



Public Private Partnership formation challenges and criteria for success

Workshop

FDOV/Sustainable
Entrepreneurship and Food
Security Facility

(18 and 25 September 2014)

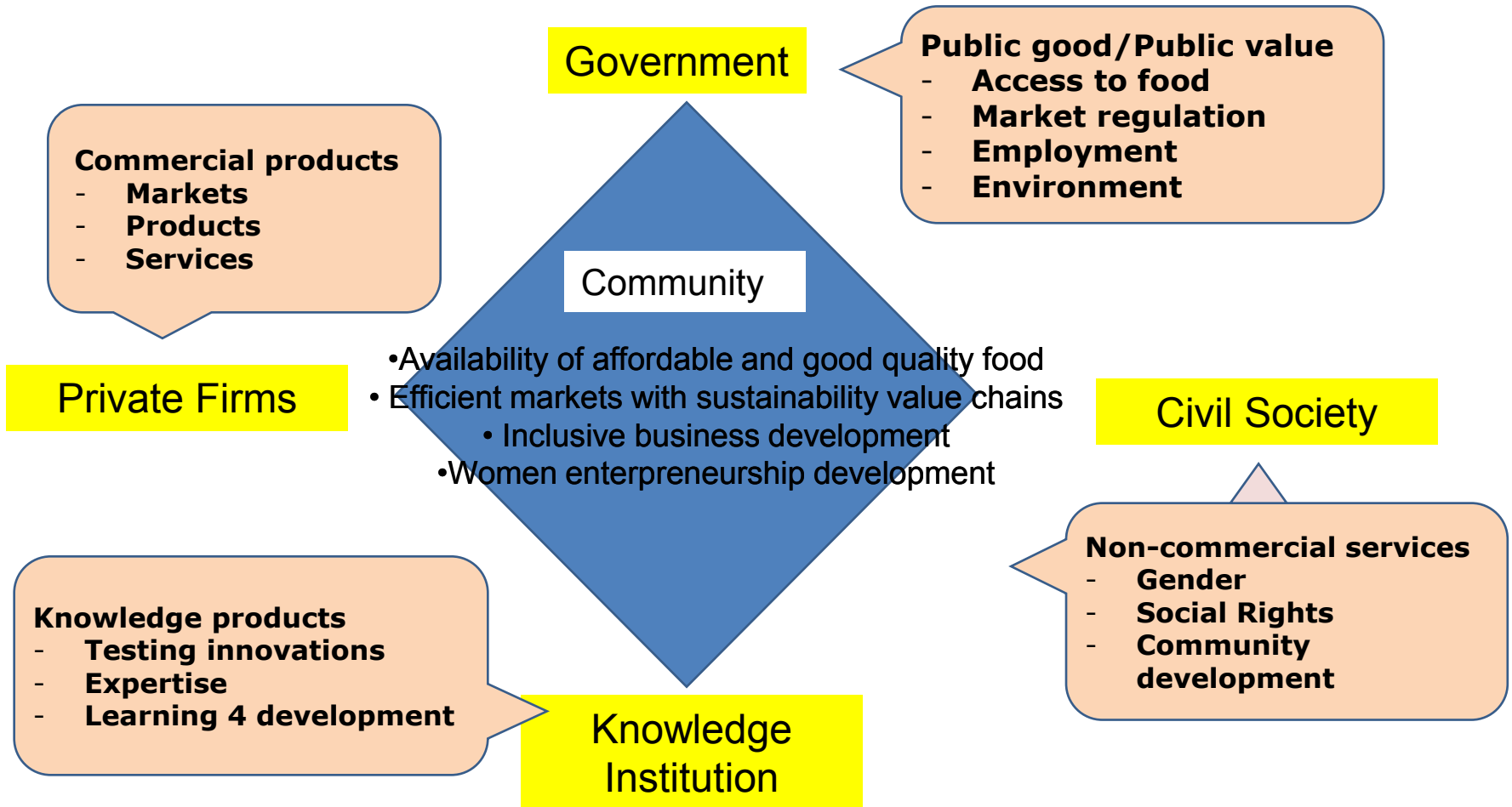


Content

- Value of PPP's
- Formation of partnership
- Critical success factors
- Assessment of PPP quality by RVO



Value of PPP's and contributing partners





What makes PPP's different?

- Joint goal setting, alignment of social and business goals
- Integration in public sector goals, legitimacy
- Shared risks
- Increased sustainability
- Higher investments
- More efficient management
- Longer term

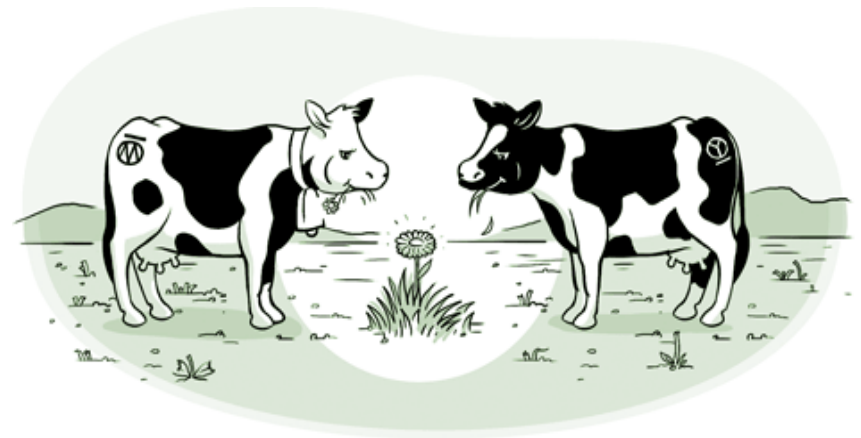




What makes PPPs different ?

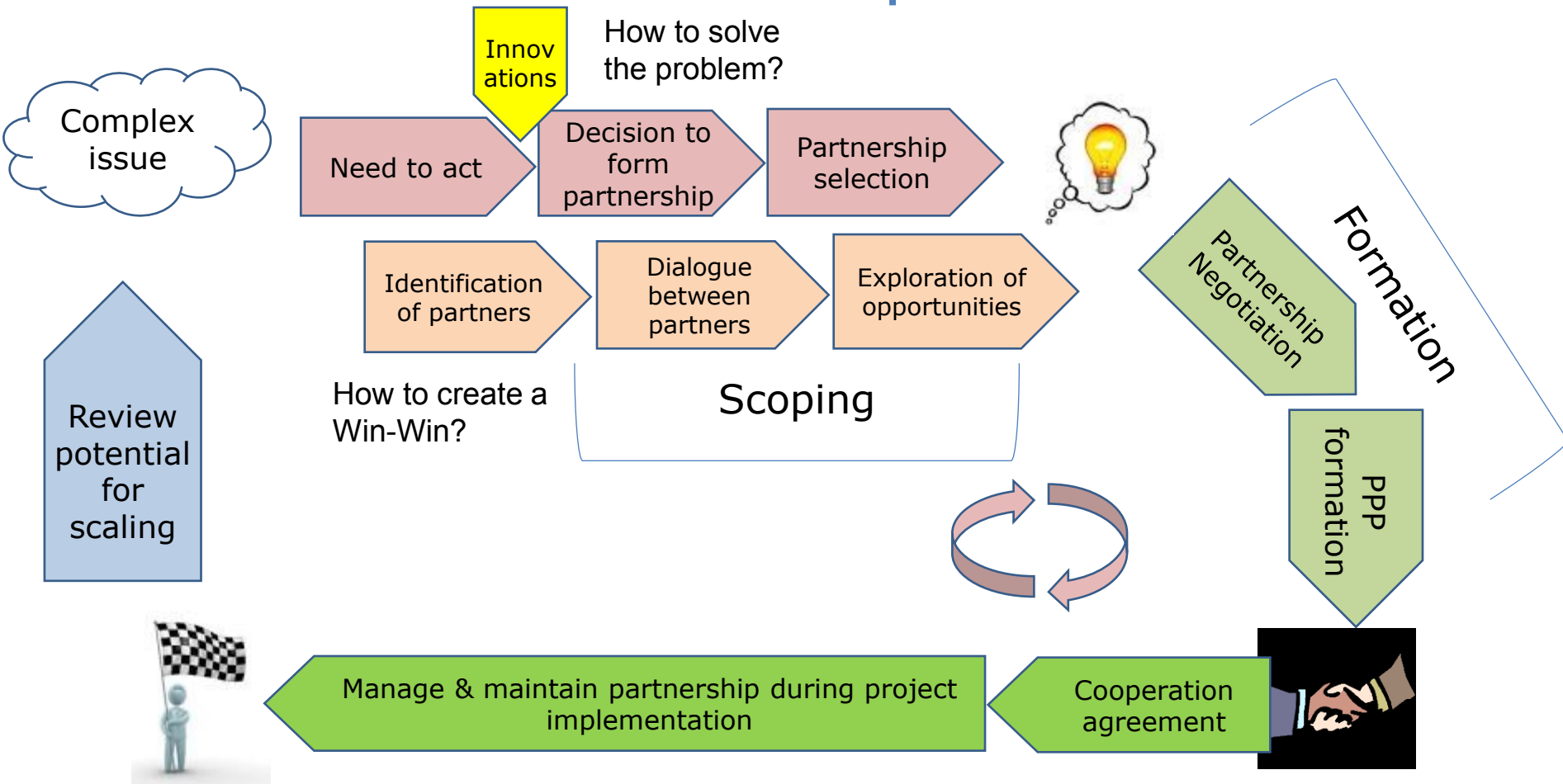
Alternatively:

- More difficult to manage
- Complicated financial constructions
- Longer preparation time
- Cultural differences





Formation of Partnership





Critical success factors

- **Clear vision of objectives**

- Make sure there is a shared understanding on the cause of the societal problem: whose responsibility is it, what stakeholders should be involved, what would be their potential contribution?
- Elaborate on the theory of change, drivers, solutions, outcomes, sustainability elements
- Understand the business case, is there a willingness to pay, work out different scenarios

- **Clear understanding of mutual benefits**

- Ask yourselves what do I get out of this partnership beyond the project: network, knowledge, profits, customer base etc.

- **Build trust**

- Take time to get to know each other i.e. f2f meetings, to discover suitable pathways of cooperation, and to develop shared enthusiasm.
- Make sure information is shared between all partners



Critical success factors

- **Transparency and clarity of roles**
 - Manage expectations: be open about your own abilities and interests and curious on the abilities and interests of the partner(s). Make a SWOT.
 - Manage risks and ownership: many PPP difficulties relate to partner inequalities and investments, risks; make sure investments and risks are shared among the partners
 - Governance: properly distribute the power within partnerships
 - Institutionalize, ensure that the partnership is embedded longer-term in and between the individual organizations, represented on a strategic level
- **Leadership**
 - Select the right leader(s), who have management experience, able to build teams and enthusiasm
 - Make sure the partnership agreement touches upon all relevant issues: roles/responsibility, governance, communication, finances, ICSR, IPR, liability (both entry and exit conditions)
 - Ensure continuous learning: share expertise and learn from each other. Integrate M&E as learning aspect, not as accountability/control element



FDOV Assessment of PPP's

- Capacity of partners and partnership
 - Relevant expertise and 3yr track record incl PPP experience
 - Capacity to manage projects, finance and M&E, governance
- Optimal partner selection
 - Are all partners needed?
 - Local imbedding: participation of local public parties and local SME
- Added value
 - Strategic added value: efficiency & synergy
 - Feasibility analysis: partnership risks and mitigation
- Partners ability to co-finance (threshold)
- Company reputation on ICSR (threshold)
- Mutual 'click' (SWOT, risks & mitigation, verification)



PPP experiences



Various Nutrition strategies are compared in our program

