

Social Public-Private Partnership (Social PPP)

Why do we need Social PPP?

Although the country is developing economically, social development is not growing at the same pace resulting in sections of society that are marginalised. Rapid progress has also caused the social environment to evolve and Malaysia, like many other countries, is finding its societal dynamics becoming increasingly complex.

Despite various efforts, Government alone cannot address all social issues. Traditional ways of delivering social services are not fully effective, and consume a huge portion of public expenditure. Also, while the role that private corporations play through their Corporate Social Responsibilities (CSR) is commendable, they are unable to address systemic social ills. Additionally, social purpose organisations continue to combat social struggles faced by the Rakyat but they often lack the resources and professionalism to scale and achieve wide impact.

What is Social PPP?

Social Public-Private Partnership or Social PPP is an initiative under the National Blue Ocean Strategy (NBOS). Social PPP taps into the strengths of the government, the private sector, and the social sector to address social disparities by looking at new ways of delivering social service. Social PPP strives towards 'strengthening collaboration through a whole-society approach', as part of strategies for 'Translating Innovation to Wealth', which is one out of the six game changers put forth in the 11th Malaysia Plan.

What is the National Blue Ocean Strategy (NBOS)?

NBOS initiatives provide a creative and systematic way to create high value impact at low cost, with various ministries and agencies collaborating towards developing and implementing numerous programmes to help stimulate rapid and sustained growth, develop communities, and create harmony. Professor Chan Kim, business theorist and co-author of the book *Blue Ocean Strategy* announced Social PPP at the NBOS summit on 26th February 2015.

Who are the partners in Social PPP?

The partnership consists of the government and the private sector as follows:

Government:

- a) Agensi Inovasi Malaysia
- b) Unit Kerjasama Awam Swasta

Private sector:

- a) Credit Suisse
- b) Digi Telecommunications Sdn Bhd
- c) Hap Seng Consolidated Berhad
- d) Hong Leong Foundation
- e) Westports Malaysia Sdn Bhd
- f) Yayasan Siti Sapura Husin
- g) YTL Foundation

6 companies are working together as a grouping known as the 'collective impact'. These companies are: Credit Suisse, Hap Seng Consolidated Sdn Bhd, Hong Leong Foundation, Westports Malaysia Sdn Bhd, Yayasan Siti Sapura Husin and YTL Foundation.

What other government ministries or agencies are involved?

This initiative is also to be carried out in collaboration with other government ministries and agencies such as the Malaysian Global Innovation & Creativity Centre (MaGIC), the Ministry of Women, Family and Community Development (MWFCD), Ministry of Youth and Sports (MYS), National Strategic Unit (NSU), 1M4U and the Registry of Societies (ROS).

How does Social PPP works?

In Social PPP, the government and the private sector will be aligning resources to support the social sector to come up with creative and effective interventions on social issues. Social-purpose organisations (SPOs) such as non-governmental organisations and social enterprises will be supported as follows:

- **Funding** – A grant will be provided which will be managed by a leading SPO and shared with other SPOs working on the same project
- **Professional development** – MaGIC's Social Entrepreneurship unit will provide capacity-building to SPOs to ensure the projects are professionally managed and administered.
- **Collaboration networks** – Leading SPOs will need to work with other SPOs so interventions are scaled-up more effectively to deliver better impact to their target beneficiaries.
- **Impact measurement** –SPOs will use an impact measurement toolkit in order to track their performance and report on it

What are the initial projects for Social PPP?

There are four initial projects for Social SPPP and they relate to education and capability development for youth and disadvantaged people. Three projects under the 'collective impact' will be looking at improving education holistically in Klang. Digi Telecommunications Sdn Bhd is looking at community impact projects that use internet-enabled technology services.

What is the intended impact of Social PPP?

With the Social PPP, the goal is that specific needs of disadvantaged people are met through innovative and engaging intervention by localised SPOs with better skills and stronger support network.

What does the future hold for Social PPP?

As the outcomes from interventions are evaluated through impact measurement, having data on the effectiveness of a project towards the beneficiaries will be pivotal. The measurement data will allow for decisions to be made on various projects, being cognisant of its impact, sustainability, and innovativeness.

It is hoped that the success of the pilot for Social PPP will encourage larger participation from the government and the private sector as this allows for multiplier effects to be created. Social PPP currently taps on the resources of CSR, but it has the potential to tap into other resources such as venture philanthropy and social impact investing, besides the resources provided by the government. This could pave the way for future social financing models.

Greater participation from all sectors allows for increases in scale, allowing replications of successful projects in other areas, and maximization of impact to the targeted recipients. As more SPOs go through capacity development, this also enables the professionalisation of the sector and leads to greater effectiveness of social service delivery over time.

Social Public-Private Partnership



Social PPP is a collaborative initiative between Agensi Inovasi Malaysia (AIM) and Unit Kerjasama Awam Swasta (UKAS).

It is an initiative under the National Blue Ocean Strategy (NBOS).

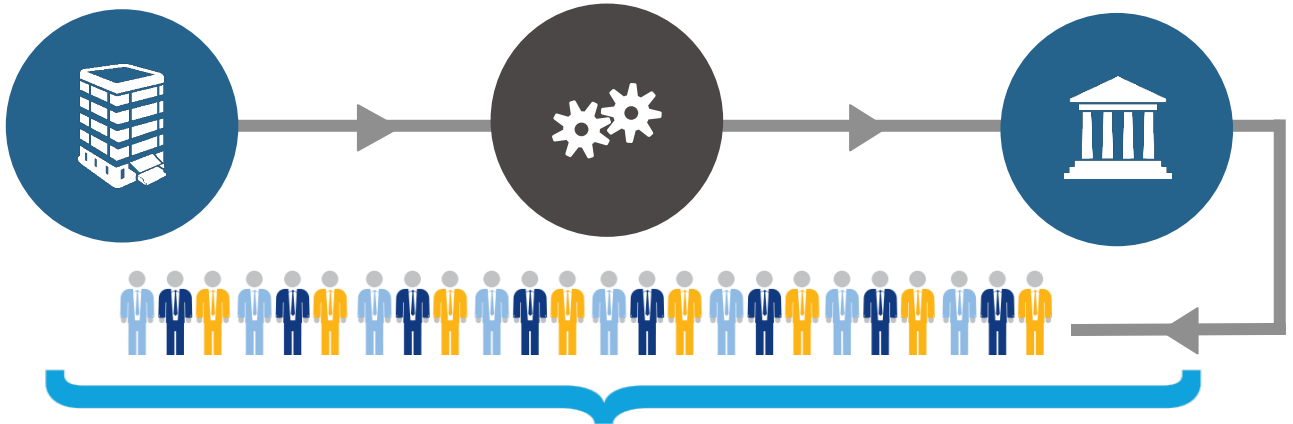
It relooks at traditional ways of delivering social services, tapping into strengths of government, social-purpose organisations (SPOs) and the private sector to address social disparities.

How Does Social PPP Work?

Co-funding by the government and private sector.

RM 1 million funding to provide financial support to the SPOs.

SPOs to provide innovative and localised interventions to social issues.



Proposed projects thus far include:



Improving education holistically in Klang.



Community impact project using technology or the Internet.



Improving career prospects through skills training.



Provide underprivileged youth with technical education.



For more information on Social PPP and how to participate, please visit www.innovation.my and write to us at talktous@innovation.my.