



Public-Private Partnerships (PPPs): Supporting Programs to Counter Piracy

The Efficacy and Implementation of Successful PPPs, and their Contribution to the Long Term Alleviation of the Root Causes of Piracy in Somalia

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Introduction

The London Conference on Somalia in February 2012 sent a clear message that while Somalia is emerging from its worst humanitarian crisis in a decade, the situation in the country remains fragile. Following the Conference there is an emerging consensus that comprehensive and sustained action by the international community will require a range of innovative partnerships able to support the economic and social development needs of Somalia. It is well documented that the issue of piracy starts on-shore, as the population of Somalia face limited alternatives to the significant financial yields of piracy. The UN clearly articulates:

‘the Somali people, especially the youth, need greater incentives not to succumb to the lure of piracy. Economic rehabilitation and the creation of alternative livelihoods, especially the development and rehabilitation of coastal fisheries, must be at the centre of efforts to fight piracy. But as long as piracy is lucrative, alternate livelihood options will be a hard sale’.
(UN, 2011)¹

Rehabilitation and development is the long term solution - working hand in hand with short term mitigation and containment strategies, as well as ongoing state-building strategies. Public-Private partnerships (PPPs) are a globally recognized mechanism for effecting long term sustainable change, however Somalia, as one of the most challenged countries in the world, is not a place to apply a ‘standard’ approach to implementing partnerships. This paper looks at the effectiveness of PPPs, how they may be optimally implemented within Somalia, and what steps can be taken to ensure their efficacy.



PPPs - The Principle

The concept of working in partnership to tackle an issue is not a new one. Different parties bring different competencies, skills and vision to the table for a common mission. Often they set aside any differences to focus on a defined outcome. The nature of the partnership is one of sharing not only expertise and competencies but also risk, finances, accountability and responsibility. Typically a public-private sector partnership will involve government at either central or state level or an NGO/Not-for-Profit organization and a private sector entity. Although partnerships often have a common goal, they are not always guaranteed to be a marriage made in heaven and require a number of stages to be successful, including, but not limited to:

- Clarity of accountability, decision making and responsibility;
- Clear and effective communication mechanisms;
- Well defined and clearly articulated agreements that are targeted at the right measurable outcomes/outputs;
- Alignment and harmonization with host country policy objectives and strategic plans and alignment between partners;
- Commitment to integration with host country policies and practices (avoidance in establishing 'parallel operating units')²;
- Transparency;
- Commitment to long-term development.

There are clear benefits from well-defined and well-managed public-private sector partnerships, and as such, collaborative approaches work to the advantage and interest of both parties. In some cases it can result in access to revenue, new markets, technologies and methods of operating while at the same time sharing the risk and maximizing cost efficiencies. Both sectors provide defined skills and in the case of the private sector there is the opportunity to drive social change through the use of core competences - doing what the business does best, rather than relying on philanthropy as a mechanism for change. For the public sector there is an opportunity to innovate with shared risk while meeting a demonstrated social need.



PPPs and Counter-Piracy Initiatives

Before setting course on developing PPPs to counter piracy there is a need to understand the root causes of piracy and from this what type of partnership will have the greatest long term and sustainable impact. Without understanding the issue it is a challenge for any type of partnership to create and design a focused program. The root causes of piracy are well documented including poverty, economic disadvantage, toxic waste at sea impacting fish stock, fragmented government structures and an under-developed social and physical infrastructure. Piracy is a lucrative option. PPPs however cannot and should not aim to tackle all the socio-economic challenges. It would be rather naive to consider the answer to piracy and its root causes lie in partnerships between the public and private sectors. However they can contribute by supporting the emerging federal government structure and harmonizing with it policy aims, objectives and vision; a ‘parachute’ approach that gains little traction but significant publicity will not suffice in Somalia.


Effective and successful partnerships work on two levels: (1) Where there is a common vision and the outcomes combined exceed those that could be delivered by the organizations individually; (2) Where there is alignment, harmonization and integration to the government policy and approach. The development of 'parallel operating units' not only encourages further fragmentation of effort but also creates fatigue within the community. The cost of reporting also becomes an issue.

Effective Implementation in Somalia

Somalia, using a UN definition, can be classified as a 'Fragile State'. Due to its emergence from conflict and weak governance, standard models of development, whether they are aid or partnership, are not applicable. Useful insights into effective approaches in fragile states can be drawn from the way key global bodies, such as the UN, amend their development strategies to work in these areas.

The UN 'Fragile States principles' place importance on:

- A joint understanding among development partners of each specific context, including adequate political economy, conflict and risk analysis;

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- The state-building agenda (understood as involving not just the capacity of the state but its legitimacy and accountability);
 - A whole of government approach;
 - A “do no harm” approach³; and
 - Harmonized approaches from development partners (OPM/IDL 2008)⁴

For PPPs to be effective in Somalia, these principles are equally valid. Harmonization with government policy is essential to both increase efficiency but also to ensure support is ongoing. This must be reinforced with state-building goals; for countries with only a tenuous grasp on government, processes that enhance and reinforce government power/influence are the priority, not least because these are the processes most likely to be supported by the governing bodies.

This is further compounded by a need for enhanced flexibility and prioritization. Flexibility dictates that any implemented project should be easily adapted to changing circumstances. Prioritization means that measures of success also need to be flexible - for example instead of sticking to rigid performance targets, outcome measures, strict definitions of ownership, etc. it may be more important to have a project which is actively supported and suitably flexibly engaged.

The importance of the 'do no harm' principle cannot be stressed enough. Projects that are poorly planned, harmonized or implemented can do more damage than good to both the local population as well as the partnering organization. It is very hard for a partnering organization to exit a non-delivering project as it risks reputation as well as local communities. To mitigate this factor a very thorough risk analysis process must be undertaken - more thorough than in less fragile states. Risk assessments must take into account the current and future political climate, conflict, levels of support for the project (from all sectors), financial costs (although as stressed before this needs to be flexible), and also the impact of project failure. This last point is very important; partners need to develop an effective exit strategy. With complex risk assessment can also come ‘assessment fatigue’ and there are many reports from Somalia that the community no longer wants to be assessed but requires development and positive action. During any risk assessment process, it is critical to listen to (and act on) the needs of the community.




Evidence for Success

With the above caveats it can be seen that PPPs in fragile states cannot be taken lightly - however this does not imply they cannot be done well. Many large organizations have significant investment in emerging markets, and place their future development plans in these sectors. Developing nations need skills and expertise and not just financial investment. Melding these two needs creates a rich platform for public-private partnerships. Private partners need to bring to the table their expertise and core competencies, not just investment, if partnerships are to create lasting change. DP World in Djibouti in partnership with the government won the concession to manage the port at Djibouti and build the port at Doraleh. This development created over 700 employment opportunities, supported the physical and social infrastructure of the area, as well as opening a gateway for humanitarian aid into the hinterland. Further, through a targeted program in partnership with aid organizations United States Agency for International Development (USAID), Family Health International (FHI360), and the government of Djibouti, DP World is tackling health issues of the port community through the development of a dedicated health and community center. Similarly in Senegal, DP World, collaboratively with the Senegal government, manages the Dakar port, and has increased volumes by around 30 percent in 4 years, as well as supporting employment opportunities for over 500 people. This approach in Senegal and Djibouti focused on what DP World does best - building, managing and growing port operations - collaboratively with local government to positively impact the social, economic and physical infrastructure of the country.

Somalia is more fragile, however well-designed and implemented projects can work well there - the key being that increasing trade, revenue and employment opportunities, as well as skills and expertise input, will work towards the essential state building process.

Conclusion

Long-term solutions take a long time to develop and implement, and for this reason state building as well as economic development, which are both supported by PPPs, must also be complemented by more short-term counter-piracy solutions. PPPs in Somalia require a tailored approach, and cannot simply utilize a standard method. The emphasis is on state building and harmonization with the local government's plans as well as other agencies.



Evidence from the region shows that large scale partnerships can be very effective; however they must be approached cautiously and flexibly. The importance of emerging markets to the global economy cannot be understated, and it is in the interest of all parties to develop effective, long-term solutions.

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For more information, see the conference website at www.counterpiracy.ae.

¹<http://www.un.org/apps/news/story.asp?NewsID=40263&Cr=somali&Cr1>

²A parallel operating unit is where multiple separate processes/bodies are attempting to implement and monitor a single development activity.

³That is: It is better to do nothing than something that could make the situation worse.

⁴ Evaluation of the Implementation of the Paris: Thematic Study, The Applicability of the Paris Declaration in Fragile and Conflict-Affected Situations, 2008. OPM/IDL