

Development Partnerships with the Private Sector (PPP)

Partner:	Diverse, Multistakeholder
Locations:	Nationwide
Contribution:	So far € 1.58 million Public; € 2.09 million Private
(Beginning):	1999

Background

Development politicians and governments have recognised that they cannot solve the poverty issue by themselves. At the same time, companies are realizing that acting in a global economy means confronting new challenges that are easier met by building partnerships – partnerships not only with other private sector players, but also with governments, institutions and the civil society. This is more vital than ever for those businesses that are aware of their social and environmental responsibility and those that increasingly understand that global, sustainable development is in their own interests.



Especially in countries like Vietnam, the private sector is conducting activities with an unprecedented level of commitment. Companies see clearly where the markets of the future lie, and what the growth potential is. The rise in foreign direct investment, the increase in trade volume, and the ongoing expansion of international production and service networks speak for themselves. The scale of this private-sector commitment has important side-effects: companies make important contributions to the development of our partner countries. They transfer new technologies, train local specialists, boost the quality of local products, and create new jobs, sources of income and

stable trading relations. This means that the private sector is playing an increasingly important role for German development policy both as a target group and as a cooperation partner.

German development policy has reacted to this new trend. On behalf of the German Ministry for Economic Cooperation and Development (BMZ), GTZ started to implement development partnerships with the private sector, or Public Private Partnerships (PPP) as they are also called.

Development Partnerships

We view development partnerships or PPP as joint projects of private companies and development agencies such as GTZ, together with its local counterparts. Projects are accurately planned, financed and implemented jointly by both sides. The aim is to combine the interests of private companies and those of our partner countries in such a way that both parties achieve their objectives more rapidly, more effectively, more economically and also more sustainably.

Our main goal with development partnerships in Vietnam, as it is worldwide, is to promote the sustainable development of the country. We thus expect long-term commitment on the part of our partner companies despite the fact that projects normally run for only one or a few years.

GTZ can offer private companies a number of advantages in foreign business. In its capacity as the largest German consulting in the field of development-policy services, GTZ has been working in Vietnam for a long time. The networks created by our long-term bilateral cooperation projects offer a unique platform for companies to get their activities started or expanded. Thus, linking private sector engagement to our long-term projects is the most effective and clever way for all players involved. PPP has thus become a forward-looking and flexible instrument that can benefit all parties.

In Vietnam, GTZ, together with private companies and our local partners, has implemented a wide range of development partnerships. Focus areas of PPP so far have been partnerships in vocational training and rural development. Together with the Vocational Education Program and

mostly medium German enterprises, we implement projects that help to upgrade the quantity and quality of vocational training in Vietnam. This is done by applying the most modern methodologies and technologies available on the market. In rural areas, GTZ has engaged in projects that bring direct benefit to local farmers and local companies by cooperating with large multinationals interested in improving quality and environmental aspects of products they purchase in Vietnam. This brings new export markets to the farmers, guarantees better prices and helps to build long-term trading relations.



However, PPP does not stop there. In private sector development, our development partnerships engage in building up markets for business development services, such as quality and environmental management training, for local small and medium enterprises. A particularly new but quite relevant focus is social standards. In this area, GTZ is creating local consulting and certification capabilities which are intended to help local enterprises stay competitive in the global market.

Outlook

With the successful experiences and the visible beneficial impacts on Vietnam that are at hand, GTZ is eager to expand development projects with the private sector. Our strategy relies on several pillars. On the one hand, it is our aim to incorporate ever further the PPP component into long-term GTZ projects implemented in German development policy priority areas in Vietnam. On the other hand, we are pursuing what we call strategic alliances with the private sector in order to increase even further the leverage and impact of the partnerships. The example of the coffee sector used in this brochure highlights this approach wonderfully.

Contact

In case you have ideas for development partnerships or you want to know more about GTZ's PPP program, you can visit our websites at www.gtz.de/ppp or www.gtz.de/vietnam

You direct contact in Vietnam is Mr. Finkel: thomas.finkel@gtz.de, tel +84-4-8224901, mobile +84-4-912396884.

Because one thing is clear: good contacts are often the decisive factor in success or failure. And with the GTZ you not only have a good contact, but an experienced, competent and reliable partner for the future.
