

# FAQs for Participating in the Second Monitoring Round of the GPEDC: **Indicator 3**

This document presents frequently asked questions and answers on the second monitoring round of the GPEDC.

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## FREQUENTLY ASKED QUESTIONS FOR INDICATOR 3

The [Monitoring Guide](#) provides indicator factsheets (Annex II) and questions and definitions to guide data collection at the country level for each indicator (Annex III).

### Indicator 3: Engagement and Contribution of the Private Sector to Development

The [Monitoring Guide](#) provides detailed information on this indicator in Annex III.

#### **What does this indicator focus on?**

This indicator focuses on the quality of public-private dialogue (PPD) at the country level. In doing so, it recognises the importance of inclusive dialogue with the private sector for building a policy environment conducive to growth and sustainable development. The indicator builds on tools developed by the World Bank, and is structured around the three following modules: *Module 1. The legal and regulatory context for PPD*; *Module 2. The country's readiness to host, create or sustain a dialogue process*; *Module 3. The organisational effectiveness of a given PPD platform*. It is conceived as a mix of globally-sourced data (module 1) and of country-sourced data (modules 2 and 3).

#### **What is Public-Private Dialogue (PPD)?**

PPD is an engagement mechanism to ensure more inclusive and sustainable policy reforms occur through a structured and participatory reform process. It refers to the structured interaction between the public and private sector in promoting the right conditions for private sector development, improvements to the business climate, and poverty reduction. Initiatives to promote PPD consist in most cases of establishing a combination of technical working groups, a secretariat and a high-level oversight structure. PPDs are diverse, with a broad scope of activity. For example, they address cross-cutting investment climate issues as well as sector-specific issues; they can focus on rural or urban, national or sub-national levels.

Examples of PPDs include: the Vietnam Business Forum, the Ethiopian Public Private Consultative Forum, the National Competitiveness Council in the Philippines and the National Competitiveness Commission in Colombia. For more information on PPD see [www.publicprivatedialogue.org](http://www.publicprivatedialogue.org)

#### **What groups belong to the private sector?**

The private sector can be defined as “a basic organising principle of economic activity where private ownership is an important factor, where markets and competition drive production and where private initiative and risk taking set activities in motion” (OECD-DAC). The private sector includes a wide range of actors such as domestic and foreign companies, large companies and small and medium size enterprises, professional organisations, intermediary organisations.

The assessment of indicator 3 should cover a representative sample of private sector actors, including various groups that play a different role in different sectors and industries of the country's market, from small-scale informal entrepreneurs to foreign multinational corporations. As a guiding criteria in defining the reference sample of “private sector” actors to have in mind when assessing the country context, identifying the largest sectors in the economy – both in terms of relative GDP contribution (e.g. often dominant business actors in export-oriented economic sectors) and employment generation (e.g. often SMEs and/or informal entrepreneurs) – should help focus the discussions around the survey questions.

#### **What does the indicator measure?**

Indicator 3 will provide a comparative assessment on the country context and readiness to organise and sustain public-private dialogues (PPDs), building up on the information drawn from module 1 and the country-sourced responses for module 2. Module 3 (optional) will help deepen the analysis through the case studies of specific PPD platforms, which in turn will facilitate peer-learning regarding different PPD approaches, and disseminate best practices and lessons learnt.

### How are each of the modules completed for the indicator?

- **Module 1. The legal and regulatory context for PPD:** the UNDP-OECD Joint support Team will draw on country scores from a series of international indices, including the “Public engagement” index from the [Open Budget Survey](#), data from the [Citizen Engagement in Rulemaking Project](#) from the World Bank, as well as the “Voice and Accountability”, “Rule of Law” and “Control of corruption” indices from the [Worldwide Governance Indicators](#).
- **Module 2. The country’s readiness to host, create or sustain a dialogue process:** this module consists in 4 qualitative questions.
- **Module 3. The organisational effectiveness of a given PPD platform (optional):** this module consists in an in-depth assessment of the effectiveness of a given PPD platform at the country level.

### How will the current monitoring round (2015-16) inform future rounds for this indicator?

Findings for Module 3 will primarily serve learning purposes: the JST will draw on them to showcase, in its 2016 global Progress Report, concrete examples and best practices of effective PPD platforms.

This monitoring round will provide the baseline scenario at the country level. Further monitoring rounds will allow tracing trends in terms of progress in strengthening public-private dialogue at the country level, and in refining and further simplifying the questionnaire into the key factors driving change across countries.

### How can my country engage?

While the assessment of this indicator will be led by the developing country government, it is crucial that it be carried out in a multi-stakeholder manner. The national co-ordinator is encouraged to identify, in consultation with stakeholders at the country level, a focal point for the private sector a focal point for trade unions, a focal point for CSOs and a focal point for providers. These will actively engage in the monitoring process.

- **Module 1. The legal and regulatory context for PPD:** In the data collection workbook, the national co-ordinator will only need to select the name of his country, and the data will appear automatically. This information can be used as a source of evidence to inform discussions related to Module 2.
- **Module 2. The country’s readiness to host, create or sustain a dialogue process:** The national co-ordinator, in liaison with colleagues from relevant government institutions/ministries, co-ordinates the overall data collection and validation process. Where possible, the national co-ordinator is encouraged to use existing in-country platforms to support the process, and to coordinate with the [Partnership for Prosperity](#). In order to facilitate the process and to ensure an inclusive approach, the national co-ordinator is invited to liaise with focal points from the private sector, from providers of development co-operation, from trade unions and from civil society organisations to complete the questionnaire. The national co-ordinator is encouraged to (1) convene a multi-stakeholder dialogue to kick-off the process, (2) seek stakeholder feedback on the questionnaire (focal points are invited to carry out consultations with their respective constituencies, and to provide consolidated feedback to the national co-ordinator) and (3) re-convene a multi-stakeholder dialogue at the end of the process to jointly discuss and validate the findings, before sending them to the JST. To the extent possible, the national co-ordinator will seek consensus in the responses. Where agreement between stakeholder groups is not reached, focal points are invited to flag any diverging view to the national co-ordinator. The level of agreement of each stakeholder group regarding the responses compiled by the national co-ordinator will be registered in a table attached to the questionnaire (1. Question #; (2) Agree / Partially Agree / Disagree; (3) Comment).
- **Module 3. The organisational effectiveness of a given PPD platform:** On an optional basis, the government can decide to assess module 3, which looks into the organisational effectiveness of a given PPD platform, by using a shortened version of the World Bank’s existing PPD evaluation wheel (more information on Module 3 is available [here](#)). Given the more in-depth assessment required for this module,

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it is recommended that interested governments contract a consultant to carry out the assessment. The intervention of such a third-party entity could help avoid overburdening the national co-ordinator and ensure that the process enables a neutral and balanced assessment which effectively captures all stakeholders' views. In such cases, the national co-ordinator is invited to inform the JST who will, to the extent possible, facilitate the process through technical support (e.g. making the available standard terms of reference, providing a list of possible consultants, providing technical guidance to steer consultant's work, etc.).