FAIR BUSINESS ENVIRONMENT LAB REPORT
10 JUNE 2019 – BANGKOK, THAILAND
The FAIR BUSINESS ENVIRONMENT LAB

BACKGROUND

The ASEAN region is one of the largest economies in the world. At the same time, corruption and weak governance are among its top concerns. According to the 2017 ASEAN Business Outlook Survey conducted by the U.S. Chamber of Commerce, the majority of businesses in the region (65 percent) listed corruption and inefficient law enforcement practices as major challenges to doing business in ASEAN.

Engagement with businesses in formulating new laws, policies and regulatory frameworks is limited. This hinders trust and collaboration between governments and the private sector. Lack of compliance with established standards and regulations impacts all sectors – from health to emerging information and communication technologies (ICTs), to preservation of protected areas.

Addressing corruption and strengthening governance systems requires a more active role of the private sector – both in developing and complying with the letter and spirit of the laws and regulations, and ensuring that business practices promote values of fairness, inclusiveness, integrity, transparency and accountability1, while also contributing to the principle of “leaving no one behind” of Agenda 20302. Strengthening business integrity is integral to improved governance, and specifically to the achievement of Sustainable Development Goal 16 or SDG16. The agility and innovativeness of private sector are also considered essential factors for developing and financing interlinked solutions for achieving the SDGs.

To this end, UNDP’s regional initiative on Promoting a Fair Business Environment in ASEAN (2018–2021), aims to encourage private sector engagement to develop and implement solutions for business integrity and sustainable development, together with other stakeholders. Lessons from implementing solutions can inform standard setting by global initiatives such as the UN Global Compact’s ‘Action Platform for Peace, Justice and Strong Institutions’.

1 See Transparency International. Business Integrity Country Agenda (Malaysia). 2018. Page 1

ABOUT THE LAB

To develop innovative solutions for business integrity and sustainable development, UNDP organized a one-day “Fair Business Environment Lab” on 10 June 2019 in Bangkok, Thailand. This Lab was the first of its kind under the regional initiative on Promoting A Fair Business Environment in ASEAN. The Lab was facilitated by a consultant (Tandemic) with experience both in conducting innovation labs and with collective impact approaches.

The overarching purpose of the Lab was to strengthen multi-stakeholder collaboration, bringing different actors (business associations, government, civil society, technical experts and UNDP country offices) together to design and implement solutions to the challenges around business integrity which they face in their countries.


GOALS

The Fair Business Environment Lab had four goals:

1. Build trust between key stakeholders so that they are in a better position to collaborate in-country.
2. Identify shared strategic goals, common pain points and interests across business, government, and CSO stakeholders to focus initial cooperation.
3. Design an in–country collaboration approach that brings a broader set of stakeholders to the table to design business integrity initiatives that are integrated and go beyond the current toolkits and training.
4. Identify potential collaborations addressing business integrity that they could bring forward in country. The process encourages participants to identify projects within their scope of influence that might be pursued as “low-hanging fruit”.

COLLECTIVE IMPACT

The Lab employed collective impact3, a structured approach to systemic change, to foster a fair business environment in each country. The approach has proven to be effective in a variety of areas, including business integrity4.

Creating a fair business environment through greater business integrity requires addressing systemic challenges by strengthening multi-stakeholder collaboration so that stakeholders regularly come together to design and iterate collaborative projects — rather than coming together on a one-off basis or creating siloed projects.

These initiatives are locally-driven and focus on fostering collaborative projects across the ecosystem rather than those driven by individual organizations. Collective impact initiatives are built on the five building blocks (below).

This Lab focused on three of the five building blocks:

- Developing a common agenda amongst stakeholders
- Ensuring continuous communication amongst stakeholders
- Understanding what a backbone organization might look like

The Lab proposed to support an initial set of stakeholders in each participating country to seed a broader, more integrated multi-stakeholder collaboration. We did this by designing what a sustainable and integrated platform for collaboration might look like in their countries.

HOW THE LAB WAS CONDUCTED

BEFORE THE LAB

CALLS WITH PARTICIPATING COUNTRY OFFICES
Calls were conducted with participating Country Offices to better understand their level of readiness for the Lab and to help them better select partners to bring to the Lab.

WEBINAR WITH PARTICIPATING COUNTRY OFFICES
A webinar was conducted to prepare participating Country Office colleagues for the Lab. They played a key role in the delivery of the Lab as facilitators for their respective country, supporting participants in taking part in the exercises.

DURING THE LAB

The Lab included six key activities, each centered around tools that were introduced in the webinar.

1. GETTING TO KNOW EACH OTHER
An exercise that helped participants get to know each other better on a personal level.

2. REGIONAL RESEARCH OVERVIEW
An overview of the data on ASEAN’s business environment.

3. IDENTIFYING SHARED STRATEGIC GOALS
Participants listed the reasons why business integrity is strategically important for their organizations so that they could identify some common goals.

4. DESIGNING A PLATFORM FOR COLLABORATION
Participants designed what a continuous, in-country collaboration using a collective impact approach might look like, focusing on the following seven questions:

1. What is the change we want to see?
2. Why is this change important to us?
3. How ready are we to work collaboratively?
4. What might be the scope of our collaboration?
5. How might each of us be involved in this collaboration?
6. Who else should be involved?
7. How do we work together?

5. GETTING STARTED ON A PROJECT
Participants scoped out a potential “low-hanging fruit” project they might start with on the collaboration platform. They focused on answering three questions and produced a Concept Poster summarizing their answers.

1. What are some different ideas for collaborative projects?
2. What is one impactful and innovative idea to take forward?
3. How does this idea work?

6. SHARING
Participants shared and discussed the design of their in-country collaboration platforms as well as their initial projects.

AFTER THE LAB

UNDP COUNTRY OFFICES
To host a meeting to identify a broader group of people who need to be part of the conversation. The collaboration approach and concept poster are to be refined.

UNDP COUNTRY OFFICES
To identify where further support might be useful at the national level, for instance by providing coaching or workshops. The Lab process may be reproduced with a broader set of stakeholders at the national level.

UNDP BRH
To open a call for proposals to fund collaborative initiatives
A SNAPSHOT OF THE RESULTS

GOALS | RESULTS
---|---
Build trust | **Achieved.** 83% of participants reported that they are more comfortable having a business dialogue with their counterparts after this Lab.
Identify shared strategic goals | **Achieved.** Teams consisting of different stakeholders produced canvases outlining shared strategic goals and outcomes around which they would like to collaborate.
Design a collaboration approach | **Achieved.** Each team produced a collaboration canvas outlining key aspects of how they might collaborate around business integrity.
Identify potential collaborations | **Achieved.** Each team produced a canvas outlining a collaborative business integrity project they might start working on going forward.

WHAT WE LEARNED

WHAT WORKED WELL

- Focusing collaborations on a specific industry made the challenge more manageable and the discussion more concrete and targeted.
- Pre-Lab calls with the facilitator helped set expectations and highlight potential challenges.
- The teams that benefited the most from the session had close working relationships between team members before joining the Lab.
- In-team facilitators from each Country Office played a crucial role in the success of the Lab and in ensuring the continuity of the conversations.
- Conducting the Lab in smaller groups and in participants’ native languages can lead to more effective discussions.
- Printed frameworks with instructions provided teams with clear direction and helped get more done in less time.

WHAT COULD BE DONE DIFFERENTLY

- A minimum of 2 days should be allocated for this type of activity. The optimal team size is 5–6 participants.
- Allocate additional time for the impact statement. Participants found it challenging to come to a consensus on what kind of change they wanted to see.
- Greater guidance and time may be needed to define the low-hanging fruit.
- Make time to formalize participants’ commitment to the ideas they generated.
- Q&A during the sharing session made it exceedingly lengthy.
- Introduce shorter case studies around non-government action. Many examples showed heavy reliance on government action, which made it difficult for teams to define a low-hanging fruit.
## SUMMARY OF PROJECTS

### INDONESIA

<table>
<thead>
<tr>
<th>Name</th>
<th>Impact</th>
<th>Problem</th>
<th>The big idea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Promoting fair business in the plantation sector</td>
<td>Clear and transparent regulatory framework is established for spatial/land plans, a crucial issue in the plantation industry.</td>
<td>A multi-stakeholder platform to provide space for disputes, capacity building to enable stakeholders to understand their roles and responsibilities, provide baseline recommendations for policy improvement around transparency.</td>
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### MALAYSIA

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<tbody>
<tr>
<td>Name</td>
<td>Fair business environment for SMEs in the hospitality sector</td>
<td>Budget hotel operators too often operate without licenses and registration, which has implications for accountability and tax revenue.</td>
<td>New, simpler requirements and an online platform that makes registration easy and simple. A one stop shop with health, fire, etc. licensing.</td>
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### THAILAND

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<tbody>
<tr>
<td>Name</td>
<td>Transparency in Infrastructure Projects (TIP)</td>
<td>Awards are not merit-based, which leads to inferior project quality and higher cost, as well as poor design.</td>
<td>Transparency should be compulsory, rather than at the discretion of government.</td>
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### THE PHILIPPINES

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<tbody>
<tr>
<td>Name</td>
<td>E-contract project management system</td>
<td>Public procurement, especially those that involve construction, usually has poor project management. Contractors think they have to pay money to committees to secure contracts and get paid on time.</td>
<td>Comprehensive and transparent contract management through electronic bidding and open data/public disclosure.</td>
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### MYANMAR

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<tr>
<td>Name</td>
<td>Tour tech</td>
<td>There is no single source of information and assurance for companies wishing to obtain a permit in tourism.</td>
<td>Develop an app that makes it easier to understand the procedures of setting up a tourism company.</td>
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### VIET NAM

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<tr>
<td>Name</td>
<td>Trans Pharma</td>
<td>Bribery, corruption, and irresponsible business conduct in the drug supply and procurement.</td>
<td>An association of businesses subscribing to an ethical code of conduct and the creation of “capacity of ethics” committee.</td>
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FEEDBACK FROM THE PARTICIPANTS

CHANGE IN COMFORT LEVEL TO ENGAGE COUNTERPARTS

Question:
Compared to before this workshop, how has your comfort level in having a business dialogue with your counterparts changed?

USEFULNESS OF BASELINE STUDY

Question:
On a scale of 0 to 5, how useful was the baseline study presented by Dr. Hady Fink in your thinking about business integrity in your country?

LIKELIHOOD OF RECOMMENDING THIS WORKSHOP APPROACH TO A COLLEAGUE

Question:
On a scale of 0 to 10, how likely would you recommend this workshop approach to a colleague?

LIKELIHOOD OF CONTINUING THE WORK ON LOW-HANGING FRUIT

Question:
How committed are you to continuing the work on the low-hanging fruit (goal 2), in-country?

MOST USEFUL PART OF THE LAB

Question:
What was the most useful part of this workshop for you?

A significant number of participants found the lab activities/frameworks useful, particularly in providing a clear structure for achieving the lab goals:

- Seeing how the workshop was structured to produce results in a short time frame by providing clear methodologies and instructions to participants.
- Short sessions that build on each other, work well and feel results oriented.
- The systematic guiding questions for each country group to address the identified challenges.
- Getting to know country team better. Networking with other delegations.
- Getting to know our partners’ ideas.
- The part about the best practice in Argentina and the last part where we tailor an approach for the Philippines.

Several respondents also found the group sessions useful as they provided an opportunity to get to know their counterparts, learn about their ideas, and work with them in designing solutions.

Participants also found the case studies useful in helping them with the solution design.

Scale: (Not useful) 0 – 5 (Extremely useful)

Scale: (Not likely) 0 – 10 (Likely)

Scale: (Unlikely) 0 – 5 (Highly certain)