



FAIR BUSINESS ENVIRONMENT LAB REPORT

10 JUNE 2019 – BANGKOK, THAILAND





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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

2 Agenda 2030 refers to the plan of action for people, planet and prosperity adopted by all member states of the United Nations in 2015. The Agenda consists of 17 sustainable development goals and 169 targets. See Transforming Our World: the 2030 Agenda for Sustainable Development <https://sustainabledevelopment.un.org/post2015/transformingourworld>

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.

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.

3 See Collective Impact. https://ssir.org/articles/entry/collective_impact

4 See The Maritime Anti-Corruption Network: Argentina Collective Action. <https://www.bsr.org/en/our-insights/case-study-view/maritime-anticorruption-network-argentina-collective-action>

GOALS



The Fair Business Environment Lab had four goals:

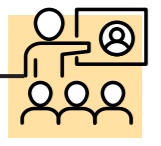
1. **Build trust** between key stakeholders so that they are in a better position to collaborate in-country.
2. **Identify shared strategic goals**, common pain points and interests across business, government, and CSO stakeholders to focus initial cooperation.
3. **Design an in-country collaboration 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”.

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.

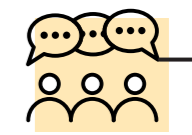


AFTER THE LAB

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 canvasses 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.

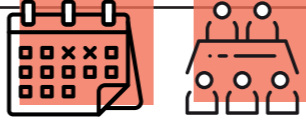


Conducting the Lab in **smaller groups and in participants' native languages** can lead to more effective discussions.




Printed frameworks with instructions provided teams with clear direction and helped get more done in less time.

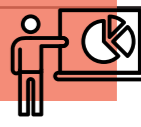
WHAT COULD BE DONE DIFFERENTLY




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



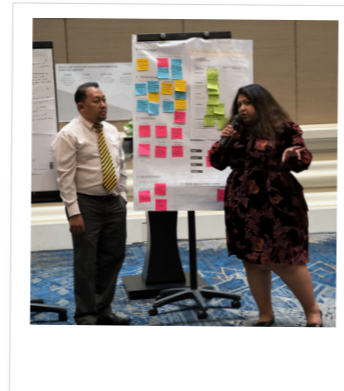
Name Promoting fair business in the plantation sector

Impact Clear and transparent regulatory framework is established for spatial/land plans, a crucial issue in the plantation industry.

Problem Disputes over land ownership constrain business and community development.

The big idea 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.

MALAYSIA



Name Fair business environment for SMEs in the hospitality sector

Impact More transparent and simpler legislation around licensing and introduction of regulatory requirements and guidelines for small/budget hotel operators.

Problem Budget hotel operators too often operate without licenses and registration, which has implications for accountability and tax revenue.

The big idea New, simpler requirements and an online platform that makes registration easy and simple. A one stop shop with health, fire, etc. licensing.

MYANMAR



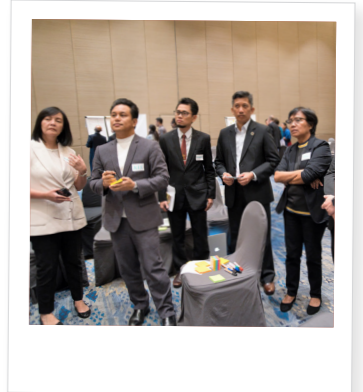
Name Tour tech

Impact Simplified permit processing without influence of big businesses in the tourism sector.

Problem There is no single source of information and assurance for companies wishing to obtain a permit in tourism.

The big idea Develop an app that makes it easier to understand the procedures of setting up a tourism company.

THE PHILIPPINES



Name Transparency in Infrastructure Projects (TIP)

Impact A fact-based, organized and strategic M&E system is created for infrastructure projects.

Problem Awards are not merit-based, which leads to inferior project quality and higher cost, as well as poor design.

The big idea Transparency should be compulsory, rather than at the discretion of government.

THAILAND



Name E-contract project management system

Impact A more efficient and transparent system for vendor monitoring and performance assessment is designed to also include contracting and payment processing in government construction projects.

Problem 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.

The big idea Comprehensive and transparent contract management through electronic bidding and open data/public disclosure.

VIET NAM



Name Trans Pharma

Impact Transparency and integrity in the procurement of pharmaceuticals are strengthened, including through the development of an industry code of conduct.

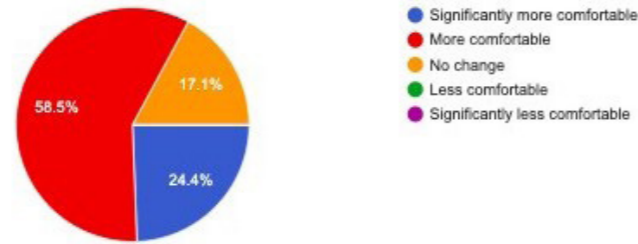
Problem Bribery, corruption, and irresponsible business conduct in the drug supply and procurement.

The big idea An association of businesses subscribing to an ethical code of conduct and the creation of "capacity of ethics" committee.

FEEDBACK FROM THE PARTICIPANTS

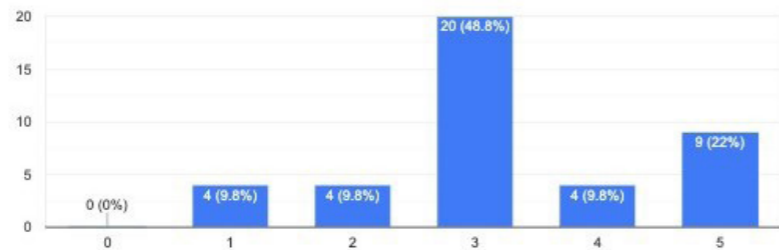
CHANGE IN COMFORT LEVEL TO ENGAGE COUNTERPARTS

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



USEFULNESS OF BASELINE STUDY

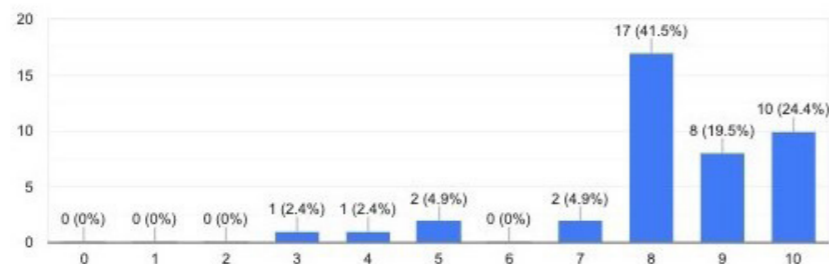
Question:
On a scale of 0 to 5, how useful was the baseline study presented by Dr. Hady Fink in your thinking about business integrity in your country?



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

LIKELIHOOD OF RECOMMENDING THIS WORKSHOP APPROACH TO A COLLEAGUE

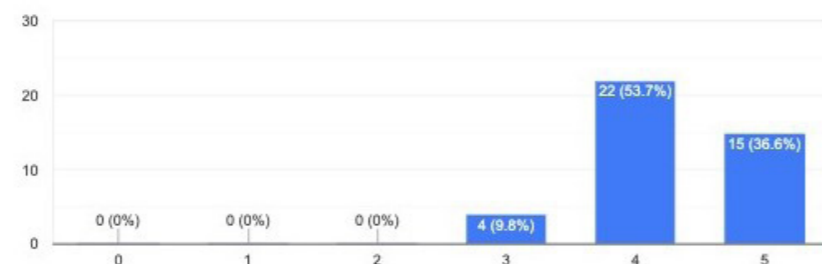
Question:
On a scale of 0 to 10, how likely would you recommend this workshop approach to a colleague?



Scale: (Not likely) 0 - 10 (Likely)

LIKELIHOOD OF CONTINUING THE WORK ON COLLABORATION PLATFORM

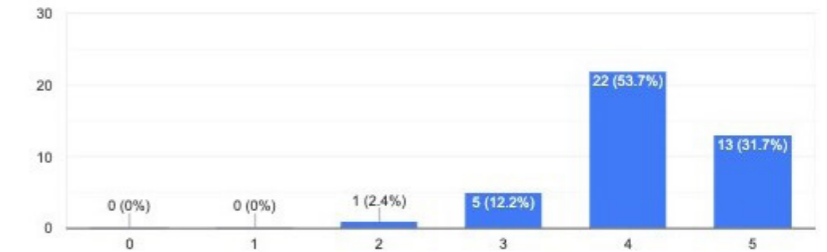
Question:
How committed are you to continuing the work on the Collaboration Platform (goal 1), in-country?



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

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?



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

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. ”

Participants 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.

“ Getting to know country team better. Networking with other delegations. ”

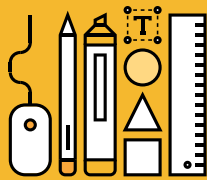
“ Getting to know our partners' ideas. ”

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

“ The part about the best practice in Argentina and the last part where we tailor an approach for the Philippines. ”



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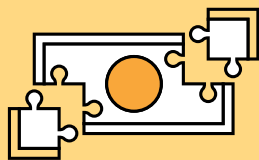
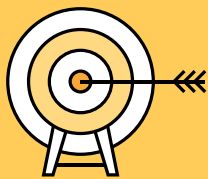
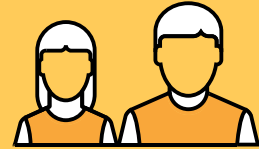


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