

Engaging Communities in Public–Private Partnerships in the Delivery of Basic Services to the Poor: Inter-Country Models and Perspectives

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Abstract

I. The problematic

Asia is home to over 800 million poor people living on less than US\$1 per day, an overwhelming majority of whom have no access to basic services such as primary healthcare, basic education, shelter, drinking water and sanitation. While governments are ultimately responsible for providing basic services to every citizen, in the face of competing priorities they are neither always best suited nor have the resources to do so. On the other hand, the private sector, despite having the expertise, capacity and capability, are often not motivated to supplying basic services to the poor, as it does not make good business sense.

Granted that, four models of pro-poor public–private partnerships (PP-PPPs) with target communities as a centre stage partner, have been developed in Indonesia, Pakistan Sri Lanka, and Thailand as an alternative means of providing basic services, combining: the authority and credibility of the public sector; the financial prowess and entrepreneurial skills of the private sector; and the resources (social, human, financial, political and psychological capital) of the poor themselves. The four models in Indonesia, Pakistan Sri Lanka, and Thailand provide poor with access to energy, biodiversity, water and anti-retroviral drugs respectively.

II. The paper

This paper analyses how the communities were engaged and integrated into these ventures in different environments and how the engagement of the communities dramatically changed the nature of the outcomes of the pro-poor public-private partnerships in these countries. While in the PP-PPP energy project the communities have changed the outcome of the venture to social development, the communities in Thailand have changed the outcome of the project to social rehabilitation of people living with HIV/AIDS. Similarly, the communities in Pakistan have altered the outcome of the venture from access to biodiversity from ex-situ to both in-situ and ex-situ conservation of biodiversity.

[#] The views and opinion expressed in this paper are the personal views of the author and do not in any way represent the views or opinion of the institution to which he belongs.

I. Introduction

No other part of the world has seen as much progress in reducing poverty as Asia and no other part as Asia is the home of so many people in abject poverty. Asia is still home to over 800 million poor people living on less than US\$1 per day, who form multiple forms of poverty: income poverty, capability poverty, food poverty and environmental poverty. The poor also lack access to the basic services — potable water, energy, food, basic education and primary health care — which are all parts of public history.

While governments are mandated to provide basic services to its citizens in the face of competing priorities, they are neither always best placed nor have the resources to do so. On the other hand the private sector, despite having the expertise, capacity and capability, are often not motivated to supplying basic services to the poor, as it does not make good business sense. Additionally there are institutional barriers in many countries to allowing the private sector to deal in basic services like water and electricity.

II. One solution: Pro-Poor Public-Private Partnerships

There are various tonics and elixirs that have been suggested and tried to address the malady. Pro-poor public–private partnerships (PP-PPPs) also provide an alternative means of combining the comparative strengths of the stakeholders — the authority and credibility of the public sector¹ and the financial prowess and entrepreneurial skills of the private sector.² Thus the public sector and the private sector and the *poor* are partners in the business of delivery of basic services to the people through the PP-PPPs.

III. The approach and the principles

An underlying approach towards forging partnerships between the public sector and the private sector to provide basic services to the poor with emphasis on viable, long-term actions is shown in Figure 1. The PP-PPP schema operates on the twin foundations of *sharing risks and rewards*. *Risk sharing* is reflected by the *resources* invested by the private and public sector in the partnership. There could be several Public–Private Partnership Options depending upon the mix of risks and roles assigned to each of the partners.

The partner which invests more is the one which takes the highest risk or is the least ‘risk averse’. Apportioning of *rewards* is generally in proportion to risk taken, reflecting Frank Knight’s famous dictum: profits are rewards for risk bearing. Additionally, rewards are also reflected in the availability of tangible incentives for the different players in PP-PPP: *discharging corporate social*

¹ Public sector is defined as the state, or an agency of the state, or a statutory corporation/board created by an Act of the legislature.

responsibility for the private sector; fulfillment of its mandate of *delivering basic services* to the people and the consequent ‘political incentives’ for the public sector and availability and access to basic services³ for the poor (or the target communities). This incentive system is the key to sustainability of any PP-PPP venture.

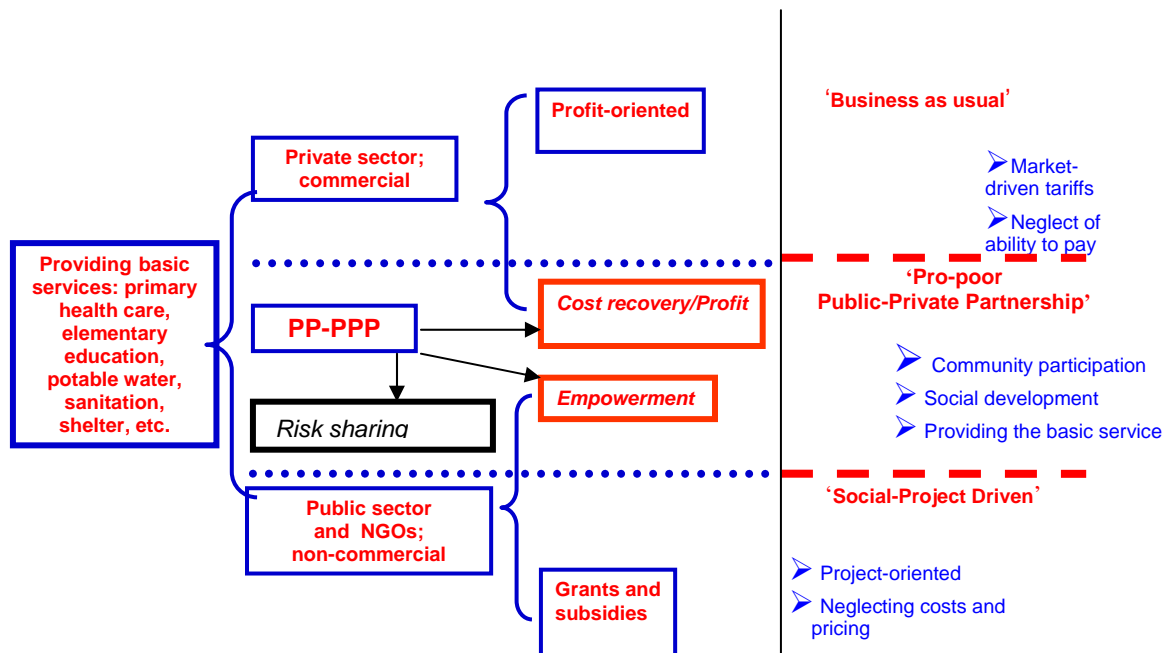


Figure 1. The PP-PPP model

If, in a Public–Private Partnership poor communities are involved, the results can be very different as well. The partnership benefits from addition to the pool of resources of the public and private sector, the resources (social, human, financial, political and psychological capital) of the poor communities themselves. Not only does the delivery of basic services become more efficient, there are additional benefits that may follow like *empowerment* of the poor communities, *social rehabilitation* of those suffering from disease, changing the way the private sector *discharges its corporate social responsibility* and the beginning of *social development* for the community.

This paper firstly analyses how the communities were engaged and integrated into three PP-PPP ventures in different environments and countries and then attempts to capture how involvement of the community dramatically *changed the outcomes* of the PP-PPP by involving the communities in different countries and in different projects. While in the PP-PPP energy project, the communities have changed the outcome of the venture to *integrated rural development*, the communities in Thailand have changed the outcome of the project to *social rehabilitation* of

² The private sector is defined as any firm, company or corporation that runs for profit.

people living with HIV/AIDS. Similarly the communities in Pakistan have altered the outcome of the venture from access to biodiversity from ex-situ to both in-situ and ex-situ conservation of biodiversity and changing the attitudes and behaviour of the 'corporate giant' involved in the PP-PPP. We shall discuss each of the projects separately and then draw the conclusions.

IV. Impact of community involvement in Pro-poor Public-Private Partnership for biodiversity conservation in Pakistan

Project description

With systematic depletion of natural vegetation (Pakistan has less than five per cent of its land under forest cover) biodiversity conservation is a priority for the Government of Pakistan. Several models for biodiversity conservation are being tried out by the government, NGOs, international organisations (such as UNDP and WWF) and community-based organisations. Past and ongoing efforts have been either in the public sector or in the development sector. Results have been mixed for a wide range of reasons. Public-private sector partnerships have not been tried in Pakistan for biodiversity conservation, though the private sector has been interested in *bioprospecting*.

The Pro-poor Public-Private Partnership for biodiversity conservation was thus a unique experiment. After holding wide-ranging consultations with government agencies, NGOs, experts and other stakeholders, Morgah, Rawalpindi, in Punjab was selected as the demonstration site for a PP-PPP for conservation of biodiversity. It was decided that under a PP-PPP, a biodiversity park be established at Morgah, Rawalpindi, Pakistan (hence the name Morgah Bio-Diversity Park).

Morgah is situated on the Potowar Plateau, Morgah Union Council, Rawalpindi District, Punjab, Pakistan. It is located near the ancient city of Taxila and the famous city of Rawalpindi. There are two villages adjoining the Morgah Bio-Diversity Park, namely, Morgah and Kotha Kalan. Communities at Morgah and Kotha Kalan comprise approximately 2000 households with a total population of about 40,000. The villagers have a wide range of livelihood options ranging from working in the local company Attock Refinery Limited to running petty shops, vending, working as labourers on daily wages, serving the government and employment with private firms in Rawalpindi.

³ The poor, while not paying for the services when they are accessed for free, compromise on quality and quantity of the service.

The objectives of the project

As stated previously, when the project was initiated in January 2003, the objective of PP-PPP for Biodiversity Conservation in Pakistan was the development of a model Bio-Diversity Park for the conservation of biodiversity of Potowar plateau of Punjab, Pakistan, to trigger-off actions for the development of similar parks in other areas of Pakistan and elsewhere in the Asian and Pacific region.

The key components of the projects

It was envisaged that the Model Bio-Diversity Conservation Park would be established with a *core, a periphery and a frame*.

The core zone was planned as an ex-situ biodiversity conservation park and a virtual park in Morgah, Rawalpindi, Pakistan (under the name and style of Morgah Bio-Diversity Park) for improving access to biodiversity of poor people from the two adjoining villages of Kota Kalhan and Morgah. It was being developed as partnership between the private sector, namely Attock Refinery Limited, Morgah, Rawalpindi, a major oil refinery in Pakistan; the public sector comprising the Government of Pakistan, in the Economic Affairs Division and the Pakistan Museum of Natural History, Islamabad; and the local government comprising the Union Council of Morgah and Kota Kalan. It was envisaged that Morgah Bio-Diversity Park would be spread over an area of 28 acres and zoned to accommodate aquatic life, butterfly farm, aviary and a vegetation zone comprising trees, plants, herbs and creepers unique to Potowar region (Figure 2).

An IT-enabled *virtual park* was also envisaged, with two linked nodes; one at the Morgah Bio-Diversity Park (MBP) and the other at the Pakistan Museum of Natural History Islamabad, to create awareness, for demonstration and education of community members, school children and the public, on biodiversity conservation linking global, national and local ecosystems, species and genes as assets of the present and future generation. The virtual park will also showcase the rich biodiversity and the conservation efforts in Pakistan in general and for Potowar region in particular.

Adjoining the core zone, the periphery was envisioned comprising two adjacent communities, Morgah and Kota Kalan, where vegetation cover was planned to be increased and destruction of vegetation for energy supply was to be discouraged. This would be done through awareness generation, capacity building on better waste management, supply of sapling of fruit trees and high-value ornamental plants from the nursery of the MBP and supply of kerosene stoves.

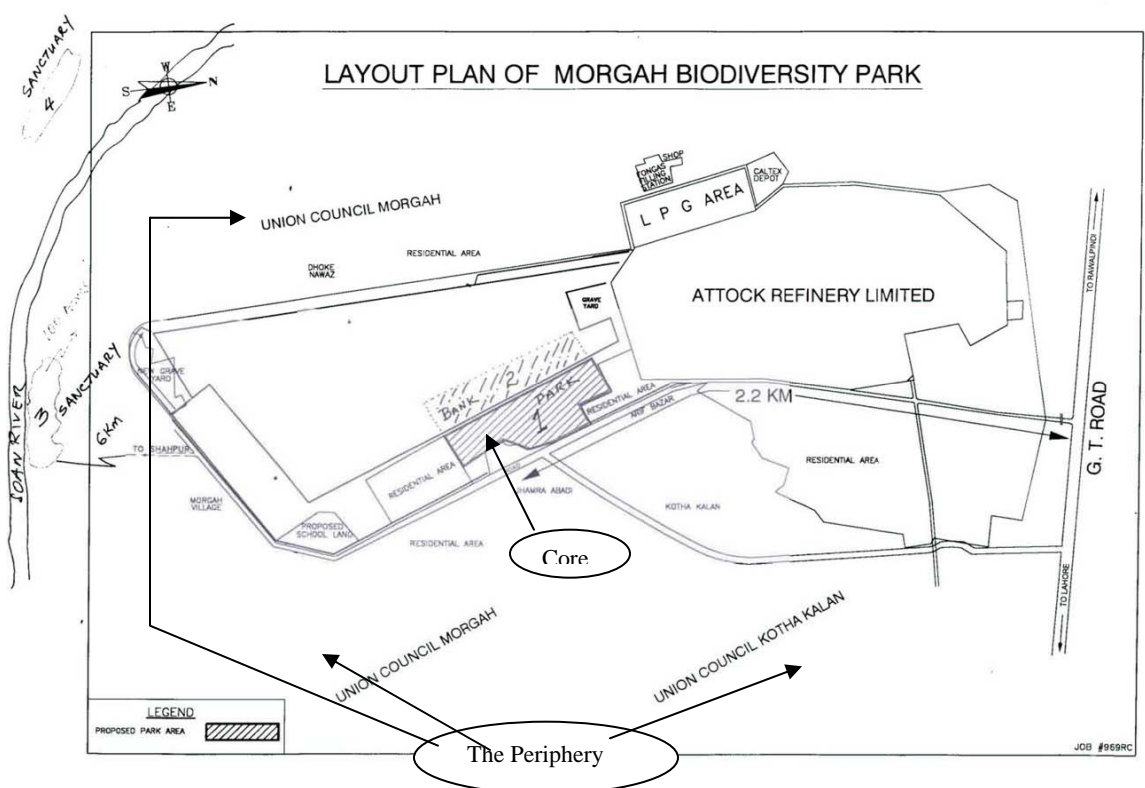


Figure 2. Map of the Morgah Bio-Diversity Park, Pakistan: core and periphery

In the *frame* was included an area within about 30 kilometres around the core zone that presently accommodates several ‘biodiversity hot spots’, or satellites, that have been earmarked for in-situ conservation such as Islamabad National Park, and also houses institutions such as Pakistan Museum of Natural History and gene bank. It was envisioned that the linkage between these hotspots/institutions and the MBP would promote exchange of information and joint research as well as promoting combined educational tours.

Contribution of partners

The contributions of the different partners in the biodiversity project have been:

- Attock Refinery Limited, the private sector, by providing land, human resources and cash in establishing the MBP and has made a contribution of about \$ 500,000
- The public sector/government institutions provided the technical inputs in developing and housing nodes of the virtual park and also provided technical inputs for ex-situ conservation such as the typology of flora and fauna. The public sector in the Government of Pakistan also allowed the private sector to utilise the land provided to it by the government for a refinery, to

be used to establish the MBP. The public sector/government institutions in the frame link the 'biodiversity hot spots' or satellites with the ex-situ conservation efforts at the MBP.

- The local government and not-for profit private sector developed entrepreneurial skills for park related income generation activities such as development of nurseries, waste management and development of compost, contracts towards the establishment of park and vending contracts, etc.
- United Nations Economic and Social Commission for Asia and the Pacific, Bangkok provided \$135,000 as support for the MBP.

Management of the project

The project was being implemented by the CEO of Attock Refinery Limited⁴ (the private sector partner) under the overall superintendence and control of the National Steering Committee, comprising: the Economic Affairs Division, Government of Pakistan, Islamabad; Pakistan Museum of Natural History, Islamabad; PIEDAR, Islamabad (a national NGO); Union Councils; members of the communities of Morgah and Kotha Kalan; and experts in biodiversity conservation.

The expected tangible results

The tangible results of the demonstration project expected were:

- a public-private sector partnership in the nature of a joint venture between the private sector and the public sector to develop, operate and maintain the MBP for conservation of biodiversity of Potowar region
- A better and cleaner environment for, and access to biodiversity to, people in the two villages of Morgah and Kotha Kalan
- income generation from sale of tickets for entry into the park and sale of medicinal plants and herbs harvested from the park.

The problems in implementation and the entry of community

When the implementation of the project started in July 2003, a question was raised by local government and the Union Councils of Morgah and Kotha Kalan about the intended beneficiaries.

The questions raised were:

- Which are the poor households from amongst the 2000 households of Morgah and Kotha Kalan?
- Who decides on which benefits from the Morgah Bio-Diversity Park would be made available to which poor households?
- What control will the people have over the Morgah Bio-diversity Park?

Since the Attock Refinery Limited was the major contributor, the first reaction was that the CEO, who was also the project manager of the project, would decide on these issues as and when they would arise. A series of discussions were held and it was ultimately recommended that all the stakeholders be consulted and solution to these questions be found out. The project management was willing to do so but insisted that the community be left out of the agony of going through the process because of several valid reasons. For one, the communities in Morgah and Kotah Kalan were very large, comprising people who were either past or present employees of Attock Refinery Limited and would, therefore, provide biased inputs. For the other, the communities' members would not know what is best for them, given that they had limited knowledge and understanding of the environment. More importantly, the communities reportedly had feudal elements and while a participatory approach may be an excellent approach in finding solutions to the questions posed, it was also germane to driving a wedge in the community.

Some of the stakeholders were, however, convinced that while the project manager (CEO of Attock Refinery Limited) would make the right choices, better solutions would emerge if the two communities were consulted, as they were the key beneficiaries from the project. The project management remained unpersuaded into so believing but agreed to try it out in one or two Mohallas (local communities) and, based on outcomes of the first one or two exercises, future courses of action would be decided on. On the method of consultation, it was agreed that micro-level plans for the communities would be prepared using participatory rural appraisal techniques.⁵

Thus, from 24–26 October 2003, the first micro-level planning exercise for Morgah was initiated at the Elliot High School, which lies to the east of the core of MBP. The villagers developed a Historical Transect (Mukherjee 2004) to depict the depletion of biodiversity in their area. They drew a map to show the location of whatever remains of their biodiversity. The community carried out an institutional analysis to show the institutions which had a bearing on their lives and their environment. A Problem–Solution Matrix was drawn up and the criteria for identifying the poor households were also developed. The criteria identified were: (a) not having two meals a day; (b) living in kutchha houses (mud houses); (c) poor clothing; (d) unemployment; and (e) widow and orphans, and so on.

When it came to identifying the poor households, the community maintained that since the two villages had a combined population of over 40,000 people and separated into different localities (called Mohallas), it was inappropriate to identify the poor households in the two villages during

⁴ It is a major refinery in Pakistan producing 37,000 barrels of petrol a day.

⁵ These were standard techniques used. See Mukherjee (1995).

the course of one meeting. It was asserted that planning meetings should be held in each locality and poor households identified separately for each locality by the people living in the localities themselves. This was agreed and the scheduled for these planning meetings as agreed.

The participatory exercises/meetings were held as agreed and the poor households identified for each of the localities using the five criteria mentioned previously. The communities in the planning exercises also identified their problems and provided solutions. They did point out that loss in forests and biodiversity cover were problems indeed. While providing the solutions, the community separated the various solutions into six categories:

1. Those solutions that the community can provide without any external help (such as raising awareness about biodiversity conservation)
2. Those solutions that the community can implement with external help from the government/Union Council⁶ of Morgah and Kotha Kalhan⁷ (such as better drinking water supply)
3. Those solutions that the community can provide with credit from banks/micro-finance institutions (such as starting non-farm income generating enterprises for creating employment for the youth of the locality)
4. Those solutions that the government has to provide for (like allocating additional land for burial ground)
5. Those solutions that Attock Refinery Limited must provide for (such as treating effluents from the refinery before their discharge into sewage channels that run through the community)
6. Those solutions which have to be implemented jointly by the community, the government, Attock Refinery Limited, the Union Councils of Morgah and Kotha Kalan, NGOs and banks/micro-finance institutions (such as better housing and roads in Morgah and Kotha Kalan).

Since the project was being implemented under the overall guidance of the National Steering Committee, the outputs from the different participatory exercises were placed before the National Steering Committee for concurrence. The National Steering Committee not only gave its concurrence but also decided to take the matter up with different stakeholders for their contribution. Because the project related to biodiversity conservation, the perception of the community that Attock Refinery Limited was discharging untreated effluent into the sewage system that runs through the two villages seemed particularly alarming. The matter was taken up by the CEO of Attock Refinery Limited in right earnest.

⁶ Union Councils are local level elected bodies responsible for developmental activities and civic governance.

The impact of the entry of the communities at Morgah and Kotha Kalan

The inquiry instigated by the CEO revealed that drains running through the two villages did not contain effluent discharged from Attock Refinery Limited. However, the inquiry found that the drains passing through the communities were filthy and contained many toxic wastes, not necessarily from the refinery itself. Consequently, steps were taken to clean up the drains and the environment. Sets of three drums⁸ were placed through out the two villages to collect waste, prepare compost and sell them for the benefits of the community. Additionally, the company realised that the community perspectives were so powerful that Attock Refinery Limited would do well to take serious note of what the members of the community were saying. It revealed to the refinery that local knowledge was a critical element that ought to inform the decisions that the company makes.

Thus involvement of the community in the Morgah Bio-Diversity project had three very important impacts:

- The company, which was already into providing support to poor people in terms of health care and education, etc. through an NGO it had started long back,⁹ started thinking seriously if there was a need to change its mode of functioning when it comes to matters affecting the communities. Indeed the CEO of the Attock Refinery Limited frankly admitted that the involvement of the communities of Morgah and Kotha Kalan has changed the refinery's way of thinking, functioning and implementing the poverty alleviation program it ran as part of its corporate social responsibility. Prior to the participatory exercises, the management of the company thought that the company had the money, they had the brains and they knew what was best for the community. They worked out a plan for supporting the poor in the locality and implemented it. After the participatory exercises the management realised that the people knew better their needs, problems and solutions. The company changed its entire approach to community development. The CEO remarked that the company management now feels that everything that it does can be done much better if the communities' perspectives are factored into their scheme of things (United Nations 2004a).
- The Attock Refinery limited also responded to the felt needs of the community. And address some of their problems. The process of income generation activities in Morgah and Kotha Kalan were started through fruits and ornamental plants from the periphery, by distributing saplings of such trees that could yield fruit and timber for sale and income. Additionally, kerosene cookers were distributed in the villages to poor households identified in the participatory exercises to prevent further cutting down of trees. Thus what began as a

⁷ Morgah and Kotha Kalhan are the two adjoining villages.

⁸ One each for glass and tin, plastics, and biodegradable wastes like paper and kitchen wastes.

demonstration project to provide poor people access to biodiversity in terms of the MBP through a public-private partnership, as a follow up to the World Summit for Sustainable Development 2002, turned into a full-blown venture for development of communities in Morgah and Kotha Kalan. The Morgah Bio-diversity project thus turned into a project to usher in a system for: better waste management and development of compost; improved vegetation cover in the two villages of Morgah and Kotha Kalan being the periphery of the MBP; and income generation for poor people while improving the environment and social development. The scope of the project changed from developing a park for in-situ conservation of the biodiversity of Potowar Plateau of Punjab into a project for both in-situ and ex-situ conservation of the biodiversity of Potowar Plateau of Punjab, Pakistan, a project for income generation for the people while improving the environment of the area and a project for social development.

- The communities, who were merely passive recipients of the potential benefits from the MBP, felt empowered and started owning up the project. They provided the critical input of 'social fencing' without which no biodiversity conservation effort can succeed.

V. Impact of community involvement in Pro-poor Public–Private Partnership for supply of electricity energy in Indonesia

Project description

With 48 per cent of the population, or about 100 million people, who still do not have access to electricity, mostly in rural areas, rural electrification is a priority for the Government of Indonesia. After researching and reviewing various possible rural electrification models, it appears that the PPP (Public–Private Partnership) model fits as a segment in between the commercial and social category, where the necessary criteria can be met to provide electricity connection to poor people.

In consultation with the relevant government agencies, community-based NGOs and other stakeholders, Cinta Mekar Village was selected as the demonstration site for a Public–Private Partnership Project to provide electricity to poor people. Cinta Mekar is situated in a valley. It belongs to Segalaherang Sub-district, Subang District in West Java Province. The Cinta Mekar community has 640 households with a total population of about 2050. More than 90 per cent of the people in Cinta Mekar depend upon agriculture or employment outside the village for their livelihood. Although the village has already been electrified, there were over 130 households out of 640 that were not electrified mostly because these poor households could not afford the initial

⁹ The name of the NGO is Attock Sahara Foundation.

cost for electricity connection. The poorest households could not even afford to pay the bill for electricity consumption even if they were exempted from paying the connection cost.

The objectives of the project

The objective of the project was to build a demonstration project on PPP to provide sustainable electricity supply to the poor households in Cinta Maker. The project sought to mobilise private sector involvement and financial resources together with the authority and power of the public sector utility and the Government of Indonesia to do so.

The key components of the project

The key component of the demonstration project in Cinta Mekar Village is a mini hydro power plant built as a joint venture between:

- the public sector comprising the Directorate General of the Energy Electricity Utilisation, Government of Indonesia and the PT PLN (PERSERO), a public utility¹⁰ that has the responsibility of distributing power in Indonesia
- the private sector, namely Hidropiranti Inti Bakti Swasaya (HIBS), Bandung, Indonesia, engaged in setting up mini hydro power plants
- People Centered Business and Economic Institute (IBEKA), a national NGO engaged in business development
- the community of the village Cinta Mekar, organised through a cooperative under the name and style of *Cinta Mekar Koprasi*.

The model pursued is shown in Figure 1.

Assistance was also sought to be provided to the relevant government agencies, in efforts to establish an institutional mechanism for mobilising and allocating financial resources for rural electrification projects accessible to, among others, public–private partnership projects.

Contribution of partners

The total development cost of the project has been estimated at US\$169,000.

- The community's contributions were the equity contribution of US\$75,000 (sponsored by the project) and supply of labour and land at a reduced price for the site of the mini-hydro power plant.
- The private sector Hidropiranti Inti Bakti Swasaya (HIBS), Bandung, Indonesia, provided the rest of the project cost and undertook to absorb all cost overruns if any and provided technical support for setting up and running the mini hydro power plant.

- IBEKA provided all the technical support regarding social engineering associated and necessary for the completion of the project as also a part of the cost of the project.

The profits from the project were to be shared between the community and the private sector in the ratio of 50:50.

The management of the project

The project management comprised the private sector and the Cinta Mekar Cooperative, under the overall guidance of the National Steering Committee, comprising of representatives of all the stakeholders including the Directorate General of the Electricity Utilisation and Energy, Government of Indonesia; PT PLN; HIBS; IBEKA, members of the Cinta Mekar Koprasi and experts.

The expected tangible results

Expected tangible results of the demonstration project were:

- a partnership joint venture to develop, operate and maintain a mini hydro power plant at Cinta Mekar, Subang, Indonesia, having a power output of 120 kilowatts and an annual generation of 648,000 units
- provision of electricity connections to 130 poor households who could not afford electricity connection.

Since Cinta Mekar was divided into four sub-villages (called Dusuns in local language) and it was connected to the grid, in the scheme of things it was considered inefficient to connect the unconnected households to the mini hydro power plant for supply of electricity. It was decided instead that the power to be generated from the mini hydro power plant be sold to the public utility PT PLN at an agreed price in conformity with Law No 20 of 2002 of the Government of Indonesia and the profits earned by so doing were to be split between the community and the private sector (HIBS) in the ratio of 50:50. With a portion of the profits going to the community, power connections were to be provided to the unconnected households mentioned previously.

The problems in implementation and the entry of community

When the implementation of the project started in June 2003, several questions were raised by local NGO about the intended beneficiaries. The questions raised were: (i) Which are the poor households from amongst the households of Cinta Mekar that should get power connections from the project? (ii) Who decides the order in which poor households will get connected to electricity? (iii) What control will the people have over the mini hydro power plant?

¹⁰ A Natural Monopoly in Indonesia.

In order to determine these, after considerable debate amongst the partners, including the Cooperative in Cinta Mekar and the government, a consensus was arrived at that the people in the village should have the last word in this regard. This is so because the project was for their benefit and hence they were the best judges of which were the poor households in Cinta Mekar and what should be the order in which the intended beneficiaries should get the connections. In order to elicit the views of the community, it was further decided that a micro-level plan be prepared for the limited purposes of: (a) identifying the poor households that should be provided with electricity connection; (b) determining the order in which the power connections are to be provided; and (c) such other related matters as may be necessary.

The limited-purpose micro-planning exercise was undertaken over two full days on 23 and 24 July 2003 in the village hall and its adjoining verandas in Cinta Mekar Village.

The villagers firstly determined the criteria for determining whether a household is poor or not. These were: landless households; no member of the household in regular employment; households that cannot afford higher (high school) education for their children; and households that lack capital to run any trade or business. These criteria were arrived at through scoring and all the criteria were considered to be as important as the other.

The villagers then used a wealth ranking method to identify the poor households according to the following scheme: (i) those households that exhibit all four criteria were the poorest or in local parlance in Miskin-I; (ii) those households which exhibit any three of the four criteria were next in order of poverty and were in Miskin-II; (iii) those households which exhibit any two of the four criteria were next in order of poverty and were in Miskin-III; (iv) those households which exhibit any one of the four criteria were least poor amongst the poorest households and were categorised as in Miskin-IV; (v) and those households, which exhibit none of the four criteria, were the non-poor.

On application of the above scheme and criteria it was found that there were only four households that were in Miskin-I, 47 households in Miskin-II, 100 households in Miskin-III, 217 households in Miskin-IV and the rest of the 640 households were non-poor.



Participatory Planning Exercise in Progress in Cinta Mekar, Indonesia

All the households belonging to Miskin-I and Miskin-II and some households in Miskin-III had no electricity connections. Hence the people decided that income from the mini hydro power plant at Cinta Mekar would be first used to provide connections to these households.

Once the categorisation of the households was over, the villagers raised an important question. Once all the identified households were provided with power supply, how shall the income from the mini hydro power plant Cinta Mekar be utilised? After deliberations the villagers decided that after the unconnected households received electric connection, the profits from the mini hydro power plant will be utilised to tackle the other problems of the village. Incidentally, the men's group using participatory methods identified and ranked the following problems: limited employment opportunities for the villagers; low economic status of the villagers; poor quality of human resources; lack of unity amongst the villagers in problem solving and limited facility and infrastructure for economic activity. Similarly, the women's group, using participatory methods, identified and ranked the following problems: limited capital for business (meaning petty trade, vending, running village grocery store, hawking, etc.); limited employment; low economic status of

the villagers and failure of agriculture and lack of permission from the husbands for the women to work outside the village.¹¹

The question then addressed was what could be done to remedy the situation. After a series of consultations, the community decided that the profits from the mini-hydro power plant will be utilised in the following proportions (United Nations 2004b):

On providing electric connection:	62.5%
On Education (training and scholarship):	8%
On Health:	4%
(a) Health card	
(b) Health centre (PMT/hepatitis B vaccination)	
(c) Treatment of chronic illness	
On infrastructure:	5%
On providing business capital:	8%
On community cooperative cost:	10%
On administrative cost at the village:	2.5%

The community also developed an action plan. While the other partners had no say in how the community wishes to use its share of the profits, the community nevertheless decided that the plan is presented to all the partners in the joint venture for transparency and for demonstrating that the joint venture was truly pro-poor. The plan was accordingly presented to all the partners, namely the Directorate General of the Electricity Utilisation and Energy, Government of Indonesia, HIBS (the private sector partner), IBEKA (the NGO) and PT PLN (the public utility that purchases the electricity generated by the mini-hydro power plant).

PT PLN saw in the plan an opportunity to enlarge its involvement. It wanted to change its role from that of a purchaser of power generated by the mini hydro power plant at Cinta Mekar to a partner in developing the village to meet, at least in part, its corporate social responsibility. The process of transforming the role of PLN from a power purchaser to one of 'partner in change' has been initiated and is evolving. As a first step, PLN has provided 25 scholarships to school students in Cinta Mekar on a merit-cum-means basis.

The IBEKA also saw in the project a chance to bring about lasting change in the life of Cinta Mekar. It mobilised resources from alternative sources and set up a health clinic and a community radio centre.

¹¹ For an explanation of the difference in perception of men and women see Mukherjee (2004).

The impact of bringing in the community

Clearly, the impact of the community involvement has been significant.

In the process, what began as a demonstration project for providing electric supply to 130 (approximately) poor households in a village in Subang, Western Java, Indonesia ended up being a project for socio-economic development of the village as a whole.

The nature of the project changed from being a project for delivery of one basic service encompassing service delivery for a charge which in this case was providing electricity connections to 130 poor households to an integrated project involving all the social sectors and provisioning for most of the basic needs of the people in Cinta Mekar. The project focus thus moved from sectoral to holistic, from attempting at bringing direct benefit to a section of the households to the entire village.

A project that began as only a for-profit venture was transformed into a platform where the public utility could discharge its corporate social responsibility, the NGO could carry out its mandate of helping the poor in the community and the community itself being empowered to take decisions about how their resources could be used to their best advantage.

The single most important feature has been that the project made those who were assetless into asset-holders, owners of a mini hydro power plant. Though some of the people in Cinta Mekar may continue to be poor, the project changed the *character* of their poverty. Poor households of Cinta Mekar who eked out their living by working on daily wages, or selling woods felled from adjoining forests, or being hawkers of toys, dry fish and snacks, collectively became owners of a mini hydro power plant. It was an empowering process and gave the poor people of Cinta Mekar a lot of dignity and hope — no mean achievement for the people in a poor country.

VI. Impact of community involvement in providing access to healthcare for people living with HIV/AIDS (PLWHAS)

Objective of the project

An estimated 139,000¹² people were living with HIV/AIDS (PLWHAS) in Thailand require antiretroviral drugs (ARV). Yet only 23,000¹³ were receiving the drugs. An expansion of ARV treatment was now a priority for the Government of Thailand, which aimed to expand ARV

¹² The estimates vary over time.

¹³ These estimates also vary with time.

treatment to 50,000 by the end of 2004. Implementation of an expanded treatment program requires enhanced government healthcare infrastructure capacity to provide increased support, in response to the expected increase in number of patients afflicted by the epidemic. That increase is likely to push the limits of human and technical capacities of government healthcare outlets at central, provincial and community levels in Thailand.

A significant number of PLWHAS were receiving ARV treatment or had previously stopped treatment due to financial constraints and inability to maintain the strict discipline required for adhering to the ARV regimen. It was in this context that a PP-PPP Project for providing ARV Therapy was launched in Thailand in 2003.

The objective of public-private partnership (PPP) demonstration project was to improve the access of PLWHAS to ARV drugs. The project took the membership the Center for People and Families living with HIV/AIDS (CPA), as the target community of people living with HIV/AIDS for the purposes of the demonstration project.

However, approximately 45 per cent of CPA members were either unemployed or without a regular source of income and 95 per cent of CPA members reported an income loss due to HIV/AIDS. The average monthly HIV/AIDS-related medical costs accounted for almost 50 per cent of the average monthly income of those with an income. Loss of confidence and hope had affected the ability of many PLWHAS to make a new start in their lives after acquiring the virus.

Thus a secondary objective of the project was to create income generation for PLWHAS so that enhanced income for such people would enable them to access ARV therapy on a sustained basis.

Contribution of the different partners

The private sector

Since the project was designed as a public-private sector partnership project, the first step was to set a partnership between the private and the public sector. While the Ministry of Public Health, Government of Thailand was a willing partner, the hunt for a private sector proved elusive. The efforts of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) through a leading support organisation for PLWHAS, the Thailand Business Coalition on AIDS (TBCA), yielded limited results. It goes to the credit of the private sector that they were willing to provide resources to TBCA to provide ARV therapy to PLWHAS. However, they did not reportedly consider it good business to enter into a PP-PPP project to provide ARV

therapy, because it was felt by the powers that be that the company concerned would be perceived, rightly or wrongly, as making money out of the miseries of people at the threshold of death. The companies reportedly deemed such a venture a public relation disaster.

After considerable search and considering various options it seemed that the task of forming a partnership between the public sector and the public sector had hit a dead end. The PLWHAS then decided, in consultation with TBCA and with its support, that instead of hunting for private sector partner, PLWAHS could themselves set up a private company to make profits, forge a partnership with the public sector (essentially public hospitals) and support the target community to access anti-retro viral therapy. Thus the CPA Positive Marketing Company Limited was set up by PLWHAs with project support.¹⁴

The PLWHAS decided that they would themselves manage the CPA Positive Marketing Company Limited. The core business of the CPA Positive Marketing Company Limited was decided as the sale of textile-based products produced by PLWHAS groups in different parts of Thailand. In addition, a wide range of PLWHA-made products, from national and international sources, were to be included in the retail activities of the company in course of time.

It needs to be mentioned however, that the private sector provided technical resources and support (like loans) agreed to support the PLWHAS in running CPA Positive Marketing Company. Where possible, the provision of private sector technical resources was been formalised through memoranda of understanding, such as the one signed with APDA Group Co. Ltd., a company specialising in providing conference-related services.

The public sector

The hospitals in Bangkok under the Ministry of Public Health (MoPH), Government of Thailand and under the Bangkok Metropolitan Authority (BMA) agreed to provide ARV Drugs free of charge and treatment for opportunistic infections to PLWHAS, in line with the established policy of the Government of Thailand.

Civil society organisations

CPA, in collaboration with MSF (Medicine Sans Frontiers), provided the training of selected CPA members themselves on healthcare service delivery¹⁵ to PLWHAS.

¹⁴ The process was tortuous and took many brave hearts working in the project to sweat and toil with singular devotion, for which they deserve our salute.

¹⁵ Including psychosocial counselling.

TBCA is the support organisation that acted as the bridge between the PLWHAS, private sector companies, the UNESCAP and the members of the CPA.¹⁶

Key components of the project

- i. A partnership between United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the Ministry of Public Health (MoPH), Government of Thailand; the Thailand Business Coalition on AIDS (TBCA); some private sector companies and civil society groups.
- ii. Through the partnership, provide ARV Therapy (not just ARV Drugs) to members of the Center for People and Families living with HIV/AIDS (CPA) and create income-generating activities for PLWHAS and generate income for CPA members, which will be used to support ARV Therapy for members of CPA.

Tangible results

- More PLWHA community members have started ARV treatment and, with psychosocial support and outreach care provided under the project, were able to maintain the discipline of adhering to the treatment.
- CPA members trained under the project were providing psychosocial support and outreach care, in cooperation with as well as to augment the services provided by, staff members in the hospitals under reference.
- The CPA Positive Marketing Company was operational that utilised strategic business plans, extensive links to a network of PLWHA community producer groups in places like Chiang Mai and private sector in-kind support, to retail PLWHA products in a competitive market. Not less than 35 per cent of the profit from activities of the CPA Positive Marketing Company would be used to maintain a fund to support healthcare activities of CPA members, to directly facilitate free access to treatment and care for community members who otherwise would not have been able to cover the costs related to that access. In addition, community members would hold a share in the company and any of its profits.

It may be added that the CPA Positive Marketing Company recently sold products to several international organisations. For example, the company successfully supplied 19,000 conference bags for the XV International AIDS Conference held in Bangkok from 11 to 16 July 2004. Several leading pharmaceutical companies had also approached the company to place orders for products under their respective brands to be distributed at that conference.

¹⁶ Indeed, TBCA has for long been at the forefront in promoting corporate social responsibility of Private Sector Companies in Thailand to bring relief to PLWHAS.

The impact of involving the communities

The impact of involving the communities has been significant.

Firstly, the search for private sector partner to form a public private partnership ended (in most cases) in eliciting responses from the private sector to provide resources as grants and not as capital for a for-profit PP-PPP. This would have led the project to end as another good example demonstrating corporate social responsibility. The involvement of the community changed the complexion of the project. The involvement of the community led to the target community agreeing to form the CPA Positive Marketing Company and sharing a predetermined portion of the profits for helping PLWHAS in accessing ARV Therapy, in collaboration with hospitals in the public sector (hospitals under the Ministry of Public Health, Government of Thailand and Bangkok Metropolitan Authority). Thus the involvement of the community demonstrated that the private sector and the public sector could work in tandem to provide ARV Therapy to the poor.¹⁷ And this they could do by transforming the perceived disadvantage of being PLWHAS to an advantage of a marginalised group trying to be self-reliant.

Secondly, the project initially began as a project to deliver ARV Drugs to the PLWHAS but it ended up in *social rehabilitation* of such people in addition to providing ARV Therapy. This was a big leap. The facts that a marginalised group could own a company and make profits have empowered the community (PLWHAS). This has instilled in many of the PLWHAS an urge to live from a state of desperation.

VII. Conclusions and challenges

The experience of the three demonstration projects indicate that have some strong conclusions can be drawn. Overall, the first feature of note is that involvement of communities makes significant impact on development projects in different political settings, in different sectors and in different partnerships, especially public–private partnership. For instance, the communities in countries with democratic political dispensation made as much impact as in other political settings. Then the communities make an impact irrespective of whether the partner was a giant corporation like Attock Refinery Limited in Pakistan or a small-scale company like Hidropiranti Inti Bakti Swasaya (HIBS), Bandung, Indonesia or a company of the target beneficiaries themselves like CPA Positive Marketing Company in Bangkok. And then the impact of the community remains undiminished whether the project is in the energy sector (as in Indonesia) or in the health sector (as in Thailand) or in biodiversity conservation (as in Pakistan). The impact of involving communities in project implementation, even at relatively late stages, has a positive impact.

¹⁷ Here we maintain that PLWHAS are poor because they are marginalised and dis-empowered.

Secondly, though the impact of involving communities in project implementation, has been positive, there are 'collateral' impacts and the nature of such collateral impact is differentiated impact. In case of the biodiversity project, community involvement brought about a change in the attitude and behaviour of a giant corporation. It enlarged the scope of the project from an ex-situ biodiversity conservation in the Morgah Bio-Diversity Park (of 28 acres) in Rawalpindi, Pakistan into a project for: (i) ex-situ biodiversity conservation; (ii) in-situ conservation of biodiversity in the two villages of Morgah and Kotha Kalan; and (iii) a project for involvement of the private sector in participatory development. Additionally because the communities got involved in the project, they agreed to provide 'social fencing' for both the in-situ conservation (Morgah Bio-Diversity Park) and ex-situ conservation efforts in Morgah and Kotha Kalan Villages. On the other hand, in case of the project on providing electricity to poor people in a village in Indonesia, community involvement brought about a change in the scope of the project. The original project to provide one basic service, namely electricity was transformed into an integrated rural development project involving health, education, electricity, infrastructure development, income generation and even on better governance (though the last one was at the margin only). In case of the project on delivery of ARV Therapy in Thailand, the project turned itself on its head: from a project to deliver basic service, it became a project for rehabilitation of people and families living with HIV/AIDS.¹⁸

Involving the communities has also resulted in mobilisation of resources. Since this is a phenomenon that is cited very commonly as a compelling reason we are inclined not to overstate the position. Nevertheless, its value and contribution to the success of the projects need recognition. For example, the mini hydro power plant in Cinta Mekar, Indonesia, could not have been built at the appropriate place¹⁹ without the owner of the land agreeing to part with his property at a reduced rate. Similarly, additional land could not have been brought into the Morgah Bio-Diversity Project without the community supporting the acquisition of the land by the Attock Refinery Limited for the purpose.

It is important to underscore that the PP-PPPs with involvement of the project were characterised by transparency; empowerment of the target communities; equity; contestability; clarity and predictability; accountability; risk management; economic and financial sustainability; legitimacy and legality; and stakeholders' participation. Without these features we doubt if the projects could have been established. Thus PP-PPP, with involvement of the communities to be successful, must be built on the ten partnership principles outlined previously. Building PP-PPPs on these principles is a major challenge, given the differences in ideological underpinnings of and seemingly adversarial relationship between different players in the development scenario.

¹⁸ One of the most marginalised sections of society.

The experiences in the above projects also tell us that the success of PP-PPPs with community involvement depends on other three key factors. First, the pro-poor element in PP-PPP needs to be publicly articulated so that the public, especially the target communities and the poor, understand that 'it pays to buy basic services'. For one, the poor are better off because they have access to services through PP-PPPs when they had none before. For the other, where the poor have access to the basic services for free or at a nominal charge, the services are generally of poor quality. Two, the private sector must be made to understand that doing business with the poor is not only good 'public relations' (image building and all that) but also good economics or what the great management guru calls 'prosperity at the bottom of the pyramid' (Prahalad 2004). Finally, there is a need for a massive institutional change. For PP-PPPs to take roots, the state must break out of its box and migrate from a *supplier* of basic services and *manager* of the associated systems, and remodel its structures and policies and re-engineer its business processes to be a *facilitator and a regulator*, letting the private sector supply and manage supply of basic services. However, the state will retain the responsibility of providing the services for free to especially indigent people suffering, for instance, from serious disability,²⁰ serious disease²¹ and orphans.

Acknowledgments

The author wishes to thank Dr Kim Hak-Su, for his leadership; Mr Ravi Sawhney and Ms Nanda Krairiksh for their guidance; Mr Pranesh Chandra Saha, Ms San Yuenwah, Dr Aslam Khan, Mr Liu Hong Peng, Mr Bruce Ravesloot, Mr M Raziuddin, Dr Ayub Qutub, Ms Mumpuni Iskander and Mr Iskander Katodji for all their support; and the community members in Kotah Kalan, Cinta Mekar and Bangkok for all their help and hospitality, without which the projects would never have been possible.

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¹⁹ The plant has to be built at a certain level below the watercourse for the penstock for generation of electricity.

²⁰ These could be locomotor disability, total blindness or serious mental disability.

²¹ Like people living with HIV/AIDS.

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