

## FOCUS SESSION 22:

### Unleashing the power of business

16<sup>th</sup> April, 8-9.15am

#### Objective:

In Focus session 22 the aim was to discuss public-private cooperation and scaling-up the role of the private sector to achieve sustainable and inclusive development. This was carried out through first launching new research - Unleashing the power of business: A Practical Roadmap to systematically engage business as a partner in development – on how to engage business as a partner. Second, the panel will discuss the pathway to achieving business engagement and what each sector of society (e.g. government, business and civil society) can do to support systemically catalysing partnerships and mainstreaming public-private cooperation.

#### Participants:

- Justine Greening, Secretary of State, Department for International Development, UK.
- Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation, The Netherlands.
- Darian Stibbe, Executive Director, The Partnering Initiative, UK (Chair).
- Catalina Arciniegas, Director Colombian Business Partnerships Hub, National Business Association of Colombia.
- Georg Kell, Executive Director, UN Global Compact.
- Jürgen Schwettmann, Director of the Partnerships and Field Support Department, International Labour Organization.
- Miguel Veiga-Pestana, Vice-President Global External Affairs, Unilever UK.
- Jorge De Regil, Member of the Management Board of the International Organisation of Employers.
- Charlotte Petri Gornitzka, Director General, Swedish International Development Agency.

#### Key issues discussed:

**Darian Stibbe** opened and chaired the session centring discussion on the *role of business in international development*. First, Justine Greening and Lilianne Ploumen were invited to comment on how they envisaged business in development.

**Justine Greening** highlighted the crucial role of the GPEDC in bringing together players in international development. She noted that public and private sectors *'think differently'* but it was important for both *to learn and share practices*, to move from the concept of business as a partner to making it a practical reality. She encouraged platforms to act a neutral broker to support collaboration between sectors. In particular, she highlighted two practical steps to develop the role of business. First, she *launched a report 'Unleashing the power of business: A Practical Roadmap to systematically engage business as a partner in development'*. Second, she announced two new country-led platforms in Mozambique and Kenya. **Lillian Ploumen** then emphasised that there was evidence that *the power of business had been unleashed* over the last 10 years in looking at a number of Asia and Latin American countries that had been lifted out of poverty. She described value-chains as becoming the *'main engine'* of economic growth as ODA has too limited an impact and there is no such think as a trickle-down effect. She believed that the only way for sustainable growth and meeting post 2015 goals *was working in partnership with the private sector*, She referred to the roadmap, gave examples of steps by national and international actors and called for

strengthening existing partnerships, scaling them up and creating a good trade and business environment.

**Darian Stibbe** then outlined that the roadmap builds on the current international movement of business as a partner in development. The aim is to create a more *integrated and systematic approach* to delivering sustainable development through practical steps. *Five areas for action* were described – building trust between sectors, engaging business in planning development priorities, enabling platforms to catalyse and scale-up partnerships, monitoring and evaluating business and development goals, understanding strengths and weaknesses of institutions in partnering.

Panellists were then invited to give their views and experiences of scaling-up and developing platforms. In response to challenges to scaling-up efforts, **Miguel Veiga-Pestana** agreed that the 5 areas are where progress is needed. He also pointed to the importance of setting ambitious business plans and ground level partnerships based on core business interests. **Jorge De Regil** noted the role of business organisations to act as a bridge between the private sector and government and in supporting education programmes for SMEs employees. In tackling the challenges, **Jürgen Schwettmann** spoke of the role of labour laws in helping companies do business and improving the education of workers. He highlighted that it was key to build inclusive networks, industrial relations and social dialogue, with government support. Commenting on platforms in practice, **Catalina Arciniegas** explained that it was key to translate words into tangible tools, to build on the existing context to reinforce good practices from both public and private sectors. Essential to progress in Colombia was knowing the people, the private sector objectives and generating value for both. **Georg Kell** reiterated the need to find practical solutions. In particular, to scale-up it was first key to start at the local level and build 'bottom-up' allowing local infrastructure to grow; second it had to be issue oriented addressing specific business challenges and priorities in each country through co-investment mechanisms and a trade investment agenda.

Questions from audience members representing government, civil society and the private sector covered the role of the private sector when their practices oppose development goals and human rights, on how partnerships can help to highlight problems and mitigate negative impact, on catalysing business to business partnerships and the role of national parliaments in public-private partnerships. **Catalina Arciniegas** responded by highlighting that public-private partnerships that she was involved were a translation of discourses on human and business rights including *defined concrete objectives* that related to private sector and local people's needs. **Georg Kell** emphasised *bottom-up approaches and local ownership* recognising that business can be both positive and negative. He believed the biggest contribution from business to development is how it makes its money. Government can provide ways and means to promote sustainable growth. He also highlighted that corruption is the biggest problem. **Jürgen Schwettmann** reiterated the importance of *international conventions* and the need for supervisory mechanisms to ensure standards between workers, employers and governments. **Jorge De Regil** added that human rights were the responsibility of civil society and government with worker's rights covered by employers. **Miguel Veiga-Pestana** highlighted placing sustainability at the core of *business objectives and policies* to have significant impact on own processes but recognised that other partners were needed to change the enabling environment for public-private partnerships.

### **Main conclusions and next steps:**

**Charlotte Petri Gornitzka** concluded the session highlighting that it was key to *understand each other* to unleash any power. She emphasised that too few had cross-over experience from business, NGOs and government. She underlined the *building trust advice* from the roadmap outlining that this was key to understand each party's driving forces. She also stressed the need to work at the local level and creating an integrated vision and mission to connect local, national and global activities. She finished by giving an example of how the Swedish government were working with the private sector in Sweden – bringing 20 CEOs together to understand their objectives and how their core business could converge with the public sector's role in development. She emphasised that SIDA wants to support those businesses that are enabling development e.g. leading on workers' rights in-country. She recognised there were too few businesses represented here, but she hoped this example would inspire others on how business and government can work together.