



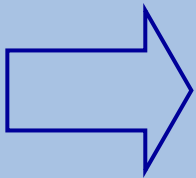
Successful Partnerships with the Private Sector – Examples from Indonesia



Regional Public-Private Partnership Workshop:
November 16-18, Bangkok,
Thailand



Content



- 1. Quick Overview**
- 2. Overview Over Completed/Ongoing/Pipeline Partnerships**
- 3. Lessons Learned**
- 4. (Missing)**
- 5. Challenges**
- 6. The Way Forward**
- 7. Case Study: Partnership with Accenture**

PRIVATE SECTOR PARTNERSHIPS – OVERVIEW OF ACHIEVEMENTS TO DATE

Tsunami-related projects:

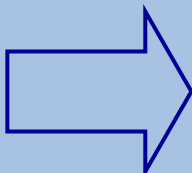
- 3 completed partnerships - 2 supporting government agencies (BAPPEDA and BRR, by Accenture) and 1 for operational support to UNDP by Deloitte & Touché
- 4 partnerships about to start this year (Schlumberger, DHL, Coca-Cola, and Armacell, 1 in 2006 (Stantec)
- Ongoing negotiations with several companies, associations, chambers of commerce, and federations on support for unfunded projects – support to handicraft design and marketing, sports equipment, stadium rehabilitation, etc.

Extended support to non-tsunami related projects:





- French company Total – community development in the Makassar Delta (Environment Unit)
- PTD (Peace Through Development) for CPRU unit, DRR (Disarmament, Demobilisation, Reintegration) of ex-combatants in Aceh (planning stage)



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OVERVIEW OVER PRIVATE SECTOR PARTNERSHIPS: ONGOING/COMPLETED

Company	Type of support provided	Comments
 Consulting firm	<ul style="list-style-type: none"> - Operational effectiveness - Office wide M&E mechanism 	<ul style="list-style-type: none"> - ~ US\$ 3 mn * - 5 months
 Petroleum company	<ul style="list-style-type: none"> - Donation of computers and servers to reequip government office, training services 	<ul style="list-style-type: none"> - Value of equipment ~ US\$ 90,000
 Courier service	<ul style="list-style-type: none"> - Provision of 50 motor bikes to be converted into Becaks 	<ul style="list-style-type: none"> - Market value of bikes: US\$ 50.000
 IT/Business consulting	<ul style="list-style-type: none"> - Support to UNDP livelihood project on supply chain management – - Capacity development for economic planning for BAPPEDA - Initiation of “Aceh Coffee Forum” - Operational support to BRR 	<ul style="list-style-type: none"> - Value of services: US\$ 162, 000 ** - 5 months

* In total US\$ 6 mn. were committed, it is assumed that the Indonesian CO got app. half of it

** Applying Accenture’s non-profit rate, market rate higher

OVERVIEW OVER PRIVATE SECTOR PARTNERSHIPS: PIPELINE

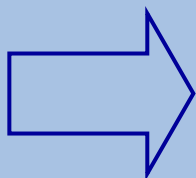
Company	Type of support provided	Comments
 Soft drinks company	<ul style="list-style-type: none"> - Connecting villages to water and sanitation - Other ideas include educational leaflets on hygiene and saving water 	<ul style="list-style-type: none"> - Initial commitment to Tsunami affected areas is US\$ 2.5 mn to be matched by funds from UN Foundation *
 Engineer SME	<ul style="list-style-type: none"> - Mangroves rehabilitation in Calang 	<ul style="list-style-type: none"> - Value: 25,000 Euro
 Consulting firm	<ul style="list-style-type: none"> - Provision 2 experts in waste management and community infrastructure 	<ul style="list-style-type: none"> - Experts will provide services in project implementation and monitoring for 6 months - Value: n/a

* It is assumed that the Indonesian CO can get between a quarter to half of the available funds



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PRIVATE SECTOR PARTNERSHIPS - SOME LESSONS LEARNED (1/2)

- Is there a match between what the company has in mind and what we can “offer”?
What companies are interested in is not what we can necessarily offer. Usually, companies are interested in microfinance, building schools, and children-related activities
Is the company a global partner for UNDP (such as Schlumberger and DHL)?
- Building up a network, gaining trust and demonstrating professionalism takes time and dedicated human resources
- Non-traditional donors have little knowledge about UNDP and its role – dedicated marketing material needed
- Focus on all non-traditional donors such as private sector companies, federations (sports, industries), foundations, associations – can lead to multiplier effects

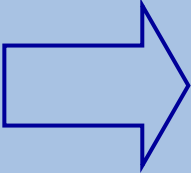
PRIVATE SECTOR PARTNERSHIPS - SOME LESSONS LEARNED (2/2)

- Livelihoods and capacity building activities are most appealing to the private sector
- Companies like visibility, they are not keen on their funds being pooled
- Better monitoring and reporting can be chance for UNDP to stand out
- UNDP's regional and global presence is a plus





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MAJOR CHALLENGES TO DATE

Company:

- Attitude: They want more detailed information than we can provide in post-crisis context, or a variety of projects to choose from, have little understanding of local circumstances.
- Too detail focussed, our programmes are still fluid and need to be adapted as per local needs and immediate lessons learned (one company has listed every cable in the annex to the contract)
- Backing out after signalling initial interest - companies shop around

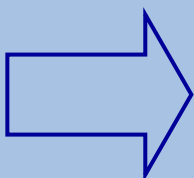
UNDP:

- Monitoring and reporting a challenge
- Security challenges in Aceh, securing assets, i.e. such as computer equipment
- Contracting issues within UNDP – our contracts don't seem to be acceptable for most companies, we need to ask ourselves why that is the case
- Although contracts have to be signed locally, they must be approved by HQ, email exchange indicated unclarity about UNDP's efforts to reach out to the private sector



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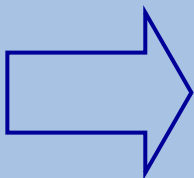
FUTURE OUTLOOK – THE WAY FORWARD

- Successfully mainstream and implement agreed partnerships into ERTR
- Networking efforts of the past months are ripe, e.g. contact to American Chamber in Singapore, Japanese companies, new contacts established, such as Rotary Clubs
- Expand networking efforts with chambers, associations, foundations, etc.
- Expand services from pro bono into PPPs and programme inputs for private sector/SME development
- Expand services to other Units/programmes:
 - French company Total – community development in the Makassar Delta (Environment Unit)
 - PTD (peace through development) for CPRU unit, possibly linking up with South-South to provide support to SMEs, to provide training and employment
 - DRR (disarmament, demobilisation, reintegration) of ex-combatants in Aceh



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SUCCESSFUL PARTNERSHIP CASE – ACCENTURE

How the story began:

- Accenture approached UNDP HQ offering pro bono services, indicated possible areas of contribution
- 1st meeting in Jakarta already focussed on support in understanding supply chains – an area identified by senior management UNDP would need to address in livelihoods recovery
- Accenture mission to Aceh, meeting with UNDP team leader, introduction to local implementing partner

Implementation:

- Implementation rough at first, as local agency refused to cooperate (after change in leadership), link to alternative agency established
- Accenture team managed to be an agent for capacity building in BAPPEDA and beyond. Managed to bring stakeholders of coffee industry together for „Aceh Coffee Forum“
- Trust in UNDP led to another pro bono engagement to support BRR in establishing their operational capacity

Factors contributing to success:

- Understanding of dynamics of ERTR programme
- Flexibility of Accenture to deal with local government agencies
- Worked with IO on similar work before
- Clear ideas on UNDP side on what was supposed to be achieved

