneficiaries of this project? What will be its impact on stress reduction?
- What are the business relevant actions and outcomes?
- What are the services that the public and private entities will provide? How are they different? How do they complement one another?

- What are the key implementation activities to be undertaken?
- How will the partnership improve impact? How will it help meet project and GEF IW goals?
- What are the strengths and weaknesses of the partnership?
- What are costs of the partnership? Is there a need for subsidization? Does the partnership make activities more affordable for partners and beneficiaries?
- Is the partnership sustainable or will it continue to need donor assistance? How?
- Is the partnership scalable and what are any barriers to scaling up?

## 4.3 Partnership Map

The following chart illustrates the work flow for potential public-private partnerships and how the partnership will leverage/share actions to yield increased outcomes:

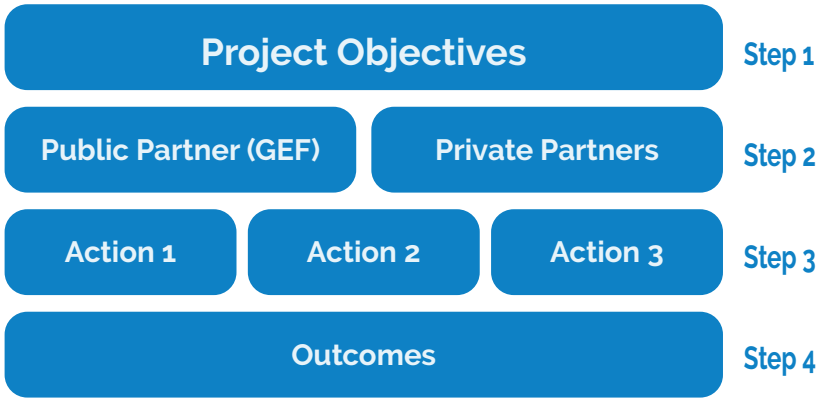


*Figure 1 – Partnership Map*

- Step 1: Identify the project objectives and/or value proposition.
- Step 2: Identify the public and private partners and their roles.
- Step 3: Identify the key actions each partner will take to meet the objectives.
- Step 4: Identify the key project outcomes and how the partnership will increase the value to the beneficiaries and the GEF.

Once the answers are determined, the map should be adjusted to provide a tracking tool for the partnership.

## 4.4 Next Steps: Should You Enter into a Partnership?

GEF project managers should select potential partners carefully. Public-private partnerships are typically longer-term relationships, so verify experience and financial capabilities and fully evaluate the "lowest price vs. the best value." [4]

The following are key questions in identifying a good partner[5]:

- What companies in your country use water as an input in their production or other business activities? Are any of these indus¬tries experiencing (or likely to experience) water-related challenges in their productive operations or in their community relations? Answer: Consider both local companies as well as multinationals with a local presence.
- Which companies are selling water-related products or technologies in the local market¬place? Answer: Organizations should include pumps, piping, purification equipment, personal hygiene products, etc.
- Which companies' activities have the most potential adverse impact on water quality or quantity in your country? Would any of these companies or industries welcome collaboration in improving their environmental performance or in meeting regulatory requirements related to water resource use, wastewater management or extraction of aquatic resources? Answer: Industry associations such as the American Water Works Association or Water and Wastewater Equipment Manufacturers Association may be a good place to start.
- What philanthropic organizations or foundations are active locally? Are any of them working in any aspect of the water sector? Answer: For instance, the Foundation Center has recently launched a water, sanitation and hygiene funders' portal in cooperation with the Conrad Hilton Foundation. (http://foundationcenter.org/gainknowledge/research/pdf/washfunders_brief_2012.pdf)
- Are there any research or educational institutions that have a particular niche in some aspect of the water sector? Answer: The Consortium for the Advancement of Hydrologic Science offers connection to graduate programs, grants and research outcomes. (http://www.cuahsi.org)
- Are banks or financing institutions active in lending for any water-related services or technologies, including those associated with water for agriculture or industry? Would these institutions be potentially interested in collaborating with a GEF IW project and other partners in the water sector? Answer: An example of a recent public-private partnership on water is the $900 million financing package for the Atotonilco wastewater treatment plant in Mexico – the biggest facility of its kind in the world, with a maximum design capacity of 4.3 million m3/d. Private sector equity holders in the project company include Acciona Agua, Atlatec, IDEAL and ICA. Mexican national development bank Banobras provided a loan, while Fonadin, Mexico's national infrastructure fund, put up a grant. The client is Conagua.

The questions and map above are competitive and transparent mechanisms to pursue opportunities that bring together the ideas, experience and skills of both sectors to develop innovative solutions to meet the GEF community's needs, expectations and aspirations.

If you can answer the questions clearly and concisely, such a partnership is typically worth considering.

4 The National Council for Public-Private Partnerships, 2003.

5 USAID, 2009.

# 5. Facilitator's Guide

GEF PMs are often required to engage key stakeholders in their project region. The following guide should serve as a tool to help PMs facilitate initial conversations regarding the formation and implementation of a potential public-private partnership:

## 5.1 Facilitating the Conversation

Facilitating means literally 'making it easier'. The facilitator's role is therefore to make it easy for participants to engage in this conversation and gain value from it. It is very important to set the scene at the beginning by clearly establishing the purpose of the conversation. After that, you will be mainly asking questions to the group, gently guiding the conversation when necessary, keeping it on track and occasionally linking or building on the different points participants make.

This conversation will:

- Give participants an opportunity present their contributions and desired outcomes of a partnership
- Open the discussion for the advantages and disadvantages of a partnership
- Present to the group the basic principles of public-private partnerships as ideas to consider
- Motivate participants to take action

If the conversation runs out of steam, suggest that participants work on the next question in pairs or small groups of four to get them engaged again instead of trying to fill the void yourself. Another challenge is to not let a few individuals dominate the entire conversation. Invite the participation of those who haven't spoken yet, being careful not to put anyone on the spot. Finally, keep an eye on your watch. You want to leave enough time in the end (a minimum of 15 minutes) to properly wrap up the conversation, get feedback and discuss possible follow-up.

There are six points to remember when facilitating this conversation during a meeting around public-private partnerships:

- Resist temptation to teach – facilitate
- Resist temptation to answer all the questions – reflect back
- Resist temptation to convince – use questions
- Make the conversation flow
- Help participants see the bigger picture/vision
- Find your own words and examples

## 5.2 Introduction

The objective of the introduction of the partnership session is to orientate participants by giving them some background information about public-private partnerships. Allow participants the opportunity to introduce themselves and explain what they hope to get out of the conversation.

## 5.3 Evaluate the Purpose

The following questions will help outline and increase understanding of the partnership purpose:

- What are the water delivery problems or other environmental challenges that this partnership addresses? The project must first address key transboundary environmental challenges which the partnership should support.
- What is the target population or beneficiaries of this project? What will its impact on stress reduction be?
- What are the business relevant actions and outcomes?
- How will the partnership improve impact?

For more information regarding potential motivations of key stakeholders please see Table 1.

## 5.4 Exploring Partnership

The check list in Section 3 outlines the key steps to explore the potential partnership. Dialogue among stakeholders will assist in identifying the strengths and weaknesses of a partnership and potential roles of each partner. The following questions may help lead the conversation:

- What are the services that the public and private entities will provide? How are they different? How do they complement one another?
- What are the strengths and weaknesses of the partnership?
- What does each partner have to offer?
- What are the roles of each partner?
- Over what period is the outcome to be provided – short, medium, or long-term – or is it just a 'one-off'? Will the outcome be sustainable and/or scalable?
- What are the key implementation activities to be undertaken?
- How will the partnership improve impact?
- Does each partner provide all the additional resources required for the partnership?
- What operational risks may be lowered with the outcomes of the partnership?
- What were the factors that encouraged the private sector to join the partnership?

## 5.5 Pursuing a Partnership

If the participants are willing to pursue a partnership, they should discuss the next steps and items for follow-up based on the discussion. If a public-private partnership does not seem to be the most beneficial route, find other ways that participants may collaborate and meet their objectives.

# 5.6 Principles of Public and Private Sector Collaboration[6]

The following guiding principles will ensure a productive conversation.

## Private Sector

- DO your homework – ensure that managers and/or sales representatives articulate in an informed manner about their business. Read annual reports and other communication regarding commitments to sustainability or water.
- DO get a list of contacts out to sales representatives with management approval (if appropriate).
- DO work towards building long-term relationships.
- DON'T expect a quick "sale".

## Public Sector

- DO work together to create an understanding of the private sector.
- DO share strategic plans and missions, goals and objectives openly with the private sector.
- DO allow venues by which private sector can meet and communicate with the user community in the collaborative environment (i.e., open houses, public/private meet & greet).
- DO educate procurement staffs.
- DO educate public officials on the business drivers for the private sector.
- DON'T place unreasonable restrictions on vendors.
- DON'T have unrealistic expectations.

## Both Sectors

- DO be inclusive, not exclusive.
- DO strive for "win/win" scenarios.
- DO identify the business case for the private or public sector - why is collaboration a win-win. This could include direct outcomes (profits, sales) or indirect (improve reputation & outreach/corporate responsibility motivated).
- DO expand neutral ground opportunities to communicate.
- DO separate procurement process from business relationship.
- DO identify common interests (e.g., project failures or overruns in paper, lessons learned).
- DO take advantage of GEF events and education.

6 NASCIO, May 2006, http://www.nascio.org/publications/documents/NASCIO-Keys%20to%20Collaboration.pdf.

## 5.7 Beneficial Impacts

Experience suggests that a number of factors have a beneficial effect on partnerships. These include:

- Success, no matter how small, boosts the morale of all partners
- Mutual trust and understanding of each other's operating environment
- Good communications play a vital part in avoiding misunderstandings and providing timely interventions
- Transparency, openness and honesty
- Willingness to change behavior patterns

# 6. Case Studies and Lessons Learned

The following are representative case studies of public-private partnerships from current GEF projects:

## Case Study #1 – "GloBallast" Global Industry Alliance (GIA)

**Highlighted Practices for GEF PMs**

The "GloBallast" GIA developed the following key practices that other GEF PMs might replicate:

- Engaged industry leadership and developed cooperative approaches to assist in meeting international legal and regulatory requirements.
- Established a flexible industry fund (Global Industry Alliance Fund) to promote improved environmental and sustainable performance by funding training, testing, technical assistance, technology development and technology standards. The fund is an annual subscription model. The International Maritime Organization acts only as the fiduciary and GloBallast Partnerships supports the execution of activities which are decided by the GIA Task Force. Through the GIA Task Force, industry is responsible for making the annual decisions regarding how to spend the money. Companies can enter and exit the partnership and contribute to the fund as they please on an annual basis. The aim is to build a partnership for shared problem solving, rather than just mobilizing resources.
- Convened bi-annual Ballast Water Treatment R&D Symposium to share best practices and lessons learned on treatment technologies and testing of such technologies.

**Purpose**

The Globallast GIA project promotes development of global partnerships that will implement coordinated long-term measures to minimize the adverse impacts of invasive aquatic species that are transferred through ships' ballast water. In addition, this project supports the implementation of the International Convention on Ballast Water Management which was adopted by the International Maritime Organization. For more information, please visit http://globallast.imo.org/index.asp?page=GBPintro.html&menu=true.

### Investment

Private maritime companies recognized that it was in their interest to proactively ensure compliance with the convention and established an annual fund of approximately $200,000 USD (typically directed toward research and development, training and technical assistance) for maritime companies.

Bi-annual Ballast Water Treatment R&D Symposium

### Drivers

The GloBallast Partnerships Project was established in response to the International Maritime Organization's adoption of the International Convention on Ballast Water Management. The Convention "stipulates that all ships should be equipped with ballast water management systems to meet the ballast water performance standards by the year 2016. This means that it is essential that the current technology hurdles are overcome and effective management solutions have been scale tested and installed."

### Impact

The unique fund, facilitated by the GloBallast Partnerships Project and made up of a truly pioneering partnership between the IMO and major private maritime corporations, aims to harness the different skills and expertise brought by these industry groups in order to develop concrete solutions to this serious global environmental issue.

Formation of the GIA has resulted in some excellent outcomes and impacts both in terms of forging a partnership to accelerate cost-effective technological solutions that were much needed by developing countries and in terms of sending a positive message to the policy makers that the shipping industry, which is responsible for the issue, is ready to act and will support cost effective Ballast Water Management measures. This global level partnership will have a significant multiplier effect as similar alliances are expected to be replicated at regional and national levels, facilitating the dialogue between industry and policy makers at local levels[7].

### Case Study Questions and Answers

***What are the water delivery problems or other environmental challenges that this partnership addresses?***

The GloBallast Global Industry Alliance addressed the transport of non-native, invasive species in ships' ballasts.

***What operational risks may be lowered with the outcomes of the partnership?***

The GloBallast project accelerated the global response, especially by developing countries, to reduce the risk of introducing invasive species into ports that may potentially change the local marine environments.

***What were the factors that encouraged the private sector to join the partnership?***

Private shipping companies recognized that it was in their interest to address compliance with the ballast water management practices because the International Maritime Organization has established global standards to comply with the new Ballast Water Management Convention. The partnership gave companies a platform for shared problem solving to meet these requirements.

7 IMO Experience Notes, 2009.

# Case Study #2 – Yellow Sea Large Marine Ecosystem (YSLME) Partnership with WWF Japan and Panasonic

**Highlighted Practices for GEF PMs**

The YSLME developed the following key practices that other GEF PMs might replicate:

- Getting stronger political and economic partners, together with environment experts, in the project to produce meaningful outcomes for the countries in the region.
- Involving all stakeholders, including the private sector, using scientific and environmental findings.
- Similar to West Africa discussed below – the YSLME spent a lot of time in engaging NGOs/the private sector to organize coalitions. The YSLME developed a small grant program (15 to 16 small grants) of $10,000 USD each to assess, for instance, the mariculture techniques and help companies to apply to a seagrass protected area to generate more economic yield while protecting the environment. The grants provided seed funding. They identified key experts and prepared documents with support from the project.

In addition, to protect an island in the Yellow Sea which is a native sea cucumber area, the YSLME project partnered with a seafood production company which sold shellfish products in the region. The company provided the necessary financial resources and the YSLME project provided technical support. This kind of partnership can be replicated once a key risk to the company and its communities is identified and joint solution is developed by the project in cooperation with the private sector.

## Purpose

YSLME and WWF closely co-operated in implementing biodiversity conservation projects assessing the biodiversity and conservation of the Yellow Sea. With only one "pot" of funding, the YSLME assessment would have been quite limited; however, by partnering with WWF, YSLME leveraged resources to implement a more comprehensive assessment.

Presenting on the Yellow Sea conservation project

With the strong partnership between YSLME and WWF, became even more influential when Panasonic invested two phases of the project to conserve biodiversity in the Yellow Sea. The YSLME project organized the first GEF parliamentary conference to discuss the environmental program in the Yellow Sea, as the major management resolutions, e.g. harmonization of legislation, institutional reform and increasing budget, are within the responsibilities of the parliamentary organizations. The YSLME also focused on legislation harmonization, institutionalized reforming and increasing financial support. See the IW Experience note concerning the conference at http://www.iwlearn.net/experience. For more information on the project, please visit http://www.yslme.org.

### Investment

The WWF/YSLME partnership generated strong political support which persuaded Panasonic to contribute $1.8 million USD for biodiversity conservation in the Yellow Sea. The Panasonic investment assisted in attracting local co-financers to fund a demonstration project in the Yellow River and helped establish close cooperation with provincial government who provided political and technical support. The local government provided 1 M Yuan ($157,621 USD) in cash, which was a 1 to 1 co-finance.

### Drivers

Why did Panasonic invest in biodiversity? The project helped implement a public awareness strategy – a so-called "green light" to raise the profile of the company. The parliamentary/government support along with involvement the NGO WWF influenced Panasonic's approval. The key stakeholders are the government officials in which Panasonic has interest.

### Impact

In the first phase, YSLME worked with all the partners in the region to identify the environment problems, and to design and agree on a management plan to address those problems. The collaborative efforts maximized benefits to the countries in the region, while avoiding duplication of efforts. One of the examples was that WWF worked to identify key environmental issues in the Yellow Sea and plan to address the issues through a management plan. Rather than duplicating the effort, WWF used the GEF YSLME SAP. The organizations/projects worked together to develop criteria for assessment to assess biodiversity features in the region – leveraging the money together – like the assessment covered 15 MPA sites in China and 11 in Korea.

The second phase will offer benefits for both YSLME and WWF Yellow Sea projects supporting the biodiversity conservation project.

Biodiversity assessment

### Case Study Questions and Answers

***What are the key implementation activities to be undertaken?***

Project partners worked together to develop criteria to assess the biodiversity features in the region.

***Does each partner provide all the additional resources required for the partnership?***

WWF and YSLME provided the environmental expertise and Panasonic was able to provide the financial resources in support of the partnership.

***What were the private-sector advantages?***

The YSLME project helped Panasonic implement a public awareness strategy. The partnership raised the profile and local creditability of Panasonic and provided access to high-level decision makers in the Ministerial session.

***How were the challenges in forming the partnership overcome?***

Panasonic was hesitant to invest with only WWF in their Yellow Sea conservation project due to limited influence. After WWF joined with GEF YSLME, Panasonic contributed $1.8 million USD because the larger partnership would generate stronger political support.

# Case Study #3 – Senegal Sustainable Management of Fisheries Resources and West Africa Regional Fisheries projects

**Highlighted Practices for GEF PMs**

Senegal Sustainable Management of Fisheries Resources and West Africa Regional Fisheries projects developed the following key practices that other GEF PMs might replicate:

- The project promoted the creation of private associations in Senegal for coastal fisheries. The government allowed and supported the creation of such fisheries associations under commercial law; these entities then prepare management measures and enter into a legal contract to manage the fisheries.
- The incentives and involvement in the process ensure that the fishermen are eager to take a greater role in management or even direct management. In other cases, the private sector will become organized to help with the allocation of rights and eventually to take a greater role. The World Bank is working to expand this model to neighboring countries.
- The project focuses on forming training organizations and recommending the management measures with legal support and enforcement from government. The associations were dependent on project resources to get organized.
- The private sector was informally associated in the past because government had not engaged them. It took significant work to get the private sector organized into groups. They did not provide co-finance.
- The associations provide clear transparent rights to the fisheries – mechanism/incentives to become involved and secure the rights over the long term.

## Purpose

The purpose of these GEF/World Bank mixed investments are to reduce illegal fishing, strengthen the countries' capacity to sustainably govern and manage their fisheries, address declining fish stocks and rebuild some of these fisheries.

As stated in the project proposal, "The local fishing communities should be empowered and where necessary organized (e.g. as legally recognized Local Fishers' Committees) to collaborate with government institutions to sustainably utilize and manage the globally-significant coastal fisheries resources." For more information, please visit http://www.worldbank.org/projects/P106063/west-africa-regional-fisheries-program?lang=en.

Executive members of the Co-Management Association of Robertsport, Liberia on a study tour in Senegal

## Investment

The investment in Senegal is $6.0M from the GEF and a $3.5M loan from the World Bank.

The total project cost for the West Africa Regional Fisheries is more than $46M, invested in Cape Verde, Liberia, Senegal and Sierra Leone.

**Drivers**

The projects are reforming and rebuilding the governance framework for how fish resources are used and managed. The project focuses on developing the environmental and governance framework to rebuild stocks.

The key approach is to align the incentives of fisherman and other companies. The project closes access and defines access rights and catch or geographic area where the fishermen are based.

West Africa Regional Fisheries Steering Committee

**Impact**

The private sector groups are taking ownership of the program to play this enhanced and direct management role.

**Case Study Questions and Answers**

***Is there an existing outcome that can be developed or is a new one required?***

The partnership was formed to reform and rebuild the governance framework for how fish resources are used and managed.

***Will the outcome be sustainable and/or scalable?***

The sustainability of the project depends on the private sector groups standing on their own to play this greater and direct management role.

***What are the "business relevant" opportunities related to the geography, content and relationships?***

The key approach of the partnership was to align the incentives of fisherman and other companies. It closed access and defined access rights and catch for the geographic area where the fishermen are based.

Newly selected executive members of the Co-Management Association (CMA) in Robertsport, Liberia taking oath during a community meeting

***Who was involved?***

The Local Fishers' Committees, government, GEF and World Bank collaborated to sustainably utilize and manage the coastal fisheries resources.

# Case Study #4 – Case Study in P3 as illustrated in the GEF/UNDP Trans Boundary Legal Frameworks Best Practices Project

**Highlighted Practices for GEF PMs**

The Legal Frameworks Best Practices project developed the following key practices that other GEF PMs might replicate:

- This project offers an approach for PMs to engage law firms or other professional businesses such as engineers or environmental consultants on a pro bono basis.

## Purpose

The input of a team of lawyers from White and Case LLP, which was provided on a pro bono basis to this Portfolio Learning project, was an incredibly rich source of information and analysis and constituted a major legal expert opinion deliverable for the UNDP-GEF Trans Boundary Legal Frameworks Best Practices Project (governance-iwlearn.org). For more information, please visit http://climate-l.iisd.org/news/undpgef-publish-review-of-legal-and-institutional-frameworks-for-transboundary-waters/

## Investment

An estimate of the value-in-kind (VIK) time provided by White and Case LLP is around $1M in billable hours from the legal team tasked with this job.

## Drivers

This P3 provided an interesting, progressive and important task for a company (in this case a law firm) to be able to perform, while at the same time contributing a superb analysis of a key research deliverable of the Trans Boundary Legal Frameworks Best Practices Project of IW:LEARN at no cost to the project. From the perspective of White and Case LLP, this pro bono effort satisfied the appetite of the legal team (which was made of primarily made up of associate level lawyers under the direction of senior counsel of the firm) to contribute their knowledge, skills and time to an important initiative. The potential of working on meaningful pro-bono work is a major selling point to make law firms (as well as other professional businesses) more attractive to prospective employees.

## Impact

This VIK contribution from White and Case LLP was a win-win arrangement for both the firm and the IW:LEARN project. Without the work of White and Case LLP, this research initiative that would otherwise have been forced to rely on a more academic, institution-based research team. Professors and researchers from these academic institutions typically do not enjoy the financial resources, back up staff practical experience and global reach of a major law firm like White and Case LLP that were needed to produce in a short period of time the kind of high quality report that the law firm delivered to the IW:LEARN project. This is an excellent example of the kind of optimal fit that can be put together between expert service providers contributing on a pro bono basis and the GEF IW portfolio (through IW:LEARN).

**Case Study Questions and Answers**

***How will the partnership improve impact?***

In the Trans Boundary Legal Frameworks Best Practices Project, White and Case LLP provided pro bono work that would otherwise have been conducted by academic, institution-based research teams. This partnership was dynamic and the law firm produced a high quality report in a shorter time period than a research institution would.

***Who is the outcome aimed at – the existing users of the ministries or a wider public? Over what period is the outcome to be provided – short, medium, or long-term – or is it just a 'one-off'?***

The legal framework provided by White and Case LLP was a short-term partnership with a long-term outcome of improved transboundary legal practices and was primarily intended to reach key ministries.

***Is there a sooner return-on-investment?***

While some aspects of environmental investments are long-term, funding partners receive publicity at the start of a project and build credibility for future engagement with ministry officials.

## Case Study #5 – Transfer of Environmentally Sound Technology (TEST) in the Danube River Basin

**Highlighted Practices for GEF PMs**

The following are the practices and lessons (by the companies which could be replicated for other GEF project private sector stakeholders):

- A general increase of productivity through a more efficient use of resources (energy, water, raw materials) in companies
- A significant reduction of unnecessary investments and operational costs associated to pollution generation (end of pipe solutions)
- Change from loss to profit by valorization of wastes as by-products
- Overall improvements in quality of products.
- Increased marketing potential as a result of higher quality linked with environmental acceptability.
- Avoidance of fines, penalties and ill-will with regulatory bodies monitoring compliance.
- Overall improvements to company profiles, credibility and stakeholders' relationship.

**Purpose**

The Transfer of Environmentally Sound Technology (TEST) project was intended to improve environmental management practices among key businesses and other industrial enterprises in the Danube River Basin to reduce environmental loadings and improve environmental performance. The project was implemented by UNDP and executed by UNIDO. 17 enterprises qualified, volunteered and were accepted for the TEST demonstration process, which focused on showcasing how companies could go beyond compliance and meet their environmental targets, providing a key competitive advantage.

**Investment**

The funding totaled $990,000 from GEF/UNDP for the TEST project.

**Drivers**

In general, the major drivers for small and medium size enterprises to partner with the private sector include the necessity for access to capital and technical assistance. For larger companies, the main drivers include the need for help in meeting environmental performance targets. If the GEF can help address these issues, companies will come forward to partner.

There is a strong business case for companies to join the TEST program as it could satisfy both business segments by providing the following benefits:

1. Decreasing production losses & costs through a more efficient use of resources (energy, water, raw materials)
2. Introducing best practices and cleaner technology, including access to grants and financing schemes
3. Identifying opportunities for waste minimization and opportunities for their valorisation
4. Reducing investment and operational costs of EoP
5. Achieving environmental compliance and enhance relationships with stakeholders
6. Improving the company's overall environmental management culture and obtain an EMS certification
7. Greening their image along the supply chain for increased market penetration
8. Training their staff on cleaner production

**Impact**

From 2001 to 2004, this GEF medium size project successfully completed the transfer of knowledge and cleaner production technologies to seventeen enterprises in five Danube basin countries.

The countries (Bulgaria, Croatia, Hungary, Romania and Slovakia) met the following key criteria:

1. Economic and political transition;
2. Undergoing increasing industrial production and consumption;
3. Experiencing growing environmental pressure; and
4. Experiencing changing social conditions and pressures.

Project replication was achieved as UNIDO is implementing the TEST methodology in the Mediterranean within the MedPartnership initiative. This effort is transferring clean technologies and processes to help the private sector. A pilot phase was completed in 2012 in three countries and 43 companies, while a large up-scaling phase involving nine countries of the South Mediterranean basin will be launched during the second half of 2013[8].

8 For more information, please visit: www.unido.org/MEDTEST

**Case Study Questions and Answers**

***What is the target population or beneficiaries of this project?***

The Transfer of Environmentally Sound Technology in the Danube River basin targeted industrial enterprises but the outcomes of improving environmental management practices benefit everyone who lives in the Danube River basin.

What markets can the partnership create for private sector products and services?

In the Danube River basin, the partnership committed to reducing environmental loads on the basin created a market for clean technologies.

***What environmental performance targets will be reached?***

The Danube River basin partnership worked to reach targets beyond compliance for industrial, effluent pollutant loads.

***What were the outcomes of the partnership?***

In the Danube River Basin, the Transfer of Environmentally Sound Technology project trained 17 enterprises in environmental compliance and clean technologies. The project has been replicated in the Mediterranean and has expanded to 43 companies.

## Lessons Learned

The need for GEF projects to offer "business relevant" benefits and outcomes was a consistent theme of GETF's discussions with private sector companies. GEF PMs also called for the identification of case studies and lessons to assist GEF projects in consistent private sector engagement.

The following are key lessons learned from this outreach that GEF PMs might utilize in developing public-private partnerships:

- Private sector involvement in regions and watersheds where companies have operations can add value to the GEF's actions and at the same time reduce the real risk local communities and businesses face if water resources are not protected. The value proposition is to reduce the costs associated with risk exposure and engage communities regarding how they will benefit from improved water stewardship.
- Companies and the GEF need internal champions to get buy-in and begin a dialogue.
- There is a need to further advance partner integration beyond sponsorships or simply writing checks to support "public" programs. True long-term partnerships and commitments are needed. The strengths and ingenuity of the private sector should be harnessed to increase the value of the partnership beyond simply sponsorship.
- Public-private partnerships are well positioned to add value by helping companies achieve corporate environmental performance targets.
- Leveraging and influencing the supply chain can broaden impact and engagement.
- Partnerships must maximize the political and economic situation in each region.
- A project can attract the private sector through researching company interests, CSR, corporate goals and objectives.
- The notion of "shared problem solving" ensures buy-in and cooperative partnerships.

The following examples illustrate best practices and lessons learned from the IWC CSR roundtable participants:

- The GloBallast Partnerships developed a flexible industry fund (Global Industry Alliance Fund) to promote improved environmental and sustainable performance by funding training, technical assistance, technology development and technology standards. The fund is an annual subscription model. IMO acts as the fiduciary only and GloBallast Partnerships support the execution of activities decided by the GIA Task Force. Industry, through the GIA task Force, is responsible for making the annual decisions regarding how to spend the money. Companies can enter and exit the partnership and contribute to the fund as they please on an annual basis. The aim is to build a partnership for shared problem solving, rather than just mobilizing resources.

- The Yellow Sea LME project spent a lot of time in engaging NGOs/the private sector to organize coalitions. The YSLME developed a small grant program (15 to 16 small grants) of $10,000 USD each to assess mariculture techniques and help companies apply to be a sea grass protected area. The grants provided seed funding. They identified key experts and prepared documents with support from the project.

- The collaboration fostered by the Sponsor Sustainability Initiative ('SSI') of the Vancouver 2010 Olympic Winter Games included the establishment of a network of like-minded organizations (corporate sponsors and government partners of the Games and various social and environmental NGOs). They shared experiences on best practices and lessons learned on how to both individually and collectively effectively improve the sustainability performance of the Organizing Committee of the Olympic Games ('OCOG'), as well as leave lasting sustainability legacies in the host community of the Games.

# 7. Conclusions

Starting a public-private partnership is not easy. It generally takes more time, effort and funding than anticipated. However, together government, not-for-profits, foundations and companies can accomplish much more than they ever can independently.

The best way to advance and align business, environmental and social objectives is by learning first about the drivers of the business. Most businesses approach the environment through the lens of risk. How does the availability of natural resources impact their business?

GEF IW projects are well positioned to offer shared value through shared problem solving to meet business and environmental priorities in communities where the project and organizations work.

There are several barriers to establishing a successful partnership, including institutional and cultural issues, apportionment of long-term risk, public and political objections and time, effort and funding to finalize.

Therefore, the following are key conclusions:

- There are best practices and lessons from current GEF enagagement, some of which are identified in Section 6. In addition, IW:LEARN experience notes (http://iwlearn.net/publications/experience-note/) contain referential experiences derived from other GEF IW projects from which GEF IW PMs can learn.
- While motivations may be very different, a partnership will be most effective if the interests of each partner are aligned in terms of scale, project objectives and impacts.
- PPPs are critical to maximizing future funding and impact of GEF projects.
- The right approach to facilitation is important to bringing all potential partners to "the table" and framing expectations from the beginning (see Section 5).

- The key steps to establish a public-private partnership include:

1. Why collaborate?  Establish business need for the project and the partnership.
2. Identify resource requirements and appraise the options.
3. Assess in-house capabilities.
4. Business case – identify the value proposition to both the project and the private sector partner.
5. Select the right partner – developing the team – what skills does each party bring?
6. Determine the partnership form.
7. Cultural fit/decide tactics.
8. Engage users – be open to discussion and approaches.

# Appendix 1 – The Business Case for Private Sector Engagement of GEF Projects

## THE BUSINESS CASE
### for Private Sector Engagement of GEF Projects

### GEF INTERNATIONAL WATERS FOCAL AREA'S PORTFOLIO
**Private Sector Value Proposition**

Today, the cumulative GEF International Waters portfolio consists of 170 projects with US $1.2 billion in GEF grants and $5 billion in co-financing invested in 149 GEF recipient countries. These projects target many of the world's most threatened and important transboundary surface water, groundwater and coastal and marine ecosystems. The GEF is engaged at the highest level of government and policy to bring governance, management and technology solutions to ensure the long-term stewardship, conservation and sustainable use of these critical resources.

Engaging with the GEF offers a blended social and business value and should be most effectively undertaken in public-private partnerships. Business assets and skills offer unique capabilities to address watershed stewardship and risk challenges that GEF projects currently do not possess.

### BUSINESS CASE
**Incentives**

Benefits of private sector participation in GEF projects include:

- Providing "business relevant" opportunities related to the geography, content and relationships of a project.
- Proactively addressing watershed and basin stewardship, water quality and quantity issues that can lower operational risk especially for high water users if water resources are not protected.
- Aligning investments of the GEF and private sector to increase impact and results and ensure sooner return-on-investment.
- Assisting companies in meeting environmental performance targets.
- Accessing key ministerial representatives at the highest level of government that can influence policies impacting company operations and their communities.
- Potentially improving regulatory simplicity and clarity.
- Promoting entrepreneurship in the communities through other productive and multiple uses of clean water that further opportunities to sell products and services in the regions.
- Accessing and creating new markets for private sector products and services.
- Creating credible markets for ecosystem services in key watersheds.
- Improving coordination among the GEF and private sector partners to increase market efficiency and cost effectiveness of solutions.
- Improving the GEF proposal review process to substantially reduce transaction costs associated with participating in projects.

# Appendix 2 – GEF Project Manager Survey Summary

| Project | What companies and/or other private sector organizations have you involved in your project? What is their contact information? | How did the public-private partnership contribute to the successes and outcomes of the project? | How much co-finance, if any, did they bring to the project? What was the mechanism for delivering funding (MOU, grant, etc.)? | What successful or unsuccessful models, best practices and lessons learned have you developed in your engagement with the business community? | What innovative private sector-focused approaches, instruments and partnerships would be most helpful in further implementing your project and/or in making future GEF IW investments? |
|---|---|---|---|---|---|
| **Applying an ecosystem-based approach to fisheries management: focus on seamounts in the southern Indian Ocean – PIMS no. 3657** | The Southern Indian Ocean Deep-sea Fishers Association (SIODFA).<br>Ross SHOTTON Ph.D.<br>Executive Secretary<br>Kidonias 11<br>Iraklion 71 202<br>Crete, Greece<br>Email: r_shotton@hotmail.com | To allow for ongoing dialogue and involvement of SIODFA in the development of the project, SIODFA has become a member on the Steering Committee of the project. Cooperation with the industry has been key, in that it has allowed us to get data and information on deep sea fishing grounds and activities in the project area (the southern Indian Ocean). The industry being an important stakeholder in the management of marine resources and in the application of an ecosystem-approach, their involvement in the project will facilitate the actual implementation of project results. | The co-financing was mainly made through provision of data and in-kind time. | 1) Importance of involving the private sector from the start of the project, and if possible at the project development phase; 2) Regular updates and interactions are key for trust building and collaboration; 3) Involvement in the steering committee is a good way for the private sector to build ownership of the project, to interact with the project staff and provide their views on the development of the project; 4) An MoU is a good way to collaborate and develop additional projects and products not planned in the GEF project, but that further implementation of GEF project results; 5) Ensure provisions are made through project funds for involvement of industry associations in key meetings and activities, as such associations usually have limited funding. | Covered under 4. |

| Project | What companies and/or other private sector organizations have you involved in your project? What is their contact information? | How did the public-private partnership contribute to the successes and outcomes of the project? | How much co-finance, if any, did they bring to the project? What was the mechanism for delivering funding (MOU, grant, etc.)? | What successful or unsuccessful models, best practices and lessons learned have you developed in your engagement with the business community? | What innovative private sector-focused approaches, instruments and partnerships would be most helpful in further implementing your project and/or in making future GEF IW investments? |
|---|---|---|---|---|---|
| **Collaborative Actions for Sustainable Tourism** | We are not in a position yet to respond to your five questions below with any significant experience, we would however, be VERY interested in knowing the experience of other projects who do have implementation records to expand on your questions. Our project is only 25% GEF funded and by design therefore we are required to 'capture' a lot of additional resources during the project lifetime. | | | | |
| **Demonstration of Community-based Management of Seagrass Habitats in Trikora Beach, East Bintan, Riau Archipelago Province, Indonesia --PIMS 3010-07-04** | | | | We established the East Bintan Collaborative Management Board that consists of representatives from the Bintan Planning and Development Board, the Branch of Ministry of Fisheries and Marine Affairs, the Tourism Office, NGOs, Navy, Police and the resort owners (private sector). All of them are stakeholders in the east coast of Bintan Island. Ideally, on this board they can share information, discuss and solve problems and manage East Bintan collaboratively. However, after four meetings we concluded the board is relatively ineffective since most of the participants are passively involved in the board. Some of them were frequently absent from meetings and the rest were too quiet or probably "hiding" information from others. The owner of the resorts mostly sent the 'rookie' to board meetings and that only twice. | |

| Project | What companies and/or other private sector organizations have you involved in your project? What is their contact information? | How did the public-private partnership contribute to the successes and outcomes of the project? | How much co-finance, if any, did they bring to the project? What was the mechanism for delivering funding (MOU, grant, etc.)? | What successful or unsuccessful models, best practices and lessons learned have you developed in your engagement with the business community? | What innovative private sector-focused approaches, instruments and partnerships would be most helpful in further implementing your project and/or in making future GEF IW investments? |
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| **Dnipro River Project** | TEKNA – Norwegian Society of Engineers. The company is based in Norway, main field of business is cleaner production methodologies. At this stage, we are in the process of selecting the companies for the legal services, in particular Component 3 of the project (harmonization of national legislations to the ones that prevail in EU) and Component 4 of the project (creation of Dnipro Basin River Council). | Public-private partnerships are the main instrument of capacity building within the countries. | EUR 120,000 | The involvement of public/private entities is very successful when the project's aim is to build capacity in the regions. It is impossible to strengthen capacity basing in one particular city, so to use local companies is a successful way of project implementation. | Ukraine and Belarus, as participating countries of the Dnipro Project, lack experience and knowledge in using new technologies. In general, I may describe the new future project as the BAT (BEST AVAILABLE TECHNOLOGY) project. Within the frames of the current project, we plan to develop strategies for further investments for the industries in Ukraine and Belarus. Currently, the technology owners or holders are mostly private sector companies. This partnership helps to achieve knowledge of the technology, to test the applicability of the technology to local conditions and to organize technology transfer. |
| **Integrated Coastal Management Program of Bataan Province** | Individual corporations providing financial/ in-kind contributions to East Asian Seas Congress and PEMSEA Network of Local Governments meetings (like Marubeni, Tokyo Electric, Philippine Airlines, Chevron, Total, Petron, etc.). | | | | |
| **Neretva and Trebišnjica Management Project** | Two metallurgy private companies | | | | |

| Project | What companies and/or other private sector organizations have you involved in your project? What is their contact information? | How did the public-private partnership contribute to the successes and outcomes of the project? | How much co-finance, if any, did they bring to the project? What was the mechanism for delivering funding (MOU, grant, etc.)? | What successful or unsuccessful models, best practices and lessons learned have you developed in your engagement with the business community? | What innovative private sector-focused approaches, instruments and partnerships would be most helpful in further implementing your project and/or in making future GEF IW investments? |
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| **Pacific Islands Oceanic Fisheries Management Project** | OFMP (www.ffa.int/gef) involves a co-financing arrangement with the Pacific Islands Tuna Industry Association (PITIA), a recently (2007) formed regional collective of domestic industry associations in Pacific Islands countries. They have observer status at the Western and Central Pacific Fisheries Commission (WCPFC), of which its' Convention is a central platform for the project activities provided to the Commission's Pacific islands small developing States membership. They have recently sub-contracted administration to the Fishing Industry Association of Tonga (FIAT). Naitilima Tupou, Executive Officer Fishing Industry Association of Tonga P.O. Box 1704, Nuku'alofa, Tonga Phone: (676) 28-867; Fax: (676) 26-039 Mobile: (676) 63-117; Email: fishexport.tonga@gmail.com. | The OFMP is still operational. PITIA is the mechanism with which the project expects to improve stakeholder participation and awareness raising, targeting the tuna industry in the Pacific concentrating on the outcomes, particularly conservation and management measures emerging from the WCPF Commission. The project supports PITIA representation at Commission meetings and assists with the dissemination of information through its membership. Member country delegations at the WCPF Commission will include industry representation, but this not widespread. With the appointment of FIAT, PITIA expects to have an operational website and develop other publications for its membership as a centralized forum for the tuna industry in the Pacific. They also expect to meet to discuss the impacts of Commission conservation and management measures on industry and look for ways to improve and enhance the consultation processes in countries and at the regional level in which industry is part of the decision making process for conservation and management measures. | A letter of agreement was signed by PITIA and FFA (as the primary executing agency for the OFMP). This detailed a co-financing agreement that PITIA would over the five years of the project contribute $721,500 USD from other donors and membership contributions against the $200,000 USD provided by the project. This arrangement will be revisited with FIAT (who met with the project PCU on May 10 in Honiara) in an exchange of letters with FIAT. | For its purpose, the project activities involving PITIA for stakeholder participation at the Commission and awareness raising are valid but do not have the desired effect as yet due to establishment issues with the Association. This is expected to change both with new administration for PITIA and a greater project emphasis (as recommended by the project's mid-term review) for information dissemination for the remainder of the project and onwards into Phase II. During discussions at a recent Project Design Workshop, a number of the beneficiary Pacific islands countries noted that there needed to be improvement in countries between tuna industry associations and governments in terms of tuna management both national and regionally. One country stated that it was not only a case of governments communicating but that the private sector also needed to make an effort to open wider channels of communication. | Most of the commercial take of tuna in the central and western Pacific is by fleets from distant water countries mainly on the Pacific rim. They are typically included on the delegations of their respective countries at meetings of the Commission, so in terms of the OFMP similar support that is provided for smaller Pacific islands domestic industry is not envisioned. There is scope, however, for outreach or awareness raising activities that might profile tuna industry activities in distant water fishing nations. |

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| **Reversing land and water degradation trends in the Niger Basin, GEF-NBA/Project** | Three kinds of private organizations are involved in the implementation of the project, which cover nine countries in West and Central Africa (Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Guinea, Mali, Niger and Nigeria). They are: 1) Community Based Organizations (CBOs). These CBOs were mostly involved in a micro-grant program, helping them to develop micro-projects at local level (villages); a total of 109 micro-projects were implemented in the nine countries; 2) Non-Governmental Organizations (NGOs). NGOs were appointed through contracts with UNOPS for the implementation of nine Demonstrative Pilot Projects (one per country); 3) Private enterprises and associations etc., provider of services and goods. The NGOs in charge of the implementation of the Demonstrative Pilot Projects are recruiting private enterprises to carry out the activities. | The messages broadcasted were source of inspiration of the public to: 1) build associations and organizations; 2) exchange on environmental and natural resource degradation problems at local level during meetings; 3) develop and implement micro-projects; 4) develop synergies with other associations and partnership with donors. | 1) For the micro-grant, selection of micro-projects in collaboration with the National Coordination of GEF/UNDP-Grant Program, an approval of the micro-project by the project national steering committee, establishment of a PO with UNOPS, funds delivering through request of the project staff (starting from the National Team and then the Regional Coordination) and authorizations sent by UNOPS to the country's offices of UNDP; 2) For the implementation of the Demonstrative Pilot Project, the project national team in collaboration with national authorities is proceeding on the selection of an operator as per procurement conditions in the country; a non-objection is required from the regional coordination as well as from UNOPS, a contract is therefore signed between UNOPS and the operator, who is funding regarding the conditions mentioned in the contract (usually 3 to 4 brackets after submission of a report and an invoice). The fund might be delivered directly to the bank account of the vendor or through the country office of UNDP; 3) To fund the private enterprises or associations, recruited following national procurement conditions and approved by the national and regional coordination of the project, a PO (for amounts less than $2,500 USD) or a contract is established between UNOPS and those services or good providers. The fund might be delivered directly to the bank account of the vendor or through the country office of UNDP. | The Demonstrative Pilot Projects are ongoing in all the countries. The evaluation of the micro-grant program shows that the micro-projects have contributed to peace keeping in some countries were conflicts grown (Ivory Coast, Guinea and Nigeria). In some countries, it was the first time CBOs and beneficiaries got freely funds to execute their own projects. Beneficiaries have an opportunity to increase their revenues and manage their local environment as well natural resources. The unsuccessful aspects noted by all parties are related to the funding mechanism, which is hard for stakeholders and actors at the village levels (usually they don't have bank accounts and UNDP CO are often located in the capitals). | Environmental, natural resource, namely water and land management cannot be efficient without direct involvement of the public at local level. This management cannot be efficient and sustainable at individual level. It is therefore a sine qua non condition to help the beneficiaries grow groups to take up a challenge of fighting natural resource degradation and reverse this trend. Private sector is usually oriented on profit making. For these reasons, the Niger River Basin Authority has focused its public participation on the civil society, namely organizations and associations of the Niger Basin natural resource users. This principle was recognized and approved by the Council of Ministers of the nine States. |

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| **The BCLME SAP Implementation project** | Bringing onboard stakeholders from fishing, mining and exploration, tourism, coastal infrastructure and other industries. | | | The private sector has in the past shown interest to assist with capacity building through co-financing training and transfer of skills and technology. | |
| **Tisza MSP** | The Coca-Cola Company and World Wildlife Fund | Approximately 40,000 Euros | | Tisza MSP helped catalyze support for an additional project on solid waste management (plastic bottles) in Ukraine with funds from Coca-Cola to the ICPDR. | |

**GEF LME:LEARN**

GEF LME:LEARN is a program to improve global ecosystem-based governance of Large Marine Ecosystems and their coasts by generating knowledge, building capacity, harnessing public and private partners and supporting south-to-south learning and north-to-south learning. A key element of this improved governance is main-streaming cooperation between LME, MPA, and ICM projects in overlapping areas, both for GEF projects and for non-GEF projects. This Full-scale project plans to achieve a multiplier effect using demonstrations of learning tools and toolboxes, to aid practitioners and other key stakeholders, in conducting and learning from GEF projects.

**PROJECT COMPONENTS**

1. Global and regional network of partners to enhance ecosystem-based management and to provide support for the GEF LME/ICM/MPA projects to address their needs and incorporate climate variability and change considerations.
2. Synthesis and incorporation of knowledge into policymaking; capture of best LME governance practices; and development of new methods and tools to enhance the management effectiveness of LMEs and to incorporate ICM, MPAs and climate variability and change, including the five LME Approach modules.
3. Capacity and partnership building through twinning and learning exchanges, workshops, and training among LMEs and similar initiatives.
4. Communication, dissemination and outreach of GEF LME/ICM/MPA project achievements and lessons learned.

## GEF IW:LEARN

Intergovernmental Oceanographic Commission
United Nations Educational, Scientific and Cultural Organization (IOC/UNESCO)

7 Place Fontenoy
75007 Paris, France

www.iwlearn.net
info@iwlearn.org

Produced by the GEF IW:LEARN project, managed by the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organisation, implemented by the United Nations Development Programme and the United Nations Environment Programme and funded by the Global Environment Facility.

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IW LEARN

UNDP
*Empowered lives.*
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UNESCO
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