



Mongolia: Higher Education Reform Project

**ADBProject No. 43007-023** 

Project Code: HERP MON Loan No. 2766

**Consulting Services for Higher Education Reform** 

Partnership mechanism with academy of science and other research institutes

Partnership

Ch.Enkhbold, Ph.D.,

National consultant



June 2016 Ulaanbaatar



### Contents

Defining partnership mechanism with the Academy of Sciences and other research institutions	. 3
Motivation for Engaging in partnership mechanism	. 3
Proposed partnership mechanism	
Partnership mechanism with academy of science and other research institutes	

# Defining partnership mechanism with the Academy of Sciences and other research institutions

The term "partnership" describes a range of possible relationships among public and private entities in the context of promoting collaboration in innovation. Other terms used for this type of activity include private sector participation and collaboration meaning.

#### **Motivation for Engaging in partnership mechanism**

The three main needs that motivate academy of science to enter into partnership are:

- 1. Mobilization of Capital to attract capital investment
- 2. As a Tool for Greater Efficiency to increase efficiency and use available resources more effectively; and
- 3. Partnership as a Catalyst for Broader SectorReform to reform sectors through a reallocation of roles, incentives, and accountability

#### **Proposed partnership mechanism**

Partnership is one tool available to decision makers in reforming scientific collaboration. It is most effective when it is accompanied by other reform activities to underpin and reinforce the partnership mechanism and to support sustainable improvement. A successful partnership mechanism is designed with careful attention to the context or the enabling environment within which the partnership will be implemented. Where the operating environment can be reformed to be more conducive to the goals of partnership, this should be accomplished. Where elements of the operating context cannot be changed, the partnership design must be tailored to accommodate existing conditions. Thus, in designing a partnership process and selecting a form of partnership mechanism, it is important to consider the objectives; policy environment; the legal, regulatory, and institutional frameworks; financing requirements and resources of the sector; and the political constraints and stakeholder concerns. Partnership will be an effective tool to address some, but probably not all, sector issues. To be successful, partnership must be built upon a sector diagnostic that provides a realistic assessment of the current sector constraints. Specifically, the sector diagnostic will cover:

- technical issues;
- legal, regulatory, and policy frameworks;

- institutional and capacity status; and
- commercial, financial, and economic issues.

The sector diagnostic helps the stakeholders assess the status quo, identify gaps and weaknesses, and develop a sector strategy or road map, outlining the tools and activities required for partnership goals. The sector diagnostic is likely to be performed with the support of a team of local and/or international related professionals such as engineers, lawyers, economists, financial analysts. The diagnostic is critical to getting the transaction structure right, so allowing sufficient time for the process is important. Depending on the complexity of the sector, the availability of data, and the consultant procurement process, the sector diagnostic can take from 1 to 2 years. A critical part of the diagnostic is a process of stakeholder consultation and identification of a government champion to drive the process into preparation and implementation. As a result of the sector diagnostic, the stakeholders are able to determine to what degree an enabling environment exists for partnership and what activities are required in advance of partnership to create such an environment. The diagnostic is important to:

- (i) identify the strengths and weaknesses of the sector and the most promising areas for efficiency increases,
- (ii) regularly gauge and report on the progress of partnership, and
- (iii) tweak the partnership program as needed.

The sector diagnostic leads to development of a road map and a sequence of partnership activities as can be seen in Figure, which describes the components of the sector diagnostic.

## Partnership mechanism with academy of science and other research institutes

		Decision to enter partnership			Underperforming sector
		process			
					Assess sector constraints
		Sector diagnostic and sector road			Identify sector goals
		map			Set tasks & timetable
					- [
		Define		Select	Identify needed partnership
		project		and	
		team		assign	
				internal	
				and	· Identify government champion
				external	
				advisory	
Z				team	· -
<u></u> 은					
Α.		Select partnership option			Review options vis a vis sector
Ή.					constrains and goals
<u>IS</u>					
Ó		Partnership preparation/feasibility			Enabling environment for PPP in
Ö		Legal/regulatory			terms of policy and operating
EF		Technical			environment.
ГР		Institutional			Determine project design
오			Financial/Ecor	nomic	Ensure feasibility and
迫		Procurement	process	sustainability	
Ā	Select partnership option  Partnership preparation/feasibility Legal/regulatory Technical Institutional Commercial/Financial/Economic Procurement process  Partnership qualification				Assign risks Identify and train for new roles
ST					Solicit market interest/feedback
					on project
					on project
		Droporo hidd	ling pockage		Refine bid package
		Prepare bidding package Terms of reference			Develop draft contract
		Draft contract			Final definition of process
		Bidding procurement			Train staff in procurement
	Bidding procurement			i i i i i i i i i i i i i i i i i i i	
					Transparent process
	Conduct procurement			Transparent process	
					Dut financian in stace
		Bid evaluation and award			Put financing in place
					Start transition arrangement
	□ Negotiation and contract signing				