Rural Development through Public-Private Partnerships (PPPs)?
Contents

Definitions
Understanding the concept of PPPs
Collaboration with the private sector
Criteria for PPPs
Various forms of PPPs

At the policy level
Policy initiatives and political discussions
Cooperation with the private sector: An international trend
Reasons for increasing cooperation
Critical objections
PPPs in use

Implementation
Oda-Kotoamso Community Agroforestry Project (OCAP)
Project overview
Roles and goals of the players
Results and experience

Improvement of Coffee Quality and Sustainability of Coffee Production in Vietnam
Project overview
Roles of the players
Results and experience

Watermelon Export Program in Honduras
Project overview
Roles of the players
Results and experience

Conclusion
Join forces to achieve millennium goals
Challenges faced by PPPs
The context determines the rules
Promising PPPs

Bibliography
Recommended reading

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Public-Private Partnerships (PPPs) have entered both theory and practice of development cooperation in manifold forms. The first two chapters of the present publication aim to elucidate the term and place it in a wider context of development policy. This introduction is followed by three examples which serve to analyse the potential, as well as the limits and risks, of PPPs in rural development.

Collaboration with the private sector

Development cooperation has known various forms of collaboration with the private sector for quite some time, ranging from simple contracting of private companies for certain project activities, to specific promotion of the private sector in developing countries, to general promotion of trade and investment. Furthermore, many private companies commit to social and ecological principles, finance foundations, and launch their own initiatives in developing countries. In recent years, this array of tools has been joined by a new instrument: PPPs.

Criteria for PPPs

- A PPP represents a collaboration, defined by contract, between a public and a private actor.
- The partners' contributions complement each other in a way that enables both to achieve their goals more efficiently within the given PPP than on their own.
- Each partner formulates clear goals and communicates them to the other partner.

For PPPs in development cooperation, the following additional criteria are frequently quoted:

- The public partner does not finance the private partner's core business but offers subsidiary support.
- The PPP does not distort trading conditions.
- The private partner's commitment exceeds the duration of the project.
- The PPP enables the private partner to pursue their economic goals (such as profitability and opening of new markets) and the public partner to pursue their development policy goals (such as sustainability and poverty reduction).

In rural areas, PPPs can take two particular directions: 1. Improvement of frame conditions with the aim of attracting investment, 2. Improvement of production (cultivation systems, market access, and others). In both cases, sustainable use of natural resources should be a main objective.

Various forms of PPPs

In practice, PPPs can take a wide range of forms: a development agency combines its knowledge with that of a private company from the South (or the North) in order to realise a joint project; a company is already financing a project and seeks support from a development agency; or a development agency supports collaboration between a private company and the government of a developing country. Depending on the situation, the scale of a PPP can vary considerably, ranging from infrastructural projects worth millions down to small-scale rural projects emerging from personal relationships.
Policy initiatives and political discussions

Cooperation with the private sector: An international trend
Strengthening interaction and cooperation with the private sector in development cooperation has become an actual international trend, demonstrated by many policy initiatives of the past years. Encouraged partly by public and partly by private players, they have triggered effects on both the international and the national level:

• In 2000, the UN, the private sector, and other groups founded the Global Compact. This initiative proclaims ten principles with regard to human rights and social and environmental standards. Participating companies commit themselves to acting according to these principles.

• In March 2002, an International Conference on Financing for Development was held in Monterrey, Mexico. Participants underlined the importance of joining forces with the private sector to achieve the defined development goals.

• At the World Summit on Sustainable Development held in September 2002 in Johannesburg, South Africa, participants widely called for partnerships promoting sustainable development.

• In the same year, leading financial institutions adopted the so-called Equator Principles. These guidelines for the financial sector are designed to ensure consideration of ecological and social risks when financing projects.

• The Global Compact Leaders Summit was held in June 2004 and represents the largest global conference so far to discuss cross-sector cooperation.

• The principle of Corporate Social Responsibility, which demands that companies carry the responsibility for their own positive social and ecological development, is becoming more and more established.

• The role of the private sector in advancing development is defined a core issue by a growing number of institutions, such as the UN Commission on the Private Sector and Development, the World Business Council for Sustainable Development, the International Business Leaders Forum, the World Economic Forum, and others.

Several national development agencies have launched their own initiatives to promote closer collaboration with the private sector. The German Federal Ministry for Economic Cooperation and Development (BMZ), for example, introduced a programme to promote PPPs as early as 1999. The United States Agency for International Development (USAID) has founded a “Global Development Alliance” to promote implementation of development projects in collaboration with the private sector and civil society.

Reasons for increasing cooperation
• The Millennium Development Goals represent clear objectives with regard to reducing world poverty and have thus increased the pressure on all countries to present positive results.

• Limited governmental financial means require mobilising additional resources.

“Creating wealth, which is business’s expertise, and promoting human security in the broadest sense, the UN’s main concern, are mutually reinforcing goals. Thriving markets and human security go hand in hand. A world of hunger, poverty and injustices is one in which markets, peace and freedom will never take root.”

Kofi Annan, Secretary General, United Nations.
At the policy level

• By collaborating with the private sector, the state can make use of technical know-how otherwise not available.
• There is hope that collaboration with the private sector will lead to increased project sustainability and efficiency.
• In view of the worldwide opening of markets, developing countries are interested in forging contacts that will allow them to gain access to the international market.
• Large corporations are often pressured to restore public trust into the private sector and improve their image.
• Many companies have invested in developing countries – e.g. with the aim of reducing production costs – and have continued to play an important role in these countries.
• Other companies are seeking to open new markets and are therefore interested in sharing the knowledge and networks of development agencies.

Critical objections
The need for the private sector to take on more responsibility in the fight against poverty is widely acknowledged. However, NGOs have also criticised initiatives undertaken so far, as well as their justifications. For example, various efforts to commit companies to complying with certain development policy standards have been criticised for their poor effectiveness, since they all operate on an optional basis. PPPs are particularly subject to criticism, the main arguments being the following:
• It is hardly possible to reconcile the interests of the private sector in profitability and income maximisation with the governmental objectives of poverty reduction and sustainable development within a single project.
• A PPP contains the risk that governmental funds are misused to subsidise private interests.
• PPPs enable companies to externalise social and ecological costs (to the public partner).
• PPPs can lead to preferential treatment of certain companies and can thus cause a distortion of normal trading conditions.
• Particularly in the basic service and infrastructure sector (energy, water, health) PPPs are problematic, as they may lead to selling off the basic public services and neglecting the interests of the poor.

PPPs in use
Despite these critical objections, PPPs are gaining ground. At present, they are clearly more widespread in the basic services and infrastructure sector just mentioned, particularly in urban areas. For example, there are many PPP projects concerned with the restoration and expansion of basic water and power supply. PPPs in rural development are still rather uncommon, although the increasing opening of agricultural markets clearly provides a potential. Current rural PPPs are mainly concerned with organic farming, the use of non-timber forest products, and the certification of ecologically and socially sound production. Three examples that partly include other sectors are analysed in the following.

"We now must enter a period of enlightened self-interest where community development objectives are not seen as separate from business objectives, but fundamental to business objectives."

Carly Fiorina, CEO, Hewlett-Packard

"Along with a lot of the other NGOs, there is concern that the great opportunity offered by the Compact is being undermined in some quarters by business seeming inability to face up to the need for deeper change."

Jeremy Hobbs, Executive Director, Oxfam

"We have entered a Multilateral Ice Age. The intergovernmental system is not delivering through regulatory approaches. NGOs are now turning to markets forces as a catalyst for change."

Claude Martin, Executive Director, WWF
Oda-Kotoamso Community Agroforestry Project (OCAP)

Project overview
Up to recent years, smallholders in the forested surroundings of Samreboi in western Ghana used slash-and-burn methods to clear increasing areas for cultivation. Licence rights owned by the local timber company Samartex prevented them from selling the trees growing on their leased land. Poor soil productivity and population growth forced them to reduce fallow periods more and more, rendering any natural maintenance of soil fertility impossible.

In order to change this situation, unsustainable both from the farmers’ and from Samartex’s point of view, the timber company launched an agroforestry project. Farmers were motivated to shift to an ecologically and economically favourable combined cultivation of trees, cash crops, and food crops. The change was successfully induced through financial incentives (after adapting ownership and user rights) and through training efforts. Various additional sources of income, such as apiculture, snail farming, pisciculture, marketing of non-timber forest products, and a wood-carving centre are intended to further improve the farmers’ situation. Efforts to gain access to markets and build up processing industries are planned in order to support these additional activities.

Roles and goals of the players
OCAP was launched by Samartex in 1997 and is planned over a period of 10 years. Since 1999, technical support is provided by the German Development Service (Deutscher Entwicklungsdienst, DED). This collaboration between a private and a public partner emerged from a chance meeting due to an erroneous trip of the DED country director to the project area.

Samartex launched the project together with the local population and carries the responsibility for project management and implementation. The main objective of this commitment is to ensure long-term continuity of timber supply by reducing slash-and-burn forest destruction and promoting the planting of new trees. Samartex quotes sustainable use of natural resources and improvement of the local population’s livelihoods as an important basis for the company’s further development. Thus, its financial contributions are considerable: Samartex carries the entire material costs of the project, including start-up financing for the above-mentioned alternative sources of income.

DED supports the project management with a consultant who supervises both the implementation of project measures and further development of the concept. DED pursues the following development policy goals: Creation of alternative sources of income and job opportunities for smallholders, conservation of the rain forest and biodiversity through sustainable use of natural resources, contribution to a socio-economically stable environment, long-term securing of timber supply and smallholder agriculture, and securing of the company’s future. The financial contribution made by DED consists of carrying the labour costs for their consultant.
Several other players are also involved in OCAP, including, above all, 350 local smallholder households, as well as various government agencies and the local land owners who are responsible for distributing the land among the farmers.

**Results and experience**

Within the project, Samartex, the participating smallholders, and the land owners signed an agreement, according to which smallholders pay the land owners a fee for the right to cultivate their land. At the same time they commit to planting trees as a long-term investment, along with various mid- and short-term crops. The land owners are entitled to a third of the long- and mid-term crops, the smallholders to the remaining two thirds and all short-term crops. Samartex has the first rights to purchase the timber, which means that the company can submit a price offer when the trees are ready to be cut.

In the course of OCAP, many smallholders have shifted to sustainable agro-forestry and have diversified their production. Their ecological awareness has clearly increased. At the same time, jobs have been created, and the farm income has increased. The fact that farmers see a financial interest in changing their production habits thanks to the newly introduced ownership and use regulations, is essential to the success of OCAP.

DED was new to the experience of collaborating with the private sector. During the initial phase there were some aversions, partly based on ideological differences. However, time showed that open communication and common objectives can lead to a good functioning of this type of partnership. In the beginning, both partners had to learn how to deal with each other. Today, DED describes its collaboration with Samartex as good and unbureaucratic.

**Improvement of Coffee Quality and Sustainability of Coffee Production in Vietnam**

**Project overview**

Since 1991, the German Society for Cooperation (Gesellschaft für Technische Zusammenarbeit, GTZ) holds a mandate from the German Federal Ministry for Economic Development and Cooperation (Bundesministerium für wirtschaftliche Entwicklung und Zusammenarbeit, BMZ) to support the restructuring of a formerly state-run company in Vietnam, the Tan Lam Pepper Company (TLPC) in Quang Tri Province.

In the early 1990s, coffee became an important good for export. Consequently, coffee production increased by a factor of nearly ten between 1990 and 2001. Due to worldwide overproduction, coffee prices started sinking
rapidly as of 2000. Therefore, TLPC, two coffee roasteries – Kraft Foods and Sara Lee/Douwe Egberts – and GTZ joined together to form a development partnership for a coffee project. Their main objectives were the following: The Vietnamese coffee industry wanted to restore a sustainable basis for its coffee production. Coffee quality was to be increased along the entire production line, and the general infrastructure in the new residential and work areas of the coffee farmers were to be improved. The production objectives were to shift from quantity to quality.

Roles of the players
GTZ supported the project with public funds that were invested into project management and coordination. The two roasteries, Kraft Foods and Sara Lee/Douwe Egberts, provided technical advice. Vietnam’s coffee industry worked to prevent large fluctuations in production quantities and to improve the quality of export goods. TLPC, the Vietnamese partner organisation, intended to enter into business relations with Kraft Foods and Sara Lee/Douwe Egberts. Additional private partners invested in improving basic infrastructure in the project areas. Plant Research International (PRI, Wageningen Agricultural University) concentrated on promoting cooperation among farmers in the field, on the production of information and documentation, and on its dissemination through “Farmer field schools”. Local NGOs introduced the “community development approach” and trained village communities in independent management of construction projects and small-scale budgets. Jointly with the district administration, the advisory group provided TLPC with new methods and practical tips for farmers in very remote areas lacking good transport infrastructure.

Results and experience
The project resulted, among others, in higher coffee prices to the benefit of both the farmers and TLPC. It also enabled the participants to accumulate important experiences with regard to various areas, including waste water management and general environmental management. After only two harvest seasons, the Vietnamese Coffee and Cocoa Association (VICOFA) awarded TLPC national model status for its environmentally sound behaviour and quality production. Two years after the project was launched, an analysis showed substantial improvements in the processing procedures. Rising coffee prices improved the coffee farmers’ general situation. Finally, training courses and consultancy was extended to other Vietnamese coffee regions.

This development partnership teaches us several important lessons. Among others, direct contact between farmers, processors, and large-scale buyers is considered the most important aspect in motivating local players. GTZ made use of the partner companies’ expertise to progress with its core business of development policy promotion. Integration of the coffee project into the activities of a larger technical cooperation project that had already been running for a longer time, has had the positive effect of providing the PPP with a platform. In the agronomic part of the project, the participatory approach of the “Farmer field schools” was combined with quantitative analyses of financial and biophysical harvest procedures, thus actively involving the farmers in the process.
In conclusion, all partners have benefited from each other through the mobilisation of institutional networks, splitting of costs, and the exchange of knowledge and experience. PRI made it possible to achieve international quality standards, and the adaptation of production procedures benefited the environment.

The first project phase (2001–2004) has drawn to a close. GTZ has now ceased its contributions. The two private companies, Kraft Foods and Sara Lee/Douwe Egberts, are continuing their involvement in the project, contributing to the elaboration of a “Common Code for Conduct of the Coffee Community”, a code of conduct developed jointly by the coffee industry and development cooperation organisations at the request of the German Coffee Association and GTZ and with support from BMZ. It was adopted in 2004.

Watermelon Export Program in Honduras

Project overview
Prior to 2001, Honduras imported US$ 150 million worth of farm products every year. The potential of small enterprises in the rural sector for marketing local products was hardly exploited. Since 2001, two private Swiss organisations, Swisscontact and Helvetas, are jointly implementing a project called “Agropyme” on behalf of the Swiss Agency for Development and Cooperation (SDC). This project contributes to building up and strengthening small-scale agricultural enterprises. Agropyme’s main goals are to substitute imported goods with local production by strengthening the services sector for small-scale agricultural businesses in terms of processing and marketing, promotion of entrepreneurial spirit, market-oriented production, opening of new markets, and development of new products. Clarifications during the planning phase of Agropyme showed that non-traditional products, such as fruit and vegetables, have the greatest potential for development.

The Agropyme project spawned a PPP: the Melon Export Project. This project’s goal was to export melons that are competitive in the international market. The experience gained from Agropyme, along with collaboration between various players, led to such an increase in the production of internationally competitive melons that along with the production for the home market, a substantial amount of melons could be exported.

When two exporters in the southern regions of Honduras received inquiries for watermelon and canary melon from buyers in Europe and the USA in mid 2002, they addressed the Honduran Ministry of Agriculture, which in turn contacted Swisscontact.
Implementation

Roles of the players
The project involved three exporters and 30 independent producers who wanted to export as many melons as possible. Fintrac, a private executing organisation of the United States Agency for International Development (USAID), assisted producers, packagers and exporters in general organisational matters, and supported production coordination and the entire logistics of the project. Swisscontact, among others, made a financial contribution used to pay for an agronomist. The Honduran Ministry of Agriculture and Stockbreeding provided transport for the technicians and granted the producers credits for financing their production through the National Bank of Agricultural Development. These credits were tied to three conditions: a guaranteed market for selling the products, professional support, and an agricultural insurance. The project also involved a private harvest insurance company.

Results and experience
In the season of 2002/2003, two companies were for the first time able to export canary melons and watermelons. Via the internet and a field information system producers had access to data on the development of prices, yields, and quantities exported. This enabled them to rapidly and efficiently adapt their production to new conditions whenever necessary. Compared to the previous season, export rates were dramatically increased (97%). Supported by Swisscontact, the two exporters were able to negotiate a contract with fixed prices. However, the most important result was an increase in stable jobs by 73%, and in temporary jobs by 20%. Thanks to the development partnership, exporters and producers were able to obtain commercial credits, and an insurance company could be held liable for harvest damages. Despite its success, this project lasted only one season: In the following season, producers wanted to sidestep the exporters and manage the project on their own. Swisscontact judged their plans as nonviable, which led to cessation of the entire project.

This PPP yielded the following value added: Creditworthiness of the producers was raised; on this basis, risks could be minimised through insurance; better access to information partly led to improvements in productivity. However, certain producers had difficulties handling the technical consequences of the rapidly increasing demand or did not always fulfil their obligations as agreed in the contract. For example, attractive local and regional prices led them to marketing their produce locally during the season and reduce the amount sold to the exporters. However, considered the fact that productivity increased and producers are strengthened, the overall results of this PPP are positive.
Conclusion

Join forces to achieve Millennium Goals
Effective poverty reduction and progress towards the Millennium Goals are only possible if public and private players increase their joint efforts. For a PPP to be successful, goals must be clearly defined and communicated among the partners, and the project framework must be based on these goals. This helps ensure that investments are not only economically profitable, but also yield positive results with regard to development policy objectives.

Challenges faced by PPPs
Aside from the predominantly positive outcome in local and short- to mid-term dimensions, the global and long-term effects of PPPs remain a subject of unanswered questions. Companies usually invest in lucrative farm products with international markets, while the public sector supports the less profitable production of basic foods with a view to food security. With this distribution of roles, who carries which risks? How much market regulation is needed in order to grant small-scale producers fair conditions? If, for example, certain countries achieve a rapid increase in coffee production through PPPs and thereby saturate the global export markets, this can have grave consequences for other producer countries. Local progress can thus lead to global regress and price decline. The Ghana project exhibits predominantly positive results. However, in the mid term, the dominance of Samartex in the project area may have negative consequences, preventing competition and placing the population in a state of dependence. In the case of the melon export project, the producers attempted to sidestep exporters after only one season, thus preventing long-term commitment of all players, which is a necessary ingredient for success in any PPP.

The context determines the rules
Experience with PPPs shows that there are no blueprint recipes for success. Conditions for collaboration between private and public players vary depending on the context, branch of industry, and the country concerned.

Promising PPPs
Chances of success are given if a private initiative succeeds in triggering an increase in productivity, and governmental guidance ensures that the benefits are transmitted to a broader part of the population. Synergies can emerge when companies have an interest in securing their long-term source of income through ecologically sound behaviour and thereby support the general interest of society in a healthy and intact environment. Public involvement in the starting phase can encourage private players to invest also in high-risk, economically poorly integrated and poorly developed areas. In any case it is important that a company’s commitment in a PPP is more than mere image polishing. PPPs can be successful if the responsibility and risks shared between public and private partners bear a high degree of complementarity, thus creating opportunities for profitable activities for all partners involved.

“Without the coaching provided by GTZ, partners with such different interests would hardly have been able to collaborate. Although private companies have access to the country and perhaps also to non-governmental organisations, they usually lack access to government officials. For us, however, it is absolutely indispensable to involve a state-run organisation that is accepted by the government and in touch with its officials. This is the only way to do business in a sustainable manner.”

Florian Hammerstein, Committee Member, Amber Corporation, GTZ PPPreport
April 12, 2004
Recommended reading

The following list features a documented and targeted selection of print documents and internet sites of relevance to “Public-Private Partnership in development cooperation”. For easier reading they have been listed by title in alphabetic order in four rubrics.

- Overview and general context
- Methods and instruments
- Policies and strategies
- Case studies

Many documents are available online and can be downloaded (accessed on 27 January 2005). The others are part of InfoResources’ documentation. For more information on this issue and the publications, please contact us by e-mail at: info@inforesources.ch

**World Business Council for Sustainable Development (WBCSD), International Business Leaders Forum (IBLF)**

A business guide to development actors. Introducing company managers to the development community

*October 2004, 112p.*
www.wbcsd.org/web/publications/sl-devactors.pdf

WBCSD and IBLF consider cooperation between the private sector, governments, and civil society as vital for tackling global problems such as poverty. This guide supports private companies in their search of possibilities for cooperation. Public development cooperation actors are presented in profiles that include information on previous and current activities with regard to “engaging the private sector”. Much of the information given is therefore of general interest. Additional profiles are available on the following website: www.wbcsd.org/web/devguide.htm

**Swiss Coalition of Development Organizations**


*Dokumentation der Tagung der Arbeitsgemeinschaft Swissaid • Fastenopfer • Brot für alle • Helvetas • Caritas • Heks vom 18. November 2003 in Bern, 39 S.*

How much sense do PPPs make in development cooperation? This is the question discussed in these proceedings of a conference of the Swiss Coalition of Development Organisations on private sector involvement in infrastructure projects, particularly in water supply. While public players certainly see a potential in such partnerships as long as they follow certain rules, representatives of civil society take a more critical attitude, stressing the danger of public goods becoming the plaything of private economic interests. This documentation is available in German only.
Bibliography

**German Development Service (Deutscher Entwicklungsdienst, DED) – Public private Partnerships**

[www.ded.de/cipp/ded/custom/pub/content,lang,1/oid,254/ticket,g_u_e_s_t](www.ded.de/cipp/ded/custom/pub/content,lang,1/oid,254/ticket,g_u_e_s_t)

This website, which is available in German only, describes the background and goals of the DED PPP programme, as well as various models of development partnerships. It also offers access to further reading, examples of projects, contact information for the DED’s PPP pilot countries, and an informative brochure in German, English, French, Spanish, and Portuguese.

**GTZ – Public Private Partnership (PPP)**


This detailed Website presents the PPP programme of the German Society for Technical Cooperation (Gesellschaft für Technische Zusammenarbeit, GTZ), featuring a description of GTZ’s approach to implementing PPP projects, various examples of projects, and statistical data. Moreover, the Global Compact and Corporate Social Responsibility are discussed. GTZ also publishes PPP Report, a journal on development partnerships with private economy.

**List of PPP projects**


This list is a result of the preparation work for this issue of InfoResources Focus. It is by no means complete, nor is it representative. However, it may provide interested readers with information on additional PPP activities.

**Groupe Agence Française de Développement**

**Key players’ views. Agence Française de Développement – sustainable development partner: Public-Private Partnerships**

*November 2004, 48p.*


This bilingual publication portrays the PPP strategy and activities of the French Agency for Development (Agence Française de Développement, AFD). The focus is clearly on PPPs in the infrastructure sector, which is illustrated by various project examples. AFD considers PPP a useful tool and an opportunity to put public funds to more efficient use. The publication also points out which preconditions must be fulfilled for a PPP to be successful.
**State Secretariat for Economic Affairs (secO)**

Öffentlich-private Partnerschaften


This website offers concise information on the purpose of public-private partnerships in the infrastructure sector and the approaches they take. Furthermore, it describes the various support services provided by secO and the principles observed with regard to this type of involvement. Available in German and French.

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**Swiss Agency for Development and Cooperation (SDC)**

Position Paper – Cooperation with the Private Sector

*Employment and Income Division, April 2004, 6p.*


Based on the opinion that more private economic resources should be mobilised to help improve the situation of the poorest population groups, SDC defines principles and a development policy framework for its cooperation with the private sector. This framework complies with overall development policy guidelines, such as poverty orientation, sustainable use of natural resources, and subsidiarity of support provided. This position paper also describes the various previous and new forms of collaboration with the private sector, as well as the corresponding guidelines of SDC.

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**The Economist print edition**

Profits and poverty

*Aug 19th 2004*

[www.economist.com/people/PrinterFriendly.cfm?Story_ID=3104498](http://www.economist.com/people/PrinterFriendly.cfm?Story_ID=3104498)

This article discusses a recently published book entitled “The Fortune at the Bottom of the Pyramid. Eradicating Poverty Through Profits” by C.K. Prahalad. The book criticises top-down approaches in development cooperation, as well as "corporate social responsibility" programmes of private companies. Instead, the author asks companies to discover poor populations as a target group, and argues that adapting business models accordingly may lead to large profits for companies while, at the same time, helping to fight poverty.

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**Alexander Fröde**

Public-Private Partnership als Instrument des Naturschutzes in der Entwicklungszusammenarbeit – Anwendungspraxis und Perspektiven

*Diplomarbeit an der Ernst-Moritz-Arndt-Universität Greifswald, Studiengang Landschaftsökologie und Naturschutz. Greifswald, November 2003, 122 S.*

[www.uni-greifswald.de/~umwethik/diplomarbeiten/dipl_froede.pdf](http://www.uni-greifswald.de/~umwethik/diplomarbeiten/dipl_froede.pdf)

This comprehensive scientific publication, written as a Master's thesis, describes the concept of PPPs in development cooperation and the state of its implementation in natural resource use. Case studies provide concrete examples, and the author also sets up guidelines for the future. The thesis is written from a critical distance and perceives the implementation of PPPs both as an opportunity and as a source of risks and problems with regard to development policy. The publication is explicitly limited to German development cooperation. Available in German only.
Ueli Scheuermeier

Public Private Partnerships for Rural Development. Some views based on concrete experiences so far


The author lists basic principles of PPPs and illustrates them with two practical examples he himself was involved in. He then describes typical problems that often occur in PPPs, along with ways of preventing them. In his view, PPPs are a useful tool that can open doors to new pathways in development cooperation. However, they are not always appropriate; certain activities should remain entirely under government control.

David J. Spielman and Klaus von Grebmer

Public-Private Partnerships in Agricultural Research: An Analysis of Challenges Facing Industry and the Consultative Group on International Agricultural Research


Based on interviews and existing literature, this study analyses opportunities and challenges of PPPs between the publicly funded international agricultural research centres of CGIAR (www.cgiar.org) and multinational corporations. The large potential of such PPPs contrasts with a very small number of successful examples. According to the authors, there is a lack, particularly, of appropriate consideration of costs and risks of partnerships, as well as of neutral mediators and of information on lessons learnt.

United Nations and Business


The “United Nations and Business” website provides information on partnerships and alliances between the UN and the private sector that work towards the Millennium Development Goals. Among others, it contains guidelines for economic collaboration with the UN, as well as links to websites of UN institutions and programmes containing information on partnerships with the private sector.

Commission on the Private Sector and Development

Unleashing Entrepreneurship – Making Business Work for the Poor


This report was written at UN Secretary General Kofi Annan’s request and contains recommendations for governments, private companies, and civil society on how they can promote positive influence of the private sector on development. The authors locate a need for action in three focus areas: In the public sphere, an enabling environment must be created; in the public-private sphere, innovative partnerships need to be formed; and in the private sphere, capabilities and resources need to be mobilised.
USAID: The Global Development Alliance


This website gives a detailed account of the USAID programme for alliances between the state, private economy, and civil society. Links provide access to numerous examples of projects focusing on various topics, as well as several reports on previous experiences and a wide range of tools and background information for companies and institutions interested in forming an alliance.

Swiss Agency for Development and Cooperation (SDC)

Working paper “Zusammenarbeit mit dem Privatsektor in der Entwicklungszusammenarbeit (EZA) – Begriffsklärung”

SDC, Berne, 15 p.

This paper, written in German, is intended for use by SDC staff members. On the one hand, it provides work definitions for the most important terms in the field of collaboration with the private sector. On the other hand, a concise overview is given on the background, forms, chances, and risks of private sector involvement, which is regarded as having a considerable potential. The paper promotes acting along pragmatic criteria: In every context, actors should ask themselves which instrument will lead to the greatest marginal utility.

The paper can be ordered directly from SDC: info@deza.admin.ch

InfoResources Focus provides a general overview of pertinent and topical subjects to guide one through the information jungle. Each issue focuses on a current theme relative to forests, agriculture, natural resources and the environment, in the context of international development cooperation.

Each theme is viewed from several angles:

- Policies and strategies
- Implementation and practical experiences

The first section of InfoResources Focus proposes a brief introduction to each subject, highlights specific problems, compares theoretical approaches and opinions, and reports past experiences.

The second section presents a selective and commented choice of documents, books, CD ROMs and Internet sites.

The range of documents presented reaches from basic introductions, through instruments, methods and case studies, to conceptual texts.

The following back issues of InfoResources Focus can be ordered from the address given on page 2:

- Focus No 1/03: Integrated Water Resources Management (IWRM)
- Focus No 1/04: Global Agriculture: How much liberalisation is needed?
- Focus No 2/04: Climate change and forest based livelihoods
- Focus No 3/04: Compensation for Ecosystems Services (CES)