

THE PATH FORWARD



for effective public-private
partnerships in drug control

Introduction to public-private partnerships (PPP)

Public-private partnership (PPP): an arrangement between two or more public and private sectors (local, regional, national government(s) or international organizations (formed by national governments) and business(es)), that work together to complete a project and/or provide services to the population.

REASONS FOR DEVELOPMENT OF A PPP

- Efficiency can be maximized through close cooperation between private partner(s), who can take responsibility for efficiently producing goods and services, and public sector partner(s) who can ensure goals are oriented towards the common good.
- More sustainable and positive outcomes can be achieved if the public sector is able to use, in innovative and targeted ways, the means, skills and market-based approaches that the private sector can provide.
- In drug demand and supply reduction, the public sector's traditional shortcomings, i.e. inefficient provision of specialized services, such as prevention, treatment, rehabilitation and social re-integration or alternative development services, and those of the private sector, i.e. being unable to prevent money laundering or the diversion of chemicals into illicit channels, can be overcome.

MANDATES FOR PPPS IN THE AREA OF DRUG CONTROL AT THE GLOBAL LEVEL

These mandates encompass public-private cooperation in areas including:

- **prevention, treatment, rehabilitation and social re-integration;**
- improving access to medication containing controlled substances;
- control of drug supply, including in areas such as:
 - **alternative development** (e.g. via improved market access for such products),
 - **fighting drug trafficking** (including trafficking via various internet platforms),
 - **precursor control** (notably via improved cooperation with the chemical industry), and
 - **money laundering**, i.e. identifying suspicious transactions (including via the use of crypto-currencies).

Stakeholders in a public-private partnership (PPP) for drug control

Public sector –

- in charge of drug policy, ensuring regulation of a country’s private pharmaceutical sector and that prescription of medicaments is geared towards maximizing patient health rather than profit
- in charge of precursor control, ensuring regulations are firm and independent of private sector influence, and chemicals used in pharmaceuticals production are not diverted and misused for illicit drug production
- in the case of a government agency, taking the role of an independent regulatory body to provide and enforce guidelines
- internationally, responsible for controlling transnational transactions of drugs and precursor chemicals and the fair distribution of economic benefits between import and export countries from wanted and legal transactions

Private sector –

- strongly assumed to greatly increase efficiency of operations across the drug demand and supply chain
- in the case of private security firms and privately run prisons, can be responsible for taking action to enforce the consequences of illegal activity related to drug supply and demand
- in the case of financial institutions, in charge of monitoring suspicious transactions related to financing of controlled substances and other substances, as well as money laundering or financing of illegal activity related to drug production and distribution

PPP STAKEHOLDERS

These tables provide a general (non-exhaustive) overview of stakeholders that could have expertise in addressing control of drug demand and supply, and therefore be crucial actors within a PPP, along with PPP roles and some pertinent examples of PPP operational models.

PUBLIC SECTOR	PRIVATE SECTOR	CIVIL SOCIETY/ ACADEMIA
Public funders and donors	Private funders and donors	Non-governmental organizations
National/ regional law enforcement agencies	Small and medium-sized enterprises	Universities and research institutes
Governmental departments and ministries	Local buyers and suppliers	Individual academics specializing in drug supply and demand control
International organizations	Multinational corporations and investors	Local, national, regional and international charities
National regulators	Trade unions	Prevention, treatment and rehabilitation centres and groups
Criminal justice prosecutors	Industry organizations	Industry associations and think tanks

ROLE	DESCRIPTION
Convener	The entity that initiates the PPP and convenes relevant stakeholders.
Implementer	The entity that helps to implement the PPP and achieve its expected outcomes. This involves enhanced PPP commitment and management roles.
Enabler	The entity that enables and supplements the PPP processes and achievement of outcomes through resources, expertise, and/or impartiality.

MODEL	DESCRIPTION
Global implementation	Focusing on implementation outcomes; convening a variety of public and private sector partners to create frameworks for action and facilitate local implementation
Local implementation	Working together to implement projects in specific geographical regions or locations and encouraging behaviour change of local target groups
Resource mobilization	Sharing resources within a partnership to provide resources to a project or mobilize external resources to enable it
Information sharing	Public agencies gather crucial data from the private sector to enable implementation and action on drug control; and/or public agencies securely provide information to the private sector on how they can mitigate risks within their supply chain
Innovation	Focusing on implementation outcomes; governments use the expertise of business partners to develop and implement innovative products and services that can often creatively address PPP priority areas
Advocacy campaigns	Collaborative campaigns involving the public and private sectors together to facilitate behaviour change in a certain target group



Maximizing success and overcoming challenges

A thorough partner selection process is crucial for PPPs to be effective. Often a PPP will be required to achieve a specific drug control policy objective, meaning partner selection should be tailored towards ensuring the resources and expertise are there to fulfil the PPP's desired outcomes, and that both public and private sector partners will not risk damage to their reputation.

A strong governance framework within a PPP is vital to identifying who will be actively involved and to what extent. It also encourages strong coordination and leadership to ensure effective and secure information sharing and strategic engagement between the various actors involved. Many of PPPs' governance challenges stem from poor communication, positioning, and decision-making – leading to suboptimal use of resources, misaligned expectations, and/or misrepresentation.

Each PPP stakeholder, public or private, might have differing expressed and implied interests. Clarifying them can take time, but is crucial in steering the range of interests over time and successfully aligning them with the priorities of a partnership as it matures and evolves.

Specific incentives, harmonised between stakeholders, can positively impact a PPP's success. Public agencies, private companies and NGOs can also establish internal incentives to facilitate the creation and subsequent success of PPPs, before reaching out to other potential partners.

All actors embarking on a PPP must perform risk assessments to ensure the establishment of a PPP is feasible. PPPs carry with them different

kinds of risks, be they financial, strategic, reputational or operational, and a helpful practice could be to develop risk indicators as the PPP governance framework is developed to increase chance of the PPP yielding positive outcomes.

Information sharing is an important part of a PPP and essential to addressing drug supply and demand control. However, there exist risks in transferring information between different entities, particularly if it highly sensitive. Great care and diligence is a must, with stakeholders also required to comply with national and regional data protection laws and regulations external to the PPP.

Monitoring and evaluation are crucial to a cooperative PPP framework, allowing for an evidence base to support the funding, completion or success of specific objectives – or, in some cases, the PPP itself. Monitoring and evaluation should be integrated into the PPP life cycle to ensure it does what it set out to achieve, and all stakeholders know to act if and when responsibilities are not being fulfilled.

After a certain period of sustained success, and if the PPP is able to address its priorities and generate positive outcomes, partners may look to **expand the scope or extend the length of the partnership.** They will likely face resource obstacles to making a partnership potentially sustainable in the medium- to long-term, but should not be deterred by this if a PPP in question is able to effectively improve control of drug supply and demand.

Overview of UNODC public-private cooperation in the “drug” sector

UNODC has been actively promoting PPPs in the area of drug control in ways including:

- Encouraging the private sector to invest in alternative development and open up new market opportunities for producers of alternative development products;
- Outreach and cooperation towards container control, involving national law enforcement/judicial/port authorities and shipping companies;
- Training compliance officers from the banking sector to improve adherence to money laundering prevention modalities;
- Technical assistance to law enforcement agencies, especially in the chemical precursor area, focusing on the link between commerce and its potential exposure to criminal activities, with input from the private sector;
- Partnering with private sector operators to detect and prevent the use of the internet and dark web for drug trafficking purposes;
- Encouraging private broadcasters and the media to use tools and public service announcements towards combatting substance abuse;
- Engaging the private sector in promoting community service, labour skills and educational opportunities for prisoners; and
- Implementing and improving legislations and regulatory frameworks for enabling PPPs in Member States.

To obtain a better idea of the likely overall importance of PPPs among UNODC’s 1,750 recorded projects, we have averaged the mentions of all kinds of “partnerships” in the respective project documents, linked to the number of projects, the budgets and the pledges linked to “public-private partnerships”, “private partnerships” and “public partnerships.”

Fig. 1. “Active” projects in UNODC’s PROFI-Project Portfolio in the “drug” sector*:

	Total	Percentage of total “active” projects	Aggregate proposed budgets in US\$ (% of total proposed budgets for projects in “drug” sector)	Aggregate donor pledges in US\$ (% of total pledges for projects in “drug” sector)
Total projects	213			
Projects speaking of a “partnership”	82	38	1.8 billion (60)	0.9 billion (55)
Projects speaking of a “public partnership”	25	12	0.5 billion (17)	169 million (10)
Projects speaking explicitly of a “private partnership”	13	6	215 million (7)	116 million (7)
Projects speaking explicitly of a “public-private partnership”	10	5	99 million (2)	33 million (2)



Fig. 2. Importance of public-private partnerships in UNODC's active drug-related projects, in terms of number of projects, September 2021

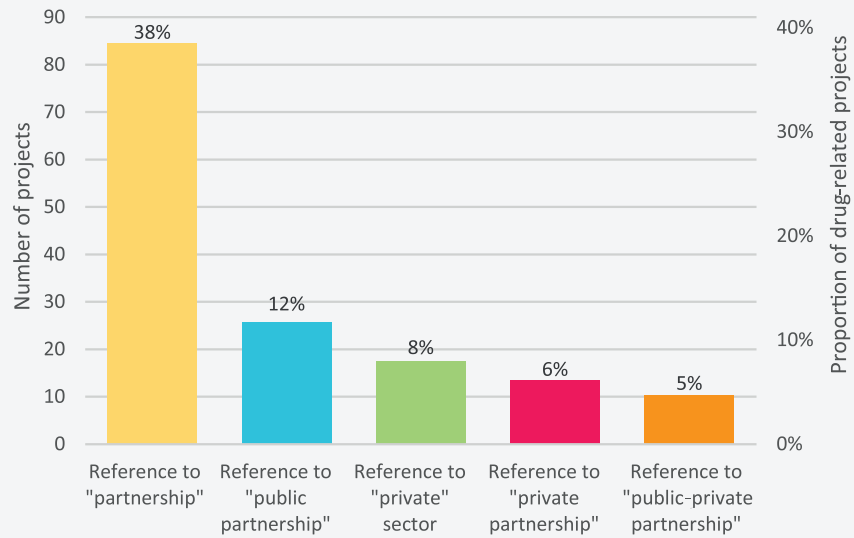


Fig. 3. Importance of public-private partnerships in UNODC's active drug related projects, in terms of budgets and pledges, September 2021

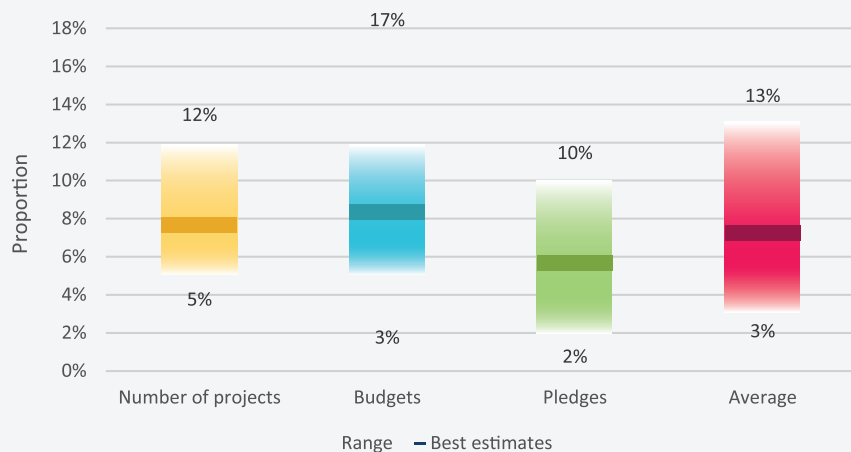


Fig. 4. Estimates of overall importance of public-private partnerships in UNODC's active drug-related projects as of September 2021

