



Public Private Partnerships GIZ's experience

CTI-CFF PPP Preparation: Expert-Consultation Meeting on PPP Design and Arrangement

Lisa Peterskovsky
Senior Advisor Private Sector Engagement,
Head Agribusiness and Private Sector Cooperation Hub





Agenda

- Introduction GIZ
- Development Partnerships und develoPPP.de
- GIZ PPPs in Indonesia
- GIZ PPPs in the fisheries sector
- Lessons learnt





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GIZ: About the company

- A **federally owned corporation** operating worldwide in the area of international cooperation for sustainable development.
- Works on behalf of the Federal Government as well as other public and private, national and international clients.
- promotes complex reforms and processes of change in different sectors such as:
- Sustainable economic development, energy, transport, infrastructure management, health, environment, climate and biodiversity.

→ The objective is to **sustainably improve the living conditions** and prospects for people in developing and transition countries.



GIZ worldwide



- GIZ Head Office, Eschborn, Germany
- GIZ Berlin, Germany
- GIZ Bonn, Germany
- GIZ Brussels, Belgium
- GIZ offices
- GIZ offices in German Development Cooperation Houses

- More than 130 countries
- More than 17.000 employees
- More than EUR 2.14 billion business volume (2015)



GIZ in Indonesia

- On behalf of the **German Federal Ministry for Economic Cooperation and Development (BMZ)**, GIZ has been working in Indonesia **since 1975**
- Other commissioning parties: the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BUMB), the German Federal Foreign Office (AA) and the European Union (EU)
- Official Indonesian partner is the **State Ministry of National Development Planning (BAPPENAS)**
- Main priority areas are:
 - **Energy and Climate Change**
 - **Inclusive Growth**
 - **Good Governance and Global Networks**





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What are Development Partnerships and what do we understand as PPPs?

- **Partnerships** between development agencies and the private sector on **equal terms, both parties contributing** (in kind and/or financially)
- **We do not deal with infrastructure PPPs or similar**
- Connect business management and development policy: growth opportunities and benefits for companies **and** at the same time contribution to sustainable development.
- Minimise potential risks for both sides.
- Creation of **win-win situations** for companies and development cooperation.
- Common goals can be achieved faster and more sustainable.



Policy Context: Sustainable Development Goals (SDGs)

1 NO POVERTY 	2 NO HUNGER 	3 GOOD HEALTH 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION 
7 RENEWABLE ENERGY 	8 GOOD JOBS AND ECONOMIC GROWTH 	9 INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION 
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE AND JUSTICE 	17 PARTNERSHIPS FOR THE GOALS 	 THE GLOBAL GOALS For Sustainable Development



What does DeveloPPP.de stand for?

- Set up by **the Federal Ministry for Economic Cooperation and Development (BMZ)**
- Stands for cooperation between the private sector and development cooperation
- Partnership between the private sector and the implementing development organizations **GIZ, DEG** or **sequa**
- Jointly **plan, finance and implement** development initiatives
- Objective: **Fostering involvement of private sector** at the point where business opportunities and development initiatives intersect → **synergy effects**



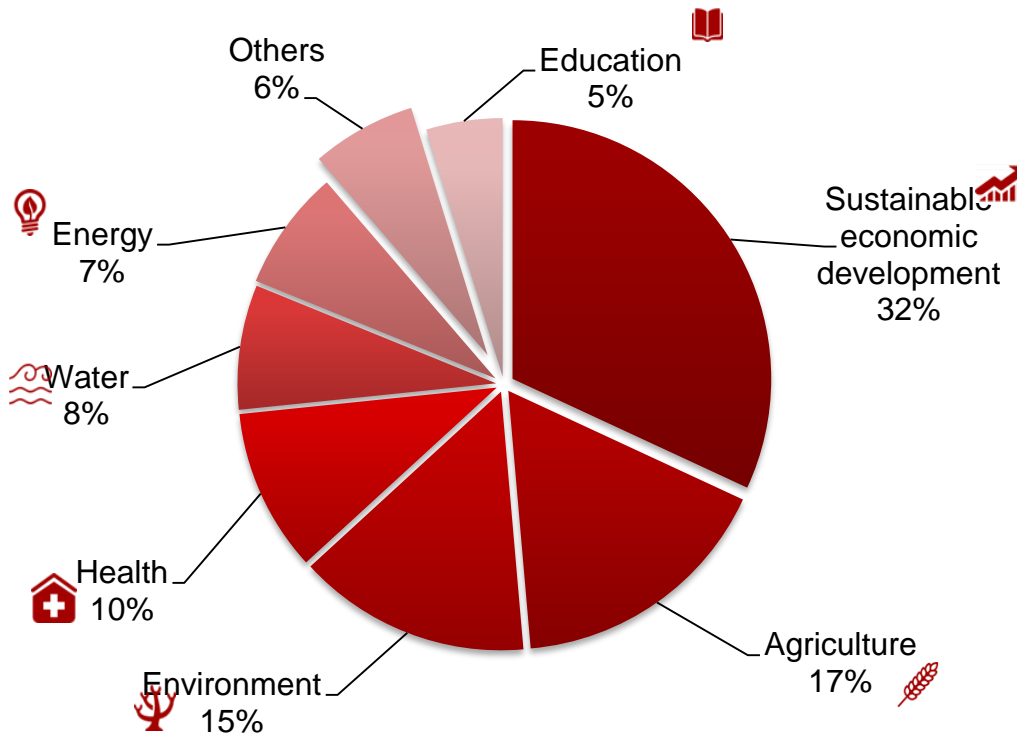
Key data develoPPP.de (as of 10/2016)

Programme Duration	2012-2019
Contract Volume	93.2 Mio. EUR
Responsible in Charge	Mr. Jan Fraeb
Team Size	ca. 30 staff members
New Projects per Year	42 on average
Annual Turnover	ca. 20 Mio. EUR (public contribution only)
Status Quo	ca. 130 ongoing projects in 43 countries, of which are ca. 21 strategic alliances (contract volumes up to 10 Mio. EUR)
Leverage (public-private)	38% - 62%



Development Partnerships with the Private Sector by sectors from 1999-2016 (08/2016)

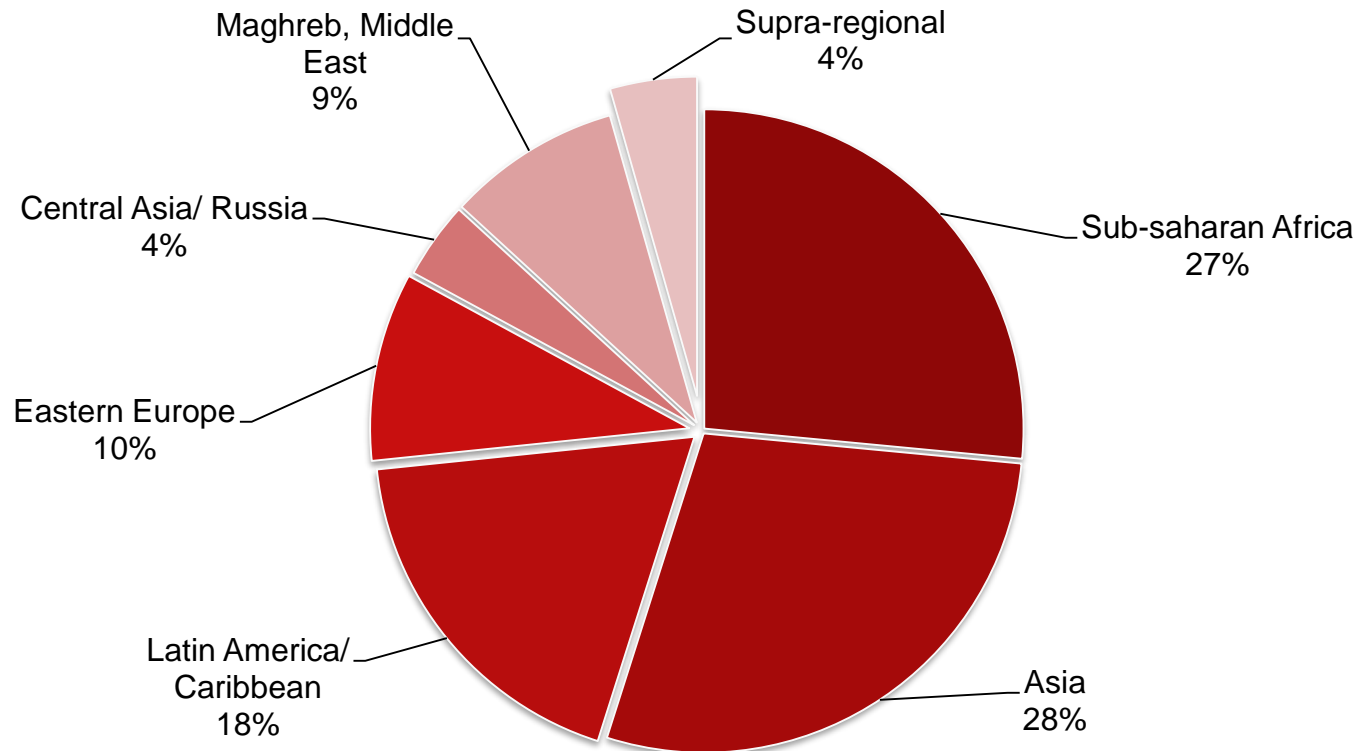
796 develoPPP.de projects (GIZ) with a total volume of EUR 454 million





Development Partnerships with the Private Sector by regions 1999-2016 (08/2016)

796 develoPPP.de projects (GIZ) with a total volume of EUR 454 million





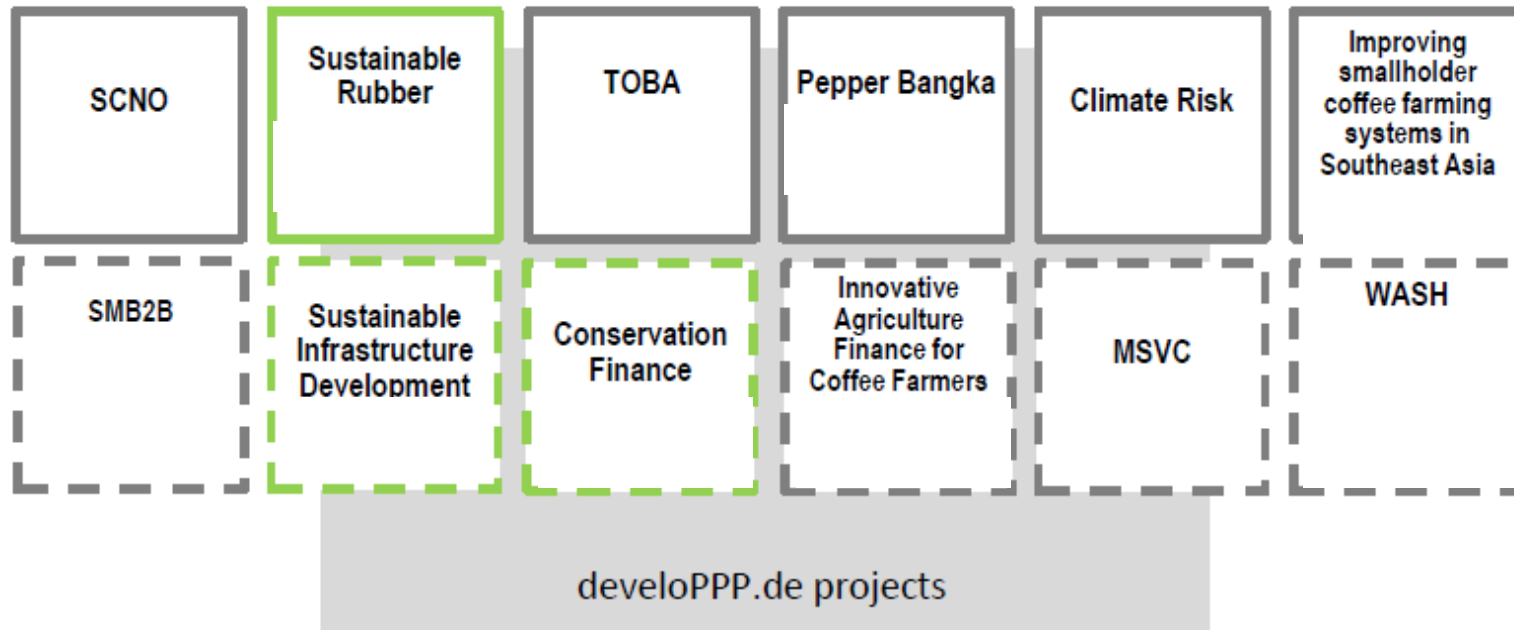
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PPP Portfolio of GIZ in Indonesia



GIZ-PPPs in the field of Agribusiness - Overview

Modernizing Smallholder Value Chains in SEA (MSVC) (9000 rice farmers)

Sustainable natural rubber from deforestation free supply chains in Indonesia (400 rubber farmers)

● Regional Agribusiness Office
● Project Location



Technology transfer, On-farm investment, Better women & youth integration, Adaptation to climate change (T.O.B.A) (1000 coffee farmers)

Improving smallholder coffee farming systems in SEA (7000 coffee farmers)

Improving the economical & technical competence of pepper farmers in Bangka (1000 pepper farmers)



GIZ-PPPs in the field of Agribusiness - Overview

<p><u>Project:</u> Improving the economical and technical competence of pepper farmers in Bangka</p>	<p><u>Project:</u> Increasing the resilience of coffee production systems in North Sumatra (T.O.B.A.)</p>	<p><u>Project:</u> Improving smallholder coffee farming systems in SEA</p>	<p><u>Project:</u> Sustainable natural rubber from deforestation free supply chains</p>	<p><u>Project:</u> Modernizing Smallholder Value Chains in South East Asia (MSCV)</p>
<p><u>Commodity:</u> Pepper</p>	<p><u>Commodity:</u> Coffee</p>	<p><u>Commodity:</u> Coffee</p>	<p><u>Commodity:</u> Rubber</p>	<p><u>Commodity:</u> Rice</p>
<p><u>Location:</u> Bangka</p>	<p><u>Location:</u> North Sumatra</p>	<p><u>Location:</u> Lampung</p>	<p><u>Location:</u> West Kalimantan</p>	<p><u>Location:</u> North Sumatra</p>
<p><u>Public contribution:</u> 0,2</p>	<p><u>Public contribution:</u> 0,2</p>	<p><u>Public contribution:</u> 1,35</p>	<p><u>Public contribution:</u> 0,2</p>	<p><u>Public contribution:</u> 1,5</p>
<p><u>Reached farmers:</u> 1000 smallholder farmers</p>	<p><u>Reached farmers:</u> 1000 smallholder farmers</p>	<p><u>Reached farmers:</u> 7000 smallholder coffee farmers</p>	<p><u>Reached farmers:</u> 400 rubber-producing smallholders</p>	<p><u>Reached farmers:</u> 9000 smallholder rice farmers</p>



GIZ Agribusiness and Private Sector Cooperation Hub





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MSC-Certification for sustainably caught tuna

At a glance

Duration	June 2010 – November 2014
Country	Philippines
Objective	MSC certification for sustainably fished yellowfin tuna
Partners	Coop, Bell Group, WWF, Sea Fresh BV, DEG
Results	<ul style="list-style-type: none">- MSC certification will be achieved by 2017- The use of a selective fishing technique, i.e. handlines, protects natural resources and marine ecosystems in and around the project areas.





Involved project partners:

- Bell Schweiz AG (food provider)



- Swiss Coop Cooperative (retail and wholesale company)



- Sea Fresh BV (Dutch fishing company)



- World Wildlife Fund (WWF)



- DEG – Deutsche Investitions- und Entwicklungsgesellschaft





Sustainable Project Impact

- More than 5000 fishers have registered their fishing boats, successfully completed quality training, and are organized in fishing cooperatives. → improved quality and assured standards
- 5000 fishers catch up to 2800 tons of tuna per year, which they sell to the participating fishing companies. They can charge up to 20 per cent more for sustainable tuna on the European Market. → economic advantage
- The project has encouraged the Philippine authorities to adopt a new approach for yellowfin tuna stock protection. The aim is to establish the project as a model for other artisanal fisheries worldwide. → best practice
- Through their cooperation with WWF and fishers in the Philippines, Sea Fresh BV, Coop and the Bell Group signal their corporate commitment to best practice in the management of finite resources and to fairness in their supplier relations. → positive image



Global Sustainable Seafood Initiative

At a glance

Duration	February 2013 – December 2015
Country	Global
Objective	<ul style="list-style-type: none">- Deliver a common, consistent and global Benchmarking Tool for seafood certification- Ensure confidence in the supply and promotion of sustainable seafood to customers worldwide- Promote improvement in the programs
Partners	31 globally active companies representing the entire seafood value chain, several NGOs, IGOs concerned with sustainable seafood
Results	<ul style="list-style-type: none">- Reduction of costs and increased flexibility within the supply chain- Transparency on performance of credible certification programs





Involved project partners and approach:

- **Strategic Alliance** between representatives of 31 seafood companies and GIZ
- **Multi-stakeholder approach:** private companies, NGOs, academic institutes, (inter-)governmental agencies
- Further development of existing certification schemes and guidelines
- Examples of partner companies:
 - Marks & Spencer
 - Deepwater Group
 - Sainsbury's
 - American Seafoods





Strategic Alliance (proposal phase): Conservation Finance for Sustainable Fisheries

At a glance

Duration 2 years

Country Indonesia & Mexico

Objective

- Develop replicable pilot projects for conservation finance in sustainable fishery in Indonesia and Mexico
- Contribute to the facilitation of conservation finance through private investments/investors and therefore
- Increase local income and create more jobs.

Partners Credit Suisse AG, Coalition for Private Investment in Conservation (CPIC)

Results

- Two pilot projects have met finance-ability criteria
- Local NGOs have the requisite basic knowledge for meeting finance-ability criteria,
- Local institutions provide consultancy services on blueprint contents





Involved project partners and approach:

- **Multi-stakeholder approach:** private companies, NGOs, cooperatives, institutions, (inter-)governmental agencies
- **Capacity development** in conservation finance with local financial intermediaries, environmental institutions, ministerial representatives and fishery cooperatives;
- Setting up a cooperation network that brings these actors together at regular intervals
- Compiling and disseminating knowledge and finance roadshows



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Lessons learnt

- „Different languages“ always a key issue
- Let go of any ideological perspectives and forget about stereotypes
- Like in any other partnership, trust building is key
- Clarify expectations from a very early point onwards
- Spell out each partners role as clear as possible
- Make it concrete: discuss about actual challenges and areas in which company has potential commercial benefit at least mid-term
- „real“ (financial) contribution of both partners is advised
- For sustainability of measures, move away from CSR and to a core business perspective



Thank you for your attention!

Contact: Ms. Lisa Peterskovsky

GIZ Agribusiness and Private Sector Cooperation Hub

Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Email: Lisa.Peterskovsky@giz.de

Skype: [Peterskovsky.GIZ](https://www.skype.com/people/Peterskovsky.GIZ)

Internet: www.giz.de and www.develoPPP.de