

Examining the Evidence; Findings of the Partnering with Government Case Studies

The Partnering with Governments (PwG) project was designed to build the capacity of governments in Africa to partner more effectively with business and civil society towards achieving sustainable development objectives (in particular the Millennium Development Goals). As part of the programme, PwG developed a series of case studies exploring different ways of increasing the impact of government through cross-sector partnerships.

The aims of the case studies were:

1. To provide input into a paper exploring the opportunities and challenges of business and civil society sectors partnering with governments (including the strengths and weaknesses of different types of cross-sector partnerships) and vice-versa: governments partnering with business and civil society sectors with the aim of delivering on MDGs;
2. To be stand-alone 'learning' case studies – i.e. case studies which capture experiences in ways that generate new insights, perspectives and inspire innovation among those involved in improving the effectiveness of cross-sector partnerships in delivering on MDGs.
3. To present practical examples of cross-sector partnerships and the application of partnership skills for use in outreach and awareness raising on the potential of using cross-sector partnerships to deliver on MDGs

The details of the case studies developed are presented in the table below:

| Country | Case Study Title & Author | Abstract |
|--------------|---|--|
| South Africa | <p>The Africa Drive Project By: Grium Bahiri MDG 8: Developing a global partnership for development Target: working in cooperation with the private sector to make available the benefits of new technologies particularly information & communication</p> | <p><i>This case study profiles a project initiated in South Africa to address educational needs through ICT based learning. Launched as a cross-sector partnership between a multitude of partners representing, the government, private sector, civil society and international organisations, the Africa Drive Project offers interesting insights into a multi-stakeholder partnering. This case study seeks to examine the challenges of managing a partnership between many diverse organisations and agencies, highlights the project and partnering skills required and the need for clarity in defining partnering roles and responsibilities.</i></p> |

| Country | Case Study Title & Author | Abstract |
|---------|--|--|
| Zambia | <p>A Case Study of a Partnership in the Zambian Cotton Industry By: MDG 1: Eradicate extreme poverty & hunger</p> | <p><i>This case study addresses the basic question of what constitutes a partnership. The case study focuses on a 'partnership' between the Zambian Cotton growers Association, the Ministry of Agriculture and the Zambian Cotton Ginners Association. While the former two parties consider their working arrangement a 'partnership' the latter considers it nothing more than a 'dialogue'. By examining the perspectives of all parties involved, this case study raises interesting questions of what defines a partnership.</i></p> |
| Guinea | <p>A Case Study of the Trans-Guinean Transport Committee By: Thierno Ousmane Wann, PhD MDG 1: Eradicate extreme poverty & hunger</p> | <p><i>Focusing on a public-private partnership (PPP) between Rio Tinto, BHP Billiton-Newmont and the Guinean Government, this case study highlights a partnership between partners with a shared goal but different visions of how to achieve it. The case study explores how the partners come together to negotiate their different visions for the partnership and try to reach a compromise that is acceptable to all. The case study offers interesting insights into the dynamics of a public-private partnership.</i></p> |
| Kenya | <p>Giving the Kenyan Child a Chance By: George Odo MDG 8: Developing a partnership for development Target: working in cooperation with the private sector to make available the benefits of new technologies particularly information & communication</p> | <p><i>The case study examines a private sector initiated partnership designed to invest in the use of ICT in Kenyan schools. The Kenya ICT Trust Fund was set up by Microsoft Kenya in partnership with the Kenyan Ministry of Education, the Fund and has attracted investment from other private sector companies as well as support from the Ministry of Information Technology and a number of NGOs. This case study documents the creation of the Fund, highlights the challenges faced, discusses the partnership's achievements, examines the personalities driving the partnership and the strengths and weaknesses of the partnership model used.</i></p> |
| India | <p>The Challenges of a Many Stakeholder Partnership; A Broker's Story By: Dr. Rajat Kumar Das MDG 6: Combating HIV/AIDS, malaria & other diseases</p> | <p><i>Contracted by the Indian national government, GTZ, is faced with the challenge of bringing together local government bodies, national and state level agencies, private companies and civil society organisations to improve health services in the coal mine areas of West Bengal. The case study documents journey of the partnership brokers for an entire year, as they try to establish a public-private partnership to address the health needs of the local community.</i></p> |

The case studies were commissioned specifically to test the following hypothesis about working in partnership with government:

Hypothesis (1): The framework of national governance (laws, institutions, political system) is critical to the effectiveness of cross-sector partnerships involving government.

Hypothesis (2): Many government agencies are sceptical as to the added value of cross-sector partnership as a means of delivering on their MDG commitments.

Hypothesis (3): Government agencies (both politicians and civil servants) do not engage in or promote cross sector partnerships because of a concern that such involvement leads to erosion of their authority and abrogation of their mandate to act in the public interest.

Hypothesis (4): Vested interests may inhibit the willingness of decision-making individuals to enable public bodies to partner with civic and business sectors to deliver on MDGs

Hypothesis (5): Public bodies (like other sectors) are limited in both the internal management systems and professional skill sets of their staff to be able to partner effectively with civic and business sectors to deliver on MDGs

Hypothesis (6): Partnerships which touch on public services and which do not include government as a partner or where government is not sufficiently engaged or active, may never reach their full potential, can be difficult to scale up and may not achieve long term sustainable outcomes.

This paper tests these six hypotheses in light of the evidence gathered through the commissioned case studies and also draws on four further cases commissioned and prepared by GTZ South Africa. These additional cases focus on PPP in the context of local government and include:

- **The City of Tshwane Municipal Headquarters**, by Chené Swart
Abstract: Focusing on the first Municipal PPP registered by the National Treasury in 2004 (the PPP to build a new Municipal Headquarter in the City of Tshwane), the case study outlines the process of building this PPP, the challenges encountered and the lesson learned along the way. The case study explores issues regarding the need to adapt regulatory and legislative frameworks for municipalities, the importance of understanding the municipal context and the need to invest in leadership skills and develop the capacity of municipal government.
- **Experiences from Ethekewini Metropolitan and Buffalo City Municipalities**, by Josiah Lodi
Abstract: This case study focuses on the nature of public-private partnerships in local governance by comparing PPPs in two municipalities; Ethekewini and Buffalo City. The case study outlines four PPPs initiated in the two municipalities in order to identify the challenges encountered in developing PPP at the municipal level and to distinguish the skills, systems and processes required to undertake such PPP successfully.
- **Partnerships in Agriculture; Market based Crop Production**, by Claire Paterson
Abstract: This case study focuses on a PPP between the Limpopo Department of Agriculture, GTZ and Pick 'n Pay. The partnership was initiated to bring together buyers and suppliers in the agricultural value chain to decrease the transaction costs and to address the

market entry barriers that face the poor when engaging in commercial agriculture. The case study examines the role and contribution of each partner, discusses the strengths and weaknesses of the PPP and documents the lessons learnt.

- **Partnerships in Education; The College Industry Programme**, by Carmel Marock
Abstract: This case study outlines two college industry programmes in South Africa, one in the construction and the other in the mining industry, discussing the objectives of each programme, the key partners involved, the nature of resources raised, the outcomes achieved and the challenges encountered.

Compiling the Evidence; A Critical Analysis of Partnerships Profiled

Hypothesis (1): The framework of national governance (laws, institutions, political system) is critical to the effectiveness of cross-sector partnerships involving government.

"To achieve growth and also poverty reduction, governance – the capacity and quality of government – is key to effective and sustainable pro-poor targeting. Though governance is improving in Africa in many countries, much more remains to be done to ensure accountability and rule of law, fight corruption and create a business environment friendly to domestic and foreign investors"

Source: Economic Report on Africa
Economic Commission of Africa (2004)

The Indian case study examined a public-private partnership (PPP) to promote health services in the coal mine areas of West Bengal. The partnership was initiated by the State Government in accordance with a state policy to promote PPPs. It was the Department of Health and Family Welfare, Government of West Bengal which contracted GTZ to broker the PPP, identified the target districts and instructed the District Administrations to work with GTZ to create a PPP to promote health services in their districts. The District Administration not only played a key role in identifying potential partners in the districts, but also championed and supported the idea of a PPP. The role of the National Government in financing and expanding this partnership was also critical. Not only was the partnership funded in part by moneys received through the National Rural Health Mission, but it was the National Government (in the form of the Indian Ministry of Labour) that eventually came forward to replicate and roll-out the health plan devised by GTZ and the partners for the concerned West Bengal districts, to communities across India.

Thus what began as a State Government initiated programme, piloted at a local level with vital support provided by the District Administration, eventually evolved into a country-wide initiative with the backing of the National Government. This partnership truly illustrates the importance of government policies and systems in initiating, resourcing and implementing cross-sector partnerships on a local, state and national level.

In the Zambian context, Dr. Sam Mundia, the Permanent Secretary for Market Development and Cooperatives at the Zambian Ministry of Agriculture and Cooperatives (MACO), highlighted the role of the Zambian Government in creating an enabling environment for PPP in the agricultural sector:

“Government recognizes business and civil society as legitimate development actors. This is contained in the National Agricultural Policy (NAP) 2004-2015. Appropriate policies and plans exist in the sector through the NAP 2004-2015 and Fifth National Development Plan (FNDP) respectively. Though the legislation is in place, through the enactment of the Cotton Act No. 21 of 2005, it is not adequate. However, Government has responded positively that it will make necessary amendments.”

The case study on *Partnerships in Education; The College Industry Programme*, which examined two college industry programmes in South Africa, (one in the construction and the other in the mining industry) revealed the importance of policy frameworks for the PPP:

“The framework provided by policies and legislation were critical in both of the sectors reviewed as were attitudes of key government players. Critically, the Further Education Training (FET) Act of 1998 and more recently the FET College Bill frame what is possible within the colleges.”

The case study on *Partnerships at Municipalities; Experiences from Ethekwini Metropolitan and Buffalo City Municipalities*, which examines 4 PPP across 2 municipalities, raised some important issues regarding the significance of legislative frameworks and their impact on cross-sector partnering:

“The biggest challenges for the initiation and implementation of PPPs were identified as the current legislative requirements. Key specific issues mentioned regarding the legislation were:

- *That the legislative process is cumbersome and time consuming,*
- *That the legislative requirements distracts the focus of professionals from engaging in their professional work by making them act as administrators,*
- *That the current legislative and constitutional setting limits municipalities abilities to earn revenue and to secure PPP deals internationally (such as*

Public-Private Partnerships and National Governance; The South African Context.

The South African National Treasury has introduced an array of regulatory frameworks that are aimed at actively attracting private sector engagement in national, provincial and local service delivery. Within this new initiative, the specific area of focus is primarily infrastructure development such as roads, water infrastructure, energy distribution, housing, schools, communications and health infrastructure. These are perceived as high-potential sectors for PPPs and government organisations are challenged with scoping and initiating such partnerships. The emergence of the public private partnerships has had a positive impact on the implementation of projects related to provincial and municipal [integrated] development plans. While existing partnership initiatives show some potential in contributing to the achievement of government’s development agenda and its targets, the real scope of this potential for strategic partnering is yet to be understood and explored.

Source: Partnerships at Municipalities Experiences from Ethekwini Metropolitan and Buffalo City Municipalities

- the ability of the municipality to sell destroyed carbon dioxide gas that falls within the Kyoto Protocol agreement to countries like China,.*
- *That the current legislative process often lends itself to corrupt practices,*
 - *That the current legislation does not appreciate the intricacies of the negotiations that takes place when procuring high profile PPPs, to the extent that it limits the creativity and innovation that can emerge from these negotiations,*
 - *That the current legislation does not take into account the take over processes that needs to be catered for when undertaking huge service delivery PPP projects"*

The case study of the Kenyan ICT Trust Fund highlights the operational challenges of working with a public sector partner which, despite political will and commitment to the partnership is slow to respond, because of the systemic and legislative constraints:

"there has been a delay of over 1 ½ years between the Government committing resources for an additional 213 schools and the actual implementation of this promise. One of the main points of contention has been to get the Treasury and the Central Tender and Procurement board to sign off to a procurement system that is practical, flexible and acceptable to the partners."

However the Fund partners persevered and after a year and a half were able to negotiate a procurement strategy that was acceptable to all parties. Thus the case study concludes that:

"most organisational and sectoral differences arising from policies and practices can only be resolved through negotiation and consensus building by skilled partnership experts otherwise it will continue to take patience and time."

Nevertheless this issue of procurement strategies and the delays caused in negotiating them was also highlighted in the case study on The City of Tshwane Municipal Headquarters, where the partners conceded that the project took longer because the procurement framework defined under the Public Finance Management Act had to be adapted to the municipal context:

"We (the partners) had to look at the procurement framework that was defined under the PMFA (module 5) and adapt that to the municipal environment... Furthermore Tumi Moleke, from the National Treasury noted that the procurement policies in the city council are not aligned to a PPP procurement process that is usually more flexible. 'If you

"In many instances, Public-Private Partnerships (PPP) in South Africa have been constituted as the outsourcing of public services to private companies. This also includes infrastructure development. There are generally two reasons why a government considers entering into a PPP firstly as a means of raising the money required for basic infrastructure development and secondly, because it does not have the expertise needed for efficient service delivery. In some cases it is a combination of both. South African Laws now define a PPP as a contract between a public sector institution/municipality and a private party, in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a project."

Partnerships in Agriculture; Market based Crop
Production,
PwG Case Study by Claire Paterson

therefore have PPP procurement policies in place ... you don't have to go back and ask the council. All of this takes time as you wait for council to have a meeting again. Then you also have to deal with the head of legal services or procurement who does not understand what a PPP is and they find it very odd that you would allow such things in the process. The PPP-unit has designed guidelines for municipal PPPs and the hope is that these guidelines would provide a defensible and clear process which various municipal councils will adopt as policies. Once council has adopted it then everything will fall into place."

The case study also mentions other legislation which needed to be adapted to match municipal realities, for example:

"The participants expressed a high level of frustration in their dealings with the current legislative frameworks which does not match the realities of municipalities. Peter Aborn explains that 'the Municipal Systems Act (MSA) is one pillar of the legislation that plays a very important role in municipal PPPs. The MSA which preceded the Municipal Finance Management Act (MFMA) contains PPP requirements that were not aligned within the MFMA – noting that the MFMA guidelines are still not issued by National Treasury. The MSA was driven from the local level with considerable resistance to the idea of PPP because many think it is a mere ruse for privatization. The MSA came up with notions (Section 78) that state that if you want to "privatize" a function of government there must be a feasibility study done. The MFMA also talks about a feasibility study but did not initially take section 78 of the MSA into account. There currently remains ongoing confusion in this regard, and a top policy decision has been made not to change legislation. The difference between a function (like delivering water) and a service delivery support activity or undertaking (like building a structure) must be clarified."

The case study emphasized that such lack of legislative clarity made it difficult for public officials to take action since they were afraid that they may be accused of trying to circumvent the law. According to Tumi Moleke from the National Treasury, this raised concerns about personal and professional liability:

"currently municipalities have to act without clear policies. 'You want a clean process because one of the challenges of a PPP is that you want a process that is defensible. You have to be absolutely meticulous in terms of the lawyers who must be 100% happy that there was no bridging of the law."

Peter Aborn from the City of Tshwane agreed, adding that:

"The challenge for local government is therefore the mismatch of realities on the ground and the legislative framework: the lack of integration of pieces of legislation which came up in the MSA. (These make) institutions like banks look at this confusion and disarray and see a lack of congruity which makes them hesitant to participate in PPPs."

The lack of clarity about the implications of the South African PFMA also impacted the Africa Drive Project (ADP) profiled in a separate case study. The Auditor General of South Africa requires that

Trusts which are set-up to administer funds should be fully-fledged public entities as per the PFMA. According to one of the ADP partners the implications of this law for partnerships such as ADP are not clear and need to be made explicit by the government to promote effective financial management of partnerships like ADP.

Hypothesis (2): Many government agencies are sceptical as to the added value of cross-sector partnership as a means of delivering on their MDG commitments.

The Africa Drive Project (ADP) offers some interesting insights into the hesitance of government agencies in engaging in cross-sector partnerships. Many of the non-public-sector partners pointed to the lack of public sector commitment to the partnership as a key challenge faced by the Project. There were varying explanations from the public sector partners for this hesitance.

Speaking on behalf of the public sector partners, Professor Hennie Steyn from the North West University conceded that public sector commitment to the Project was not so readily available. He explained that because ADP was a totally new concept, it took time and effort to drum up public-sector support for the Project. According to him, at the beginning roughly 60% of the people involved (from the University) were committed to the idea of ADP, while the rest were either weary of this new concept, unsure if it was worth the time and money required or they did not have the time to dedicate to it. Abednego Seakamela of the North-West Department of Education – another key public-sector partner- painted a similar picture adding that though there was generally no problem of 'buy-in' for ADP within his department it was a challenge to, to get some of the officials (lower than heads of departments) excited about the Project. According to him, this hesitation was due to a lack of understanding among officials on what ADP could deliver and a lack of communication about the Project. The Department tried to overcome this hesitation through regular discussions at management meetings. Both the University and the North-West Department of Education emphasized that this initial hesitance was overcome by better communications and overriding political will for the PPP.

The Zambian case study profiles a government partner, the Ministry of Agriculture and Cooperatives (MACO), that is convinced of the value of the partnering but:

"Though there is this conviction, there is a general lack of knowledge of cross-sector partnering within MACO especially at lower levels. Guidelines for engagement exist only at policy level where the Public-Private Partnerships are conceived because the cross-sector partnership approach is new. And while some officers in government are averse to cross-sector partnerships for fear of eroding their authority, such attitude is not present in MACO officers at Permanent Secretary and Director level. In fact Senior Ministry through officers play an active role in facilitating and engaging in partnerships."

The case study of the Kenyan ICT Trust Fund reveals doubts about the value of cross-sector partnering among all sectors:

"there were internal issues among the main partners and this included doubts from the private sector and civil society whether a partnership with the public sector could work given their slow pace and perception of corruption. Similarly there was doubt from the public sector about what the real agenda of the private sector was given their strong profit motive and perception about little concern for social responsibility."

The case study documents how the partners worked together to overcome these doubts:

"To remove these doubts and suspicions between the partners it was necessary to develop a shared risk shared reward model where all partners were seen to be equitably contributing. In addition involvement of the 'senior most' staff in the organisations helped to build confidence and pass on the right message to the operational staff about the importance of the partnership."

The case study on *Partnerships in Education: The College Industry Programme*, revealed that :

"The national Department of Education (DoE) holds a healthy skepticism as to the actual value added (through PPP)... This is not to say that DoE is skeptical in general about the potential of partnerships... but that the experience of Government departments is that often an approach on a so-named 'partnership' is in fact an ill-considered attempt to serve very focused agendas that are insensitive or antithetical to Government's broader mandates."

Hypothesis (3): Government agencies (both politicians and civil servants) do not engage in or promote cross sector partnerships because of a concern that such involvement leads to erosion of their authority and abrogation of their mandate to act in the public interest.

"I do not believe that any African country needs the IMF or the World Bank before sending its children to school or fighting HIV/AIDS. What is lacking is the adequate political will."

Tajudeen Abdul-Raheem,
Director of the Millennium Campaign in Africa,
March 2007

The Zambian case study presents an example of a PPP where the Government partner has played the role of facilitator bringing together the other two partners and while the Ministry of Agriculture and Cooperatives (MACO):

"did not have a budget line for its involvement in the partnership, it was able to perform its role in the partnership such as providing an enabling environment and fostering dialogue between Cotton Association of Zambia and Zambian Cotton Ginners Association. In addition to this, it provided intangible resources which were legitimacy and convening power."

According to Sam Mundia, Permanent Secretary for Market Development and Cooperatives at MACO:

"MACO officers are not afraid that involvement of government or its promotion of cross-sector partnerships would erode their authority or their mandate to act in the public interest."

The Ministry has been involved in fostering and engaging in partnerships such as the one in the cotton sector."

In this case, it is the private sector partner, the *Zambian Cotton Ginners Association (ZCGA)* that is refuting the existence of a 'partnership'. The Chairman of the ZCGA, insisted that there was no partnership between his Association, the Ministry and the *Cotton Association of Zambia (CAZ)*, referring to their interaction as nothing more than a 'dialogue'. The case study was unable to resolve the contradiction in terms as both CAZ and MACO referred to the relationship with ZCGA as a 'partnership'.

In the case study of the *Kenyan ICT Trust Fund* the Ministry of Education saw obvious incentives to support the PPP, which offered it the unique opportunity to:

"consult with all the stakeholders and get their input into the National Education policy... (as well a chance) to leverage its limited resources to invest in ICT in schools"

Thus engaging in the cross-sector partnership actually enhanced the Ministry's public service mandate. But even in this case the private sector partners noticed that there were competing Government priorities which made it difficult to secure public resources for the Fund:

"the Government's commitment is competing with other needs e.g. the financing of free primary education, other infrastructure needs (like electricity, roads and airports), etc"

Therefore even though engaging in a PPP may not be considered by public sector partners as an erosion of their authority or abrogation of their mandate to act in public interest, it may still compete with other public responsibilities for limited public resources.

The case study about *Partnerships in Education: The College Industry Programme*, reveals the sensitivity of government to advice from other sectors on matters that it considers to be part of its mandate:

"Government is particularly sensitive to its own perceptions, that other sectors might be interfering with its mandate to govern or might be suggesting that it lacks the capacity to implement as per its requirements."

The case study on *Partnerships at Municipalities Experiences from Ethekewini Metropolitan and Buffalo City Municipalities*, raised important issues regarding the concern among local government officials about being perceived as being too pro-private sector:

"The extent to which unions are concerned about any move by the municipality to be seen to be entertaining privatisation initiatives, and the fear of politicians who did not want to be seen to be pro-privatisation by their constituencies, was very real"

It seems that some local government officials face political pressure to not appear to be working too closely with the private sector because it may compromise their image of protecting public interests. This was highlighted in the case study of the *City of Tshwane Municipal Headquarters* where:

Peter Aborn (City of Tshwane) explains that 'people are very suspicious of the notion that we are going to give the private sector responsibility for something, for doing things that we look at as privatization of our organized labor power.' In a conversation with Laila Horton, Strover Maganedisa and Elsa Strydom (from the National Treasury) it emerged that 'when it comes to services, even though numbers might say that it is cheaper to do it via the private sector, there is still an inherent ideological instinctive discomfort with the idea of letting private sector get involved in the provision of services which people believe is the responsibility of the government. The other idea, that the private sector will profit on the service provision, is even worse, although you might argue that even though they are making money, the efficiency that they bring, more than outweighs any kind of profit that they make. Surely that is what matters.'.. According to Tumi (from the PPP unity at the National Treasury), there is also an assumption that the public sector is inherently good and the private sector is inherently bad because it is profit driven. 'When people start to talk about the private sector, you immediately think inherently bad, profit motivated. This is the case sometimes to a point of religion. It becomes quite a challenge to shift those ideas.'"

According to Ashwin Hemraj from PD Naidoo & Associates, these preconceived notions along with a lack of understanding about PPP makes some municipal authorities sceptical of the value of PPP:

"most municipal staff members are not aware of PPPs as a whole. They think it is a new method that wants to take away their old procurement methods. I think we need to go back and explain why we are doing PPPs; what is a PPP; what does it mean to do a PPP, and take them back to fundamentals first. We do PPPs because of a lack of resource and to transfer risks.... Maybe if they understood the basics of the contract that private parties sign it would help."

Hypothesis (4): Vested interests may inhibit the willingness of decision-making individuals to enable public bodies to partner with civic and business sectors to deliver on MDGs

"Vested interest in the form of 'the way we do things' is a serious problem in the Ministry."

Dr. Sam Mundia,
Permanent Secretary for Market Development and Cooperatives
Ministry of Agriculture and Cooperatives, Zambia,

One of the partnership challenges highlighted in the Guinean case study about the PPP between the Guinean Government and mining companies related to the issue of political appointees to the partnership committee, appointees who lacked the technical expertise and skills to address the critical issues before the committee:

"The Guinean party's experts were not chosen because of their expertise but because they occupied the post of director, administrator or adviser at the ministry... few of them were

specialised in mining law or familiar with international practices of negotiation on such sensitive issues."

The case study also highlighted the problem of turn-over within government ministries and how this change impacted the commitment of public sector representatives to the PPP they inherited:

"it was not unusual for the position of the Guinean party to change, with the arrival of a new minister as a committee member."

This issue of staff change was also raised in the case study on the *City of Tshwane Municipal Headquarters*, as Subesh Pillay from the City of Tshwane Municipality explains:

"The MHQ project was conceived in one political term and was given the implementation time lines and key milestones of the delivery of the project. But it straddled over into a new political term, implying that the new leadership, which emerged subsequent to local government elections in March 2006, would have had to 'carry forward' the project. The immediate challenge was whether this project would still stand the test of the imperatives that the new leadership had identified. Furthermore with the exception of the project officer and transaction advisor, the rest of the participants have changed in the last 18 months."

The project partners complained that with each subsequent political change they had to start from scratch to gain political buy-in and ensure that the new municipal representative understood and supported the PPP and its needs.

Such staff changes have significant impact particular in the context of building PPP at the municipal level because:

"in local government you have to go through the whole bureaucracy. It has to go to legal services, to finance, political oversight committee etc. So there are a lot of structural, oversight and accountability issues to deal with. All that it does is add more people to deal with in the process because you then have to explain things to all of those people. You have to get through the gate in terms of convincing those people and that poses its own risks for the project, the risk of time for example. If there is no political support for the project, it may collapse."¹

While there was some evidence of public sector officials who because of their vested interests were less than keen to promote PPP, the case study of the Kenya ICT Trust Fund presents a totally different picture. The Kenya ICT Trust Fund offers insights into how decision making individuals in the public sector can actually be key drivers for a PPP. The Fund is a partnership initiated by Microsoft Kenya and supported by civil society organisations, academic institutions and businesses as well as the Kenyan Ministry of Technology and the Ministry of Education. The latter has partnered with Microsoft in the first round of the 'pilot' initiative and following this has now committed resources for over 213 schools (3 per district). According to Microsoft's Mark Matunga, this commitment from the Ministry is in no small part due to the contribution and commitment of the Permanent Secretary, Professor Muthai Karega, who has been a strong champion of the partnership from the start:

¹ *City of Tshwane Municipal Headquarters*, a PwG case study.

"he immediately saw the fit with the larger government agenda to provide ICT access for all through the education curriculum and got the endorsement of both his Minister and the Treasury. He also wasted no time in appointing his head of IT as the point person in the Ministry. The buy in from the Minister was important for the political buy in. The fact that the two top people in the Ministry i.e. the Permanent Secretary and the Minister were both very supportive was critical."

Ironically, one of the weaknesses of the Kenya ICT Trust Fund is that it is so dependent on the individual champions who have been driving this partnership:

"Even though the partnership has been institutionalised there is still a risk that the individuals are driving it rather than 'the processes'. There is a risk of the partnership not being as effective as it should be if the drivers' roles were to suddenly change."

This is an issue which is yet to be addressed by the partners.

Hypothesis (5): Public bodies (like other sectors) are limited in both the internal management systems and professional skill sets of their staff to be able to partner effectively with civic and business sectors to deliver on MDGs

The Africa Drive Project, case study raises important questions about the limited capacity of public sector partners and the impact of this on the PPP. According to the partners interviewed one of the major challenges faced by ADP was the lack of partnering and project management skills demonstrated by the Project's public sector partners. One of the partners explained that the public sector partners needed critical skills in two areas: "strategic competencies (to be able know what they want to do in the long term); and project management skills (to be able to work in a democratic/decentralised management style and not be the sole driver)". Some partners also observed the public sector's focus on short-term (urgent) priorities rather than long-term (strategic) issues as a shortcoming. While others pointed to the lack of understanding within the public sector when it came to understanding how other sectors worked and stressed the need for a public sector policy on how to engage in partnerships especially with the private sector. Not only were the public sector partners accused of having limited partnering and project management skills but also of demonstrating a lack of technical expertise required for a (ICT related) project of this nature.

GTZ West Bengal – the team brokering the PPP to promote health services in the State – also realised early on the need for investing in building the professional skills sets of public sector staff. Along with sponsoring the participation of their own staff in the Partnership Brokers Accreditation Scheme (PBAS) GTZ also invested in sponsoring the participation of a key government official from the area to ensure more effective public-private partnering. The local Chief of Self Government, Mr. Uday Shankar Sarkar whose participation in PBAS was paid by GTZ, went on to become a vociferous champion for the cross-sector partnership to promote health services as well as the concept of PPP in general.

In the case study of the *City of Tshwane Municipal Headquarters* the partners also noted the need for skilled municipal staff:

“Elsa Strydom (from the PPP Unit at the National Treasury) explains that there is a scarcity of good project officers and transaction advisors. There is a need for people that have been part of a process and have had some in-house training and experience. There are many opportunities for this kind of specialized training, but learning from an experienced person is probably the best way to do that.”

Elsa also identified systems and processes within the municipal government that needed to be improved in order to promote more effective PPP:

“Another opportunity that municipalities could embrace is to manage their data better and have better systems from which to extract data. This could speed up the whole feasibility study process. Elsa also proposes that there be a dedicated unit that deals with PPPs within the metro municipalities where you can have that kind of capacity, and where people understand the process and they know what they must do. With the existence of such a unit it would be possible to create capacity and provide officials with the necessary skills around the PPP process, by taking them through some projects in municipalities so that they get an idea of the different projects. They would also be able to see the differences between a service delivery project and an accommodation project. Experienced municipal officers of the unit can then share their knowledge and experience with one another. This is definitely an opportunity because at this stage municipalities are working very isolated from each other and there is not really much interaction... These units might also help to motivate the buy in and interest of your senior management and then create opportunities for sharing and capacity creation etc.”

In the Zambian case study we have the example of a Government partner which recognises its own capacity limitations and the impact they have on its ability to engage effectively in PPP. Dr. Sam Mundia, Permanent Secretary for Market Development and Cooperative at the Ministry of Agriculture and Cooperatives (MACO) said:

“MACO recognizes that it is limited both in internal management and professional skill set. However, there are deliberate efforts to train and disseminate information about partnerships. There is no unit in the establishment created specifically to deal with partnerships. Because of these pitfalls, and given the newness of the cross-sector partnering approach, the whole approach is viewed as risk-taking.”

The case study on *Partnerships at Municipalities Experiences from Ethekwini Metropolitan and Buffalo City Municipalities* also highlights the areas for building the capacity of local government authorities to ensure more effective PPPs:

“There is a lack of capacity from municipal officials to deliver services ranging from the provision of the necessary basic services to enable the implementation of a partnership project, to the capacity of the municipal officials to negotiate PPP projects. Capacity building requirements identified included:

- *The need to provide an understanding of the concept of PPPs*
- *The need to review the current legislation*

- *The need to build the negotiation, and management skills of municipal officials,*
- *The need to provide guidance on which projects are suitable for PPP.*

The case study by Claire Paterson, highlighting the partnership between GTZ South Africa, the Limpopo Department of Agriculture, Pick 'n Pay and local farmers outlined the skills and expertise brought by all partners to the partnership:

"The partners all provide specific skill and capacity to the partnership Pick 'n Pay are a powerful market link for the farmers and provide a crucial aspect of the value chain. The Department of Agriculture are able to provide skills and capacity to the farmers needed to engage in commercial agriculture, while GTZ facilitated the procedure."

And emphasized the value of the skills, commitment and resources of the public partner in making the partnership a success:

"The Department of Agriculture have been actively involved in the planning of the project and are able to play an important role in the implementation by coordinating farmer training, and providing organisational development. A number of specialist services are available within the department and have been provided to the project. These include services and support related to crop production, agronomics, and agribusiness."

"There are a number of extension officers that operate through the department and have been trained in facilitation skills to engage with communities across the province... The Limpopo Department of Agriculture is a well-structured department and is fully committed to the project."

While the case study on *Partnerships in Education; The College Industry Programme;* concluded that it was not just the public sector that needed better partnering skills:

"There is little evidence in these studies that Government generally is in a worse position to partner than the private sector. Players in both sectors find their way through misperceptions, preconceived ideas, and the odd blunder-in-practice in order to reach mature partnering."

Hypothesis (6): Partnerships which touch on public services and which do not include government as a partner or where government is not sufficiently engaged or active, may never reach their full potential, can be difficult to scale up and may not achieve long term sustainable outcomes.

"Government driven partnerships may lead to enhanced legitimacy and more sustainability in this context rather than a onetime project".

Dr. Tappan Gore, Technical Expert GTZ, West Bengal, India
Source: *Challenges of a Many Stakeholder Partnership;
A Partnership Broker's Journey
Indian Case Study for PWG Project*

While brokering a PPP to promote health services in West Bengal, the GTZ team found that the active involvement of senior government officials inspired greater involvement from other potential partners. The GTZ team reported that senior management of potential partners were keen to attend partnership meetings when they knew there was going to be senior government officials present. Recognising the significance of government champions for the PPP, GTZ invested in training a local government official in partnership brokering, and thus gained a vociferous public-sector champion for the proposed partnership.

The Africa Drive Project is an example of a PPP where the lack of government engagement limited the scope and scale of the partnership. A number of the private sector project partners reported that while it was easy to get the public partners on board, it was difficult to make them discharge their responsibilities. Not only did the public sector partners not allocate adequate human and financial resources to the Project (the public sector representatives involved in the Project were asked to take on this responsibility "on top of their regular work") but they were also reluctant or unable to 'give content' to the partnership. As a result of this public sector hesitancy/inability the private sector partners had to step in and assume "operational ownership" of the Project. The public sector partners were also accused of making no effort to assign a 'senior champion' from the government to support the Project. Thus while the private sector partners of the Africa Drive Project believe that their pilot project could be replicated across Africa they did not think it was possible without long-term public sector commitment to providing adequate financial and human resources as well as support from key government officials/champions.

In the case of the Kenya ICT Trust Fund, Microsoft the private sector partner driving the partnership realised early on the importance of having public sector support and participation in the partnership:

"for this initiative to get to the scale required or be integrated as part of the National ICT education curriculum it would need to work with the public sector and the civil society as well as other private sector partners not only because of the huge resource requirement but also because to effect policy change that is more easily accomplished with all the stakeholders involvement."

According to Mark Matunga, from Microsoft Kenya:

"It was not easy to get the Government on board, but it was important to do so and to also to identify the right government department and just as important to identify the right individuals who understood the potential for/of the partnership."

Mark invested considerable time and effort in bringing the public partner on board and in ensuring that the partnership had key champions within the Government willing to allocate the resources and commitment needed to drive the Fund. To date the Fund has been able to raise over USD 2,000,000 from the Government of Kenya.

In the Zambian case study, Mr. Joseph Nkole National Coordinator of the Cotton Association of Zambia (ZAC) gave a compelling account of the role played by the Zambian Ministry for Agriculture and Cooperatives (MACO) in bringing together the various players in the cotton industry:

"Through government engagement with CAZ and the Zambian Cotton Ginners Association harmony has been created in the sector and players are able to interact much more and resolve issues even away from formal meetings... Thus Government plays a critical role."

Although the relationship between ZAC, MACO and ZCGA is not characterised as a 'partnership' by the latter, this testimony from Mr. Nkole does highlight the governments role in bringing together the three parties to engage with each other, whether as partners or in some other regard.

The case study about the partnership between GTZ South Africa, the Limpopo Department of Agriculture (LDA) and Pick 'n Pay, written by Claire Paterson offers an example of how one PPP led to the creation of another. In 1998 GTZ developed the Broad Agricultural Services and Extension Delivery (BASED) project in partnership with the Limpopo Department of Agriculture. The relationship GTZ developed with the Department through the BASED project led to the subsequent partnership between GTZ, the LDA, local farmers and Pick 'n Pay:

"The BASED programme built a working relationship between the LDA, GTZ and emerging farmers. The results of the project have provided the opportunity to build on this platform and have led to the establishment of this (new) PPP project."

Thus the author argues that:

"While the BASED programme was concluded in 2006, the (new) partnership between GTZ and LDA has continued to extend the outcomes of the BASED project."

Not only is this new partnership a result of the previous relationship between GTZ and LDA, but it has benefited greatly from the previous partnership, particularly the investments made by GTZ in developing the skills and expertise of LDA during the BASED project:

"GTZ have provided many resources towards developing capacity within the department through the BASED programme, and so the knowledge and skills developed can be implemented in the PPP project with Pick 'n Pay".

Furthermore, according to the case study author it is the quality of the relationship developed between GTZ and LDA during the BASED project years which is the greatest strength of the new partnership:

"The real strength (of the partnership) however, lies in the working relationship built between GTZ and the LDA over the nine-year period while BASED was being implemented."

Therefore the relationship between GTZ and LDA developed through the BASED project provided the opportunity, means and resources needed to successfully launch and implement the new PPP partnership between GTZ, LDA, Pick 'n Pay and local farmers, thereby extending the outcomes of the BASED project.