



Private Sector Engagement Through Development Co-operation in Bangladesh

Case study

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I. Key messages

The Global Partnership aims at facilitating multi-stakeholder policy dialogue about challenges and opportunities to make private sector engagement (PSE) through development co-operation more effective. By the end of 2019, it aims to produce agreement on guidelines for such engagement and help development actors scale up public-private initiatives leveraged through development co-operation to reach the Sustainable Development Goals (SDGs).

The purpose of this case study is to identify the opportunities and challenges of PSE through development co-operation in Bangladesh. It generates unique country-specific evidence: through a mapping of 240 PSE projects,¹ a review of existing literature and interviews with various stakeholders.

Context

- There is broad recognition among all actors of the importance of private investment to reach the national development priorities in Bangladesh. Evidence indicates that one main challenge is to extend existing efforts to create shared value for people and business to small and medium-sized enterprises (SMEs).
- Challenges persist in improving the business enabling environment. These include issues related to regulatory frameworks, informality in the private sector, access to finance and infrastructure. The business community is vibrant and the government has proactively invested in public-private partnerships (PPPs) since the late 1990s. Public-private dialogue platforms also exist.
- Despite their importance as the major employer in key sectors, SMEs are less well represented by trade bodies and chambers of commerce than larger companies.
- A wide range of corporate social responsibility (CSR) activities are being supported, but a lack of a common understanding of what CSR entails can be observed, as well as the absence of a legal framework for CSR and insufficient measurement of the effectiveness of CSR projects.
- Despite some positive labour relationships, social dialogue only covers some collective bargaining agreements and does not reach the majority of workers who are employed in the informal sector.
- A lower middle income country and big recipient of official development assistance (2.1b US\$ in ODA in 2015), Bangladesh is confronted with a fragmented donor landscape and a lack of development effectiveness, undermining country ownership and alignment in some cases. A working group of the Local Consultative Group focuses on PSE through development co-operation, in particular on private sector development (PSD).

Key findings

- **Based on a review of 240 PSE projects, PSE mobilised through development co-operation in Bangladesh largely comes from Development Assistance Committee (DAC) donors (37%) and their implementing agencies, multilateral development finance institutions (DFIs, 33%) and bilateral DFIs (25%).**
- **PSE is mainly in the form of financing (in particular debt financing),** primarily in the financial sector, agriculture, manufacturing and energy. Finance underpins 71% of the projects examined with debt financing supporting 42% of projects overall.
- **Other modalities of PSE are equally important and require further attention.** This includes policy dialogue, knowledge sharing, capacity development and research. Research on best practices and to learn from failures in PSE is needed.

¹To ensure a wide scope of PSE projects and partnerships are captured by the mapping, the research team examined projects that include a development partner, are supported by development co-operation (ODA, ODA-like flows such as foundation financing, or South-South co-operation) and include a private sector partner. This approach follows the definition of PSE through development co-operation as outlined in the 2016 OECD Peer Learning on PSE in Development Co-operation defined as: An activity that aims to engage the private sector for development results, which involve the active participation of the private sector. The definition is deliberately broad in order to capture all modalities for engaging the private sector in development co-operation from informal collaborations to more formalised partnerships. Given that the term applies to how development co-operation occurs, private sector engagement can occur in any sector or area (e.g. health, education, private sector development, renewable energy, governance, etc.). Through private sector engagement, the private sector and other participants can benefit from each other's assets, connections, creativity or expertise to achieve mutually beneficial outcomes. See <http://www.oecd.org/dac/peer-reviews/Inventory-1-Private-Sector-Engagement-Terminology-and-Typology.pdf>.

- The budget of the 240 reviewed projects, spanning from 2003 to present in terms of their start dates, is at least 7.3b US\$ (though half of DAC donors' projects have no budget information), with **an average project size of US\$ 11m.**
- **Lack of information and transparency regarding private sector contributions makes it impossible to provide full figures on the total size of public or private contributions for the PSE projects examined.** This is somewhat surprising given the focus by development partners on catalysing private sector flows through the strategic use of development finance.
- The main activities supported by PSE projects include improving access to finance for SMEs and/or a specific sector, technology or research related interventions in agriculture, and financing company operations, including expansion activities and upgrades. **As a result, PSE activities tend to focus on private sector development.**
- **The mapped PSE projects largely align with national development priorities in terms of sectors prioritised by the government.** However, the extent to which the activities of PSE projects support specific sectoral policy objectives is unclear.
- **Greater participation by local stakeholders in PSE projects, including the government and other non-state actors would contribute to the creation of more inclusive partnerships and support greater country ownership.** Government institutions were listed as partners for only 9% of projects, while 8% involve civil society organisations (CSOs) and less than 1% involve domestic business associations. Development partners can also support this through targeted capacity development that promotes the ability of local partners, including government institutions, to develop and participate in PSE projects.
- **The business enabling environment remains a key priority for promoting private investment in Bangladesh and PSE through development co-operation.** The government requires support to move from policy to implementation, including in terms of carrying forward existing projects and programmes, ensuring compliance with laws and regulations, and establishing greater coordination and consistency across government in terms of how it interacts with the private sector. The government's capacity to monitor the outcomes of PSE is also currently limited.
- **SMEs are important beneficiaries of PSE projects in Bangladesh** and receive support in terms of access to finance, capacity development, value chain development and efforts to improve environmental, social and governance (ESG) standards. They do, however, require additional support to **engage in business associations** and opportunities for public-private dialogue. Potential exists to further engage SMEs through PSE given that they account for over 99% of industrial establishments, providing employment to 70-80% of workers outside the agricultural labour force.
- **SMEs also require special attention in terms of creating awareness of opportunities in development co-operation, ensuring access to them and building capacity to take advantage of opportunities.** There is a need to move beyond the "usual suspects" in terms of private sector partners to include more SMEs as well as social entrepreneurs. Large domestic companies remain the most prominent partners in PSE projects in Bangladesh.
- **Of the 74 projects that provided full information on duration, 37 had financing terms of 5 years or greater.** Twenty of these projects were accounted for by one DAC donor.
- **Only a limited number of the examined PSE projects (12%) explicitly target the poor or people living in underserved or rural locations. Only 4% explicitly target women.** While other examined projects may still benefit those left behind and women, these findings suggest that PSE projects do not sufficiently purposefully target the most marginalised. There is an opportunity for the government and development partners to make greater use of PSE through development co-operation to address social challenges.
- **A majority of PSE projects have some monitoring system in place.** The majority of PSE projects are subject to regular monitoring through annual or more frequent report, and to a lesser extent, field visits. More development partners could make project specific monitoring provisions publicly available.
- **Results frameworks are available for the majority of projects, however more information could be made available on intermediate and final results.** Fifty-nine percent provided some information on results frameworks and 46% provide a general results framework that is used by the organisation, mainly bi- and multilateral DFIs. The majority of PSE projects, 58%, provide information on results or expected results, which mainly focus on access to finance, employment generation, development of a specific sector, the adoption of ESG standards, or energy generation.

- **There is a significant gap in terms of evaluations available on PSE projects.** Only 3% of examined projects provided actual evaluation information while another 4% outlined how evaluation will occur. Yet, for the majority of projects (65%) information is available regarding institutional approaches and policies for evaluation.
- **Limited information in terms of results and evaluations of individual PSE projects means that an assessment of the key development results and factors that promote success in PSE projects in Bangladesh and how such successes might be scaled up is not possible based on the project mapping.**
- **Public-private dialogue on the SDGs is steadily advancing in Bangladesh but more efforts are needed to raise awareness among the private sector and to engage the private sector in the development of PSE projects to support SDG implementation.** A challenge for Bangladesh is to align private sector priorities with national priorities and develop the appropriate infrastructure for PSE.
- **Successful PSE requires that stakeholders across sectors develop relationships over time with a focus on trust building.** It is also important that development partners “speak the language” of the private sector.
- **Supporting women’s economic empowerment through PSE requires a holistic approach that recognises that multi-faceted social and economic challenges women face.** Social and cultural barriers to gender equality must be addressed in tandem with efforts to promote women’s economic empowerment, including by working with men and boys.
- **PSE on climate change requires a business enabling environment that ensures compliance by the private sector with environmental regulations and includes incentives for greater private sector action.** Development partners can support the government in this regard, and also have a role to play in piloting new initiatives, scaling up successes and technology transfer.

Policy recommendations

All actors should:

- ✓ Engage in dialogue to ensure that **projects realise shared value** by considering development outcomes alongside business interests. Policy guidelines for effective private sector engagement through development co-operation could incentivise this.
- ✓ **Allocate part of PSE financing to quantitative and qualitative monitoring and evaluation**, making them obligatory, while considering the reporting burden to be carried by the development partners, notably implementing agencies and in particular SMEs. Partners and projects should be vetted against international standards, including development effectiveness, and clear financial and development additionality criteria. Project monitoring should examine ongoing compliance with international standards and consider the views of beneficiaries of PSE.
- ✓ **Allocate greater resources to capacity development for PSE** including through programmes that sensitise stakeholders on the opportunities for PSE through development co-operation and build the necessary skills to access resources and establish and maintain partnerships.
- ✓ **Provide special support for awareness raising and capacity support for SMEs** to engage in PSE and on broader enabling environment issues, including through the establishment of special access points with government and development partners.
- ✓ **Collect evidence on the impact of different modalities of PSE through development co-operation**, on people left furthest behind, SMEs, and scalability. Compile best practices and resources on PSE in Bangladesh to promote greater understanding of PSE and examples others can replicate.
- ✓ **Allocate PSE funding to support civil society and other stakeholders** to assess the contributions for PSE to development outcomes, supporting their role as watch dogs and advocacy efforts to encourage the greater adoption of development effectiveness principles in PSE.
- ✓ **Make publicly available basic information on PSE projects.** This includes information on project duration, monitoring, results frameworks, results and evaluations.

- ✓ **Share information on off-budget PSE projects** in a timely manner with government and other stakeholders. Aid information management systems could be better used to this effect.

The national government should:

- ✓ **Promote greater awareness and country ownership of the SDGs through more structured public-private dialogue** that engages all relevant actors for mutual learning and to drive meaningful partnership action that engages the business sector more systematically, including SMEs. This should include the following elements:
 - **Participation:** engage a broad range of stakeholders beyond the usual and beyond major cities from the private sector (in particular small and medium-sized companies, social enterprises, etc. beyond large domestic firms and MNCs) and others (government, parliament, trade unions, civil society, development partners, etc.) from the inception/planning phases
 - **Thematic focus:**
 - Prioritise dialogue on opportunities for private sector engagement around the SDGs and how development partners can support it in practice.
 - Place emphasis on training and capacity development for new dialogue partners (in particular small companies, in rural regions, etc.)
 - **Government leadership:**
 - Identify PSE opportunities at ministry level, including through sectoral consultations with the private sector;
 - Facilitate cross-sector dialogue to build trust and launch partnerships
 - **Information sharing:**
 - Ensure enough space for stakeholders to identify innovations to shared challenges
 - Focus on best practice, information and knowledge sharing & lessons learned
 - Develop mechanisms to allow for information to flow from the grassroots to the national level and back
 - Use offline and online tools to ensure smart use of scarce resources
 - Collect information and data on PSE from these and other efforts and make available in ways the data can be easily used. Additional mapping and analysis is needed.
 - **Capacity and training:**
 - Provide opportunities for stakeholders to improve their capacities for cross-sector partnerships, particularly SMEs and other stakeholders that have limited involvement in PSE.
- ✓ Establish a **national CEO Caucus** on PSE through development co-operation to provide momentum on SDG implementation, including through the promotion of best practice and results-based efforts that support the SDGs with the support of the private sector and development partners and work to leave no one behind. This should build on existing efforts of the Prime Minister's Office.
- ✓ Establish a **non-partisan caucus on PSE in parliament**, taking advantage of the existing composition of MPs which includes a majority of members from private sector.
- ✓ Develop **national legal and policy frameworks** to promote PSE.
 - Create a **national legal framework for CSR** that clearly defines CSR and articulates expectations for businesses, government institutions, development partners and other stakeholders with reference to supporting CSR.
 - Consider adoption of **compliance and due diligence principles against which to vet PSE projects**, drawing on and improving where necessary existing provisions for PPPs, to ensure they deliver real results for the poor. Work with partners to improve the capacity of government institutions to oversee compliance and due diligence processes, including monitoring the impacts of PSE in communities.
 - Spearhead a process to **create shared guidelines for PSE in development co-operation** and beyond through an inclusive consultation process that is country-driven and context-specific for Bangladesh.
- ✓ **Create compendiums of effective PPPs and examples of effective PSE** through development co-operation and distil lessons on how to scale up good practices.
- ✓ **Identify and pursue ways to better leverage domestic resources** to participate in opportunities presented by PSE through development co-operation.

- ✓ **Convene development partners and other stakeholders** to identify how policy recommendations to improve the effectiveness of PSE can be taken forward in terms of identifying short, medium and longer term priorities, institutional leadership, areas for specific support from development partners and timelines for next steps.

Development partners should:

- ✓ **Ensure long-term (five years or more) financing for PSE projects.**
- ✓ **Invest more in capacity development** for government, civil society, trade unions, parliamentarians and others to participate in PSE and to ensure sustainability and availability of necessary skills and resources to scale successes.
- ✓ **Support government institutions** to ensure consistency in their approaches to PSE. Work in a more systematic manner with the government to fully align efforts and support them in providing an enabling, well-regulated business environment and championing private partners.
- ✓ **Provide awareness raising and capacity support for SMEs** to engage in PSE and on broader enabling environment issues.
- ✓ **Support the government and other stakeholders in PSE efforts from the beginning**, e.g. through public-private dialogue on priorities and through more sectoral approaches, using synergies with existing efforts by other partners while also looking at blind spots where limited efforts are under way.
- ✓ **Broker partnerships across sectors recognising the important role of development partners as interlocutors with capacity and financing** to convene stakeholders across sectors. This role requires building capacity in terms of knowing the local context and key players that can contribute through PSE.

Private sector should:

- ✓ **Engage in public-private dialogue** to express their needs and demands to do business effectively and illustrate how they can contribute to delivering on national development priorities.
- ✓ With the support of business associations, **identify further key opportunities and challenges to PSE through development co-operation**, including through structured dialogue with development partners, the government and other stakeholders.
- ✓ **Comply with national and international standards** to ensure that business operations minimise negative impacts on people and the environment, and where possible, maximise benefits.

II. Introduction

The development co-operation landscape has seen a significant shift towards creating “shared value” – business profits and positive development results. The private sector is providing financing, job creation, service delivery and innovation. Key international development co-operation agreements, such as the 2030 Agenda and the Addis and Paris accords, have recognised this role and development partners have shifted gear and adapted their policies and practices for private sector engagement (PSE) efforts to build trust, mitigate risks, create incentives for the private sector to engage and, through this, help deliver on global promises.

The Global Partnership for Effective Development Co-operation (GPEDC) contributes to this effort by facilitating evidence-based and inclusive policy dialogue between stakeholders and the private sector on the drivers of effective PSE through development co-operation. The private sector has the potential to bring solutions to scale and create real change on monumental social problems.² At the same time, the impact and opportunities of multi-nationals, large domestic

² The private sector – a diverse group of financial institutions, intermediaries, multinational companies, micro, small and medium-sized enterprises and co-operatives who operate in the formal and informal sectors engaging in profit-seeking activities with a majority of private ownership – is widely recognised as engine of growth and ingenious source and driver of knowledge generation and innovation. The definition used as a basis for this report focuses on for-profit entities. Foundations are included as development partners. The definition of the private sector is drawn from OECD (2016).

firms, small and medium-sized enterprises (SMEs), cooperatives and their associations to achieve the SDGs - and the commitment to leave no one behind – by working with development partners is currently unclear given limited systemic research and that the impacts of PSE through development co-operation differ and depend on the actors, local context, and sectors involved. In this context, a number of challenges to ensuring the effectiveness of PSE through development co-operation exist including: delivering shared value, measuring impact and outcomes, strengthening the transparency of PSE projects and related accountability structures, and ensuring country ownership with appropriate capacity for local stakeholders to engage.

The aim of the GPEDC's PSE work stream is to provide guidance to scale up positive PSE experiences and proactively address lessons and concerns raised by all relevant actors – governments, parliaments, the private sector, civil society and trade unions. This is not done by any other global body.³ Case studies in Bangladesh, El Salvador, Egypt, Côte d'Ivoire (TBC), and Uganda will identify and document country-level evidence and experiences in PSE through development co-operation through an inclusive research process that considers the perspectives of all stakeholders. The case studies will contribute to building trust and awareness of concrete opportunities, challenges and investment gaps. This work will ultimately inform guidelines on effective PSE in development co-operation and will help development partners further adjust in an inclusive manner their policies and practices to deliver shared value. Finally, the work makes a contribution to the substantial body of literature on PSE through development co-operation by focusing on country level experiences and the perspectives of partner governments and local stakeholders.

This draft summary report presents evidence for Bangladesh. It is based on a literature review, a mapping of 240 PSE projects and partnerships mobilised through development co-operation, interviews with local stakeholders and a multi-stakeholder workshop held on 4-5 February 2018 (see Annex 1 for a full description of the research approach and activities). The workshop included participation by representatives from government, parliament, the local private sector, business associations, civil society, trade unions, development partners and research institutions.

The report begins with an overview of the context for PSE through development co-operation in Bangladesh. It outlines key government priorities, regulatory and legal context and key trends with respect to the role of the private sector in Bangladesh. The report presents the findings of the project mapping – who the main actors are, the modalities they use and the sectors in which they are active. The report then presents practical, country-specific opportunities and challenges to realising effective PSE through development co-operation in Bangladesh. It concludes with options to maximise opportunities and address challenges as identified through research and local stakeholder consultation.

III. The Bangladesh Country Context

Political and policy context

In Bangladesh, a political consensus exists on the critical role of the private sector in supporting sustainable development outcomes across government, the business community, development partners, research institutions and civil society (interviewee, October 2017). Bangladesh has seen positive, private sector-led growth that was inclusive, led to more employment, including in the formal sector, and drove poverty reduction and economic growth (interviewee, October 2017). Support for private sector engagement in development is well established, with government plans noting the critical role of the private sector and policies set out to encourage private sector participation in development, particularly through the establishment of public-private partnerships (PPPs).

Bangladesh's 7th Five Year Plan (2015/16-2019/20) focusses on three key themes: 1) GDP growth acceleration, employment generation and rapid poverty reduction; 2) inclusivity with a view to empowering every citizen to participate in and benefit from the development process;

The private sector plays a critical role for sustainable development in Bangladesh. There is a need to improve the business enabling environment, improve access to finance, in particular in rural and remote locations, and address infrastructure constraints.

³ A review of almost 70 major multi-stakeholder platforms promoting PSE in development, operating at global, regional and sectoral levels, found that only about 25% of PSE platforms have partner country governments as their members. Even fewer of them strategically engage civil society, trade unions and parliamentarians. SMEs also lack access to these multi-stakeholder platforms. Only about 10% of PSE platforms examine the effectiveness, results and private sector benefits of PSE instruments. About 70% of them do not play a monitoring and accountability function for the PSE efforts they support (the ones that do are mostly sectoral platforms). Based on these findings the work stream focuses on PSE at the country level with a particular focus on country level evidence and multi-stakeholder dialogue, coupled with global level activities. For a full description of the work plan and the mapping of multi-stakeholder platforms, see http://effectivecooperation.org/wp-content/uploads/2017/10/PSE-Concept-Note_17Oct.pdf

and 3) the creation of a sustainable development pathway resilient to disaster and climate change, with sustainable use of natural resources and proper management of urbanisation (Planning Commission, 2015). While Bangladesh has continued to maintain an average growth rate of 6.5% over the past eight years, the plan notes the need to increase public and private investment rates with private investment accounting for 77% of total planned investment of Tk 32 trillion (approximately US \$409 billion, FY2016 prices) to implement the plan. The government sees domestic private investment as playing a leading role while recognising the need to increase foreign investment with a target of 3% of GDP. At the workshop, a government representative also highlighted three ways that the private sector can contribute to sustainable development including 1) through core business competencies, namely sustainable supply chains, consumer management and product development; 2) by setting up accountability frameworks on the impacts of private sector efforts on sustainable development and 3) through collaboration with national counterparts to innovate to realise development outcomes, for example through service delivery. In this context, the government notes the need to contribute to industry awareness of commercial and societal benefits of more sustainable business models and practices.

Despite the strong recognition of the importance of the private sector and private investment for realising national development priorities, there is a clear need to improve the business enabling environment, strengthen regulatory frameworks and reduce informality in the private sector (Bjornestad et al., 2017). Other challenges include: access to and quality of finance (as national capital markets are not fully developed and borrowing rates are too high for national banks and not accessible for rural and remote locations with private lenders filling gaps), transportation and energy infrastructure gaps,⁴ political instability and access to electricity (World Bank, 2013). One interviewee from the private sector noted that regulatory issues, such as updating industry-specific policies, and infrastructure remain critical challenges (October 2017). Lack of timely data at appropriate levels of disaggregation also undermines the ability of the private sector to contribute to sustainable development, as noted at the workshop. Data is often three to four years old, making it difficult for the private sector to monitor its efforts and identify opportunities.

A key means through which the government seeks to engage the private sector has been through the use of public-private partnerships (PPPs). Though the government started using PPPs in the mid-1990s, including with support from development partners (Masum, n.d.),⁵ in 2010, the government launched a “Policy and Strategy for Public Private Partnership.” A PPP Authority was established under the Prime Minister’s Office, followed by the creation of a PPP Act in 2015. The PPP Authority supports the implementation of PPPs in Bangladesh, including through support to line ministries to identify, formulate, select, contract and monitor PPPs. The Chief Executive Officer reports directly to the Prime Minister. The 2015 PPP Act sets out the process for identifying and creating PPPs (Renouf, 2017). The government allocates funding for PPPs through a separate budget line from the traditional development and revenue budget (Rashed et al., 2014). Forty-seven projects across a range of sectors including health, tourism, transport and housing, are listed on the PPP Authority website with information available on their current status.⁶ While these efforts are welcome, the contribution of the private sector to development is not yet monitored by the government according to a representative of parliament (December 2017).

To regulate public private partnerships (PPPs) – the preferred modality of engaging with the private sector by the Government – the Government set up a PPP Authority and established the 2015 PPP Act.

The private sector

Agriculture continues to make up the largest sector in terms of employment. The results of the 2015-16 Quarterly Labour Force Survey show that 42.7% of the population is employed in the agriculture sector, 20.5% in industry and 36.9% in services (Bangladesh Bureau of Statistics, 2017). The bulk of employment is in the informal sector at 86.2% with the incidence of informal sector employment highest in agriculture (97.9%), followed by industry (90.0%) and services (70.6%).

The bulk of Bangladesh’s labour force is employed in SMEs and in the informal sector, often in rural locations.

According to the International Monetary Fund’s 2012 Country Report for Bangladesh, SMEs account for over 99% of industrial establishments, providing employment to 70-80% of workers outside the agricultural labour force. In 2006, 58% of establishments accounting for 55% of jobs created by SMEs were in rural locations. The 2012 Survey of Manufacturing Industries estimates that there are 5.02 million people employed in nearly 43,000 manufacturing establishments in Bangladesh. The bulk of establishments are micro (17,384) and small (15,666) enterprises accounting for more than 77% of total manufacturing industries (Bangladesh Bureau of

⁴ The World Bank’s 2018 Doing Business report (World Bank, 2017) ranks Bangladesh at 177 out of 190, with scores for getting electricity, registering a property, enforcing contracts and trading across borders particularly high.

⁵ The World Bank provided support to the Bangladesh Bank to support PPPs in infrastructure (Masum, n.d.).

⁶ See <http://www.pppo.gov.bd/projects.php> (accessed 21 November 2017).

Statistics, 2013). Textile manufacturing, food products and wearing apparel (ready-made garments) account for 61% of establishments.⁷

The private sector is organised through various business associations, including at city and country levels such as the Dhaka Chamber of Commerce and Industry and the International Chamber of Commerce Bangladesh. Sector specific associations also exist, such as the Bangladesh Garment Manufacturers and Exporters Association.⁸ The Bangladesh Women Chamber of Commerce and Industry is the first in the country to exclusively work on women's economic empowerment with membership largely from the SME sector.⁹ The Bangladesh Employers' Federation represents 136 affiliates with approximately 90% of established employers in the private sector (LO/FTF, 2017). The organisation is represented in most national and bi- or tripartite bodies and participates in the activities of the International Labour Organization in Bangladesh. A public-private dialogue platform also exists – Business Initiative Leading Development – that is used to agree on and voice private sector concerns to the government in a coordinated manner (Box 1).¹⁰ According to several interviewees, business associations in Bangladesh are well-established and have successfully lobbied government for policy changes on key priority issues (October 2017). Nevertheless, key issues such as taxation require further private sector engagement in the policymaking process. SMEs are also less well represented by trade bodies and chambers of commerce. Associations tend to be populated by larger companies with little or no representation from SMEs (Crosby, Watson and Sawar, 2009; Sobhan and Azhar, n.d; interviewee, October 2017).

Labour associations and public-private dialogue structures are well established, but tend to represent SMEs less well.

Box 1. Public-private dialogue through BUILD

Business Initiative Leading Development (BUILD) was launched jointly by the Dhaka Chamber of Commerce and Industry in partnership with the Metropolitan Chamber of Commerce and Industry and Chittagong Chamber of Commerce and Industry in 2011 as a public-private dialogue platform to facilitate structured dialogues between the public and the private sectors under an institutional framework. BUILD has become the Government's partner and platform to promote private sector development, investment, and jobs, and therefore growth in Bangladesh.

Under BUILD, dialogue is used to identify recommendations for reform, supported by research and analysis on the opportunities and challenges of private sector development. BUILD has a number of working groups that focus on key sectors such as finance, trade and SME promotion. The involvement of development partners in BUILD has led to the addition of environmental and social issues, such as disaster risk management and social development. BUILD also acts as a united voice for the private sector to ensure that the major hurdles facing private sector development are addressed in a meaningful way with an emphasis on private sector led growth in achieving Bangladesh's development vision. According to the 2016 GPEDC monitoring profile for Bangladesh, the government has approved more than half of the 250 quick-win policy reforms identified by BUILD.

Sources: Excerpts from BUILD 2017. Additional information obtained from GPEDC (2016) and a development partner interview, October 2017.

Corporate social responsibility (CSR) in Bangladesh is growing, in part owing to personal interest and commitment at the highest levels by the leaders in the banking and other sectors (Reed Consulting BD LTD, 2014). In 2007, the CSR Centre was established to promote responsible business practices with strong local and international networks and access to a range of business sectors in Bangladesh (Bjornestad et al., 2017). In partnership with the Bangladesh Enterprise Institute, the Centre is the national United Nations Global Compact focal point. A wide range of CSR activities are supported through collaboration with the Bangladeshi government, civil society organisations (CSOs), and multilateral and bilateral donors. It is mandatory for financial institutions to make contributions to the Bangladesh Bank in the form of "CSR Funds" – one time donations for national events or disasters. According to the Bangladesh Institute for Labour Studies, though CSR activities appear to be growing in Bangladesh, there is an absence of a shared understanding of what CSR entails among businesses, trade unions, workers and citizens more generally (Rahman and Juy, 2016). Moreover, there is no legal framework with respect to CSR though a National CSR Policy for Children has been recently developed. There is also yet to be sufficient measurement of the effectiveness of CSR projects, including with respect to investments made by the commercial and banking sector (Reed Consulting BD LTD, 2014). Companies in Bangladesh tend to see CSR as corporate philanthropy and social compliance, rather than as a principle to be integrated into core business.

CSR in Bangladesh is growing, but not yet linked to core business practices. A national CSR legal framework is missing, and the effectiveness of CSR projects has not been properly assessed.

⁷ Textiles account for 25% while food products and ready-made garments account for 21% and 16% respectively.

⁸ See <http://www.bfti.org.bd/index.php/bangladesh-business-associations> for a list of major associations.

⁹ See <http://www.bwcci-bd.org/>.

¹⁰ See <http://www.buildbd.org/>.

Trade unions and civil society

Trade unions in Bangladesh are rooted in Bangladesh's national struggle for independence (interviewee, February 2018). They tend to be fragmented with more than 32 national union centres or federations. Bangladesh has over 7650 registered basic trade unions (LO/FTF Council, 2017). Sramik Karmachari Oikya Parishad, an alliance of the National Federation of Trade Unions, represents more than 90% of the workforce organised by the national trade union movement. Trade unions function a factory, sector and national levels. At the establishment level, only workers are able to form unions. A challenge in this regard is that the legal framework does not sufficiently protect trade union organisers nor does it allow for expanded coverage. If a worker organises a trade union, they are not protected from being fired. Once fired, they no longer have the right to participate in the trade union. In terms of trade union coverage, following the collapse of the Rana Plaza garment factory trade union density among wage workers increased from 17% in 2012 to 19% in 2015. However, legal frameworks mean that less than 25% of workers can legally organise. For example, in agriculture, workers cannot organise a trade union though they can have an association (interviewee, February 2018). In addition, trade unions are limited in their ability to strike as such efforts are labelled as disturbing development. Owing to the focus of many trade unions on political activities historically, their capacity for political engagement is high. However, trade unions tend to have less capacity to organise workers and bargain (interviewee, February 2018). There is a need for capacity development.

According to a 2016 review of the labour market in Bangladesh by the Danish Trade Union Council for International Development Cooperation (2017), most central tripartite structures and social dialogue are facing challenges, such as in the readymade garment sector where conflicts continue between employers' associations and trade unions. There is limited coverage of collective bargaining agreements. Bangladesh also faces the challenge of ensuring that labour regulations reach the majority of working Bangladeshis employed in the informal sector. A key challenge is that the growth of the private sector has not been matched by growth in terms of the capacity of government institutions responsible for regulation, such as departments responsible for taxation, customs and labour (interviewee, February 2018). For example, in the readymade garment sector, 80% of disputes are settled by mediation outside the labour department. Nevertheless, in the wake of the Rana Plaza collapse, Bangladesh has seen progress on occupational safety at the factory level.

Notwithstanding exceptions, several interviewees, including from civil society, international finance institutions and the research community, noted that the relationship between civil society and the private sector is positive, with each sector understanding the important roles played by the other in terms of contributing to sustainable development. Though the private sector has some involvement in education and to a greater degree in health, CSOs tend to be significant contributors in these sectors with the private sector playing less of a role (interviewee, October 2017). At the workshop, it was noted that there is an opportunity for the private sector to partner more with CSOs given their experiences in these sectors going forward. In terms of partnerships, the private sector is more likely to work with CSOs that are well-connected to the government and able to link private partners to government networks (interviewee, October 2017).

One CSO interviewee (January 2018) offered a different view on the status of civil society – private sector relations, noting the challenge lies with the priorities of the private sector versus civil society. Civil society tends to be more concerned with human rights and dignity while the private sector is more interested in economic dimensions of development. Trust is also an issue. When consultations occur between civil society and the private sector there are few organisations, beyond government, that can act as a facilitator to bring stakeholders to the same table to discuss more contentious issues. Some DAC donors are working to bridge this gap by supporting multi-stakeholder partnerships.

In addition to their implementation roles, CSOs also serve as watch dogs in monitoring the role of the private sector in development, as well as in relation to development co-operation. Some CSOs are working with communities through participatory monitoring processes to monitor the role of the private sector and development finance institutions (interviewee, January 2018). When issues arise, communities can take them to the local government and raise awareness through the media.

Development partners

According to statistics from the Organisation for Economic Co-operation and Development (OECD), Bangladesh received US \$2,106 million in official development assistance (ODA) commitments in 2015, of which US \$649 million was committed in ODA grants and 1,456 million in ODA loans.¹¹ Commitments in terms of other official flows amounted to US \$30 million in the same year. The country's top five ODA providers include the International Development Associ-

Social dialogue in Bangladesh is challenging, but efforts are underway to improve it. With some exceptions, the relationship between the private sector and civil society is positive.

Still a major recipient of official development assistance, Bangladesh's development partner landscape is diversified. The high degree of aid fragmentation in the country is a challenge to effective development co-operation.

¹¹ See <https://stats.oecd.org/Index.aspx?DataSetCode=CRS1>.

ation, Japan, the Asian Development Bank, the United Kingdom and the United States.¹² Social infrastructure captured the largest share of ODA, followed by economic infrastructure.

A 2017 assessment of development finance in Bangladesh found a high degree of aid fragmentation among development partners, noting that the large number of traditional and non-traditional development partners, including South-South co-operation (SSC) providers, operating in the country do not necessarily adopt best practice with respect to effective development co-operation (Bjornestad et al., 2017). This reality undermines country ownership in Bangladesh, and the ability of the government to ensure that contributions from development partners are effectively linked to national plans and priorities with no duplication of efforts. In addition, development effectiveness principles are not well institutionalised in the private sector or even civil society (interviewee, January 2018). According to one CSO representative, funding to further socialise the private sector and civil society on development effectiveness (and other global standards) is limited.

The Local Consultative Group serves as the main forum for coordination between the government and development partners. The Working Group on Private Sector Development and Trade is most closely related to PSE through development co-operation.¹³ The forum provides a space for information exchange, coordination and collaboration on private sector development. The Working Group carried out two mapping studies of private sector development activities in 2006 and 2009, both of which resulted in relevant findings related to PSE through development co-operation (discussed below). The Working Group does not include members from the private sector or civil society, though these stakeholders are sometimes invited to participate in meetings to strengthen dialogue among stakeholders.¹⁴

IV. Current State of Play on PSE: Mapping & Consultation Findings

Development partners

The project mapping exercise included a systematic examination of 70 development partners' websites with the aim of identifying PSE projects – projects that include a development partner, private sector partner and make use of ODA or ODA like flows, such as SSC and foundation funding.¹⁵ These included Bangladesh's top 10 official development assistance providers accounting for 85% of ODA to Bangladesh on average over 2014-15,¹⁶ 20 bilateral development finance institutions (DFIs), seven (7) multilateral DFIs, 17 foundations, six (6) prominent CSOs operating in Bangladesh (local and international), six (6) of the top United Nations (UN) programmes and agencies in Bangladesh according to ODA flows, and eight (8) providers of SSC. Annex 1 provides a full list of the development partners examined and whether their portfolio revealed PSE projects.

Nearly 240 PSE projects were identified through the project mapping based on the review of development partner websites and databases, secondary literature and inputs from development stakeholders involved in the research process. As outlined in Annex 1, information collected was mapped directly into the mapping framework. Data was collected from development partners' websites including in the form of project and relevant policy documents where available. As noted throughout the report, information was not consistently available for all components of the mapping framework outlined in Annex 1 (see also Table 8).

Projects that focus on private sector development and do not include a private partner were excluded – e.g. development partner to government support for the business enabling environment were excluded (unless there is a private partner involved in the project). The criteria for project selection is sector agnostic – PSE projects from a wide variety of sectors were included in the mapping, such health, education, private sector development, water and sanitation, etc. This approach follows the definition of PSE through development co-operation as outlined in the

DAC donors and their implementing agencies and bi- and multi-lateral development finance institutions are the main PSE partners in Bangladesh.

¹² See <http://www.oecd.org/statistics/datalab/oda-recipient-sector.htm>.

¹³ See <http://www.icgbanladesh.org/psd.php?q=1&s=11>.

¹⁴ Members include: the Asian Development Bank, Global Affairs Canada, Department for International Development (United Kingdom), European Union Delegation to Bangladesh, GIZ (Germany), the International Finance Corporation, the International Labour Organisation, the Japan International Cooperation Agency, The Netherlands – Embassy, Norway – Embassy, the Swiss Agency for Development and Cooperation, the United Nations Development Programme, the US Agency for International Development and the World Bank.

¹⁵ See Annex 1 for description of projects included. The information presented below is based on the projects identified through the methodology as noted in Annex 1 and the information that was publicly available through development partners. Greater transparency on PSE projects will be critical for future updates to this work.

¹⁶ In addition to these, a number of projects were identified for other bilateral ODA partners from the literature review and projects supplied by members of the work stream working group.

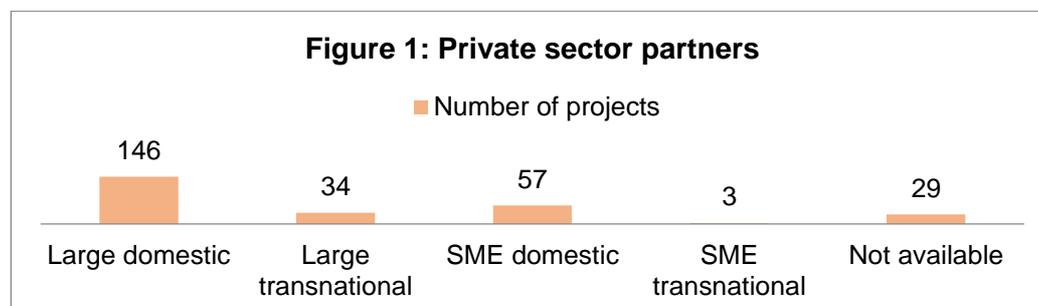
2016 OECD Peer Learning on PSE in Development Co-operation.¹⁷ Though the approach to the project mapping aims to be as comprehensive as possible, invariably some development partners were not included in the mapping.

Table 1 provides an overview of the number of projects in terms of their main development partner sponsor(s). It shows that the bulk of projects identified through the mapping process are from DAC donors followed by multilateral DFIs and bilateral DFIs. CSOs are the next most prominent stakeholder supporting PSE projects followed by the UN agencies examined and finally philanthropic institutions. Though eight providers of SSC were examined, only two projects were identified.

Development partner	Number of projects	Percentage of total projects
DAC donors and their implementing agencies	87	37
Bilateral DFIs	60	25
Multilateral DFIs	78	33
Philanthropic institutions	11	5
CSOs	30	13
UN agencies	15	6
Providers of SSC	2 ¹⁹	1
Projects including multiple development partners	33	14
Not available	6	3

Private sector partners

Figure 1 provides an overview of the private sector partners involved in the PSE projects examined: Large domestic firms²⁰ have the highest representation across projects, engaged in nearly 61% of projects. Domestic SMEs were included as partners in 24% of projects while large transnational companies were represented in roughly 14%. Transnational SMEs were included in less than 2% of projects examined. Across the projects, 33, or 13.75% included more than one type of private sector partner. Twelve (12) percent of projects did not provide information on the type of private sector partner involved. Overall, the PSE projects identified through the mapping exercise show a predominance of local private sector involvement.



Large domestic private sector actors are the most prominent partners in PSE projects in Bangladesh, followed by domestic SMEs. For 75% of projects examined, private sector partners are recipients of finance. In much fewer cases they act as on-lenders to SMEs, implementers or financiers.

¹⁷ PSE is defined as: An activity that aims to engage the private sector for development results, which involve the active participation of the private sector. The definition is deliberately broad in order to capture all modalities for engaging the private sector in development co-operation from informal collaborations to more formalised partnerships. Given that the term applies to how development co-operation occurs, private sector engagement can occur in any sector or area (e.g. health, education, private sector development, renewable energy, governance, etc.). Through private sector engagement, the private sector and other participants can benefit from each other's assets, connections, creativity or expertise to achieve mutually beneficial outcomes (Crishna Morgado et al., forthcoming; Di Bella et al., 2013). See <http://www.oecd.org/dac/peer-reviews/Inventory-1-Private-Sector-Engagement-Terminology-and-Typology.pdf>.

¹⁸ Total is more than 240 as the table shows the number of projects that include each type of development partner as a main sponsor of the project rather than the total number of projects. Similarly, the percentage of total projects does not add up to 100%.

¹⁹ One project includes the Multilateral Investment Guarantee Agency and can as such be seen as a triangular cooperation project.

²⁰ Large domestic firms include, among others, domestic banks such as BRAC Bank, Eastern Bank, Prime Bank, One Bank and City Bank, which repeatedly appear as recipients of financing in the project mapping.

Table 2 provides an overview of the main roles of the private sector in the PSE projects examined. It shows that for a significant proportion of projects – 75% – the private sector is a recipient of finance (grants, debt financing, equity, guarantees, etc.). However, in 27% of projects, the private partner is also listed as an on-lender to SMEs. Following these roles, the private sector serves as the project implementer in 22% of projects and a resource partner – i.e. provider of finance – in 12%.

Role	Number of projects
Recipient	180
Financier – resource partner	29
Implementer	52
On-lender to SMEs	64
Not available	22

Local partners

While the domestic private sector is well represented in the PSE projects examined, the mapping showed limited representation by other stakeholders (Table 3).²¹ Government institutions in Bangladesh were only listed as partners in 22 of the projects examined, or roughly 9% of the time. Domestic CSOs are implementing partners on 20 projects or 8% of the time. Only one domestic business association is represented in two projects (less than 1%), the Bangladesh Garment Manufacturers and Exporters Association. No projects listed international or domestic trade unions, or international business associations as partners. Ten (10) research institutions were listed as partners (3%), three of which included specialised domestic research institutions (1.25%). International organisations were also listed as partners, to a limited extent – ODA provider implementing agencies (14 projects, 5.8%), UN agencies (7 projects, 2.9%), philanthropic institutions (8, 3.3%) and international CSOs (4 projects, 1.7%). One project listed an international multi-stakeholder partnership initiative as a partner.

There is limited engagement by local partners in PSE projects examined. Government institutions are included as partners in roughly 9% of projects. Representation by other local non-state actors is even less.

Partner type	Number of projects	Percentage of overall projects
Domestic business association	2	0.8
Domestic CSO	20	8
Domestic research institutions	3	1.25
Domestic trade union	0	0
International business association	0	0
International CSOs	4	1.7
International research institutions	7	3
International trade union	0	0
DAC donors and implementing agencies	14	5.8
Other platform, partnership, initiative	1	0.4
Partner country government	22	9.2
Philanthropic Institutions	8	3.3
United Nations	7	2.9

PSE project timelines and budgets

The projects in the mapping span from 2003 to present in terms of their start dates.²² The bulk of the projects examined began in 2010 or later. Only 13 projects started prior to 2010. At the time of project mapping, 31 projects provided information that showed they were ongoing. It is likely that a much higher number of projects are ongoing given that 119 projects did not include an end date, of which 30 started in 2016 or later. For the 74 projects that provided full information on project start and end dates, the longest projects (2) spanned 11 years and the shortest less than a year (for a small project that included preparatory work for a larger project). Only a small number of projects (11) were planned for two years or less. Twenty projects had a three

The most common length for the PSE projects is three years. Thirty-seven projects have a time span of five years or more. Lack of full information on the majority of projects makes it difficult to assess the extent to which PSE projects are subject to longer term financing.

²¹ Table 3 presents figures for the projects that listed additional partners beyond the main sponsors as listed in Table 1.

²² To be included in the data set, a project had to start in 2010 or later, or still be ongoing as of 2010. The research team selected 2010 in an effort to limit the scope of projects reviewed while ensuring that the projects selected offered a large enough time span to show results, scale and impact.

year time horizon and 37 a five year lifespan or greater.²³ Projects with longer term financing (five years or more) were found across sectors and types of development partners though the United States was a sponsor for 20 of the 37 projects with longer term financing.

Of the 240 projects examined, roughly one third (81), did not provide budget information. For half of the projects supported by DAC donors and their implementing agencies (43 of 87 projects) no budget information was available. Multilateral DFIs account for the largest amount of finance – US \$4.8b – at nearly five times the amount of the next largest development partner, DAC donors (US \$ 998m). Bilateral DFI projects accounted for US \$669m, CSOs US \$343m, SSC providers US\$197m, UN agencies US \$175m, and philanthropic foundations US \$89m for the projects examined. The majority of the projects in the sample are \$100 million or less in terms of budget size based on available information.

Table 4. Budget of projects that involve the private sector by development partner type

Development partner type	Projects for which budget is available, % and #	Total budget of projects for which budget is available (Million US\$) ²⁴	Average budget size of projects for which budget is available (Million US\$)
DAC donors and their implementing agencies	51%, 44	998	22.68
Bilateral DFIs	91.7% , 55	669	12.16
Multilateral DFIs	100%, 78	4,832	61.94
Philanthropic Institutions	54.5%, 6	89	14.83
CSOs	33.3%, 10	343	34.3
UN Agencies	46.7%, 7	175	25
BRICS and other key southern partners	100%, 2	197	98.5

The average budget size of the PSE projects examined was US \$11m. Lack of information and transparency makes it impossible to provide full figures on the total size of public or private contributions for the PSE projects examined.

Modalities of PSE mobilised through development co-operation

Projects were categorised according to the modality of co-operation between the private sector and development partners. The modalities examined include policy dialogue, capacity development, technical assistance, knowledge sharing, research and finance (see Annex 1 for full description). The most prominent modality of PSE captured in the project mapping is finance representing 71% – or 189 – of the projects examined. Capacity development is the next most prominent modality of engagement featured at 20% (52 projects), followed by technical assistance (3%, 8 projects), and policy dialogue, research and knowledge sharing (2%, 5 projects each). In this context, 22 projects included more than one modality.

The finance modality includes grants, debt financing, equity and shares in collective investment vehicles, and guarantees and other unfunded liabilities. Debt financing represents the largest share of development finance (US \$4.5b, 108 projects) followed by equity and shares in collective investment vehicles (US \$856m, 21 projects), grants (US \$839m, 73 projects) and guarantees and other unfunded liabilities (US \$690m, 12 projects)²⁵ (see Table 5). Of these finance-based PSE projects included, 17 include multiple forms of finance, such as the use of debt financing and a guarantee for the same project. Bilateral and multilateral DFIs are most prominently represented, unsurprisingly, in projects supported by debt financing. DAC donors, philanthropic foundations, CSOs and UN agencies are most prominently represented in grant-funded PSE projects.

Finance is the most prominent modality for PSE, underpinning 71% of the projects examined. Debt financing is the most commonly used type of finance, supporting 42% of projects overall.

²³ Twelve projects were for five years, ten for six years, five for seven years, four for eight years, three for nine years, one for ten years and two for 11 years.

²⁴ The following currency conversion table is used: <https://data.oecd.org/conversion/exchange-rates.htm>

²⁵ No data is available for 66 projects using debt financing and 26 grant-funded projects.

Table 5. Overview of financing instruments supporting PSE projects in Bangladesh

Instrument type	Total budget (million USD)	Total # of projects	# of projects budget available	% of projects as share of all projects ²⁶
Debt financing	4,534	108	66	45
Equity and shares in collective investment vehicles	856	21	0	8
Grants	839	73	26	30
Guarantees and other unfunded liabilities	690	12	0	5

Given the Government's focus on PPPs as a key mechanism for PSE, it is worth highlighting the extent to which development partners are supporting this type of partnership. The information provided by development partners makes it difficult to determine the extent to which the projects financed are PPPs. This is because development partners do not always explicitly refer to a partnership as a PPP and some development partners use the term PPP to refer to any kind of partnership with the private sector, rather than "an arrangement in which the private sector provides infrastructure assets and services that traditionally have been provided by the government" as defined by the OECD.²⁷ Nevertheless, 23 projects in the mapping were referred to as PPPs by the project sponsor. The bulk of these projects (15) are sponsored by bilateral or multilateral DFIs. Seven projects are in energy, four in infrastructure finance, three in health, three in water and sanitation and three in agriculture. The remaining projects are in, education (1), manufacturing (1), and multiple sectors (1).

Finally, while financing remains critical for PSE, participants at the technical workshop highlighted other PSE modalities as equally important and requiring further attention. They noted the importance of policy dialogue, knowledge sharing, capacity development and research going forward. Research is particularly important for identifying best practices in PSE and learning from failures.

Sectoral distribution

Figure 2 shows the sectoral distribution of projects according to their main sector of focus.²⁸ It shows that finance (28%), agriculture (17%), manufacturing (16%), and energy (10%) are the primary sectors of focus in the PSE projects examined. Health, communications, cross-cutting issues,²⁹ retail, environment and climate change, education and water and sanitation (WASH) are the next most prominent sectors, representing between five and two percent of projects. All remaining sectors represent one percent or less of the projects examined.^{30,31} The sectoral distribution of projects suggests that a significant portion of the PSE projects in Bangladesh relate to private sector development activities, particularly in terms of efforts to improve access to finance.

DAC donors and CSOs are largely concentrated in the agriculture sectors while the bulk of projects supported by bilateral and multilateral DFIs focus on the financial sector. Projects supported by philanthropic institutions and UN agencies tend to be disbursed across a range of sectors. The two projects included from SSC providers focus on communications and energy.

Non-financial modalities of PSE such as policy dialogue and knowledge sharing are important for promoting sustainable development and require further attention.

Finance, agriculture, manufacturing and energy are the primary sectors of focus in PSE projects in Bangladesh.

²⁶ Type of finance instrument is unavailable for 17% of the projects.

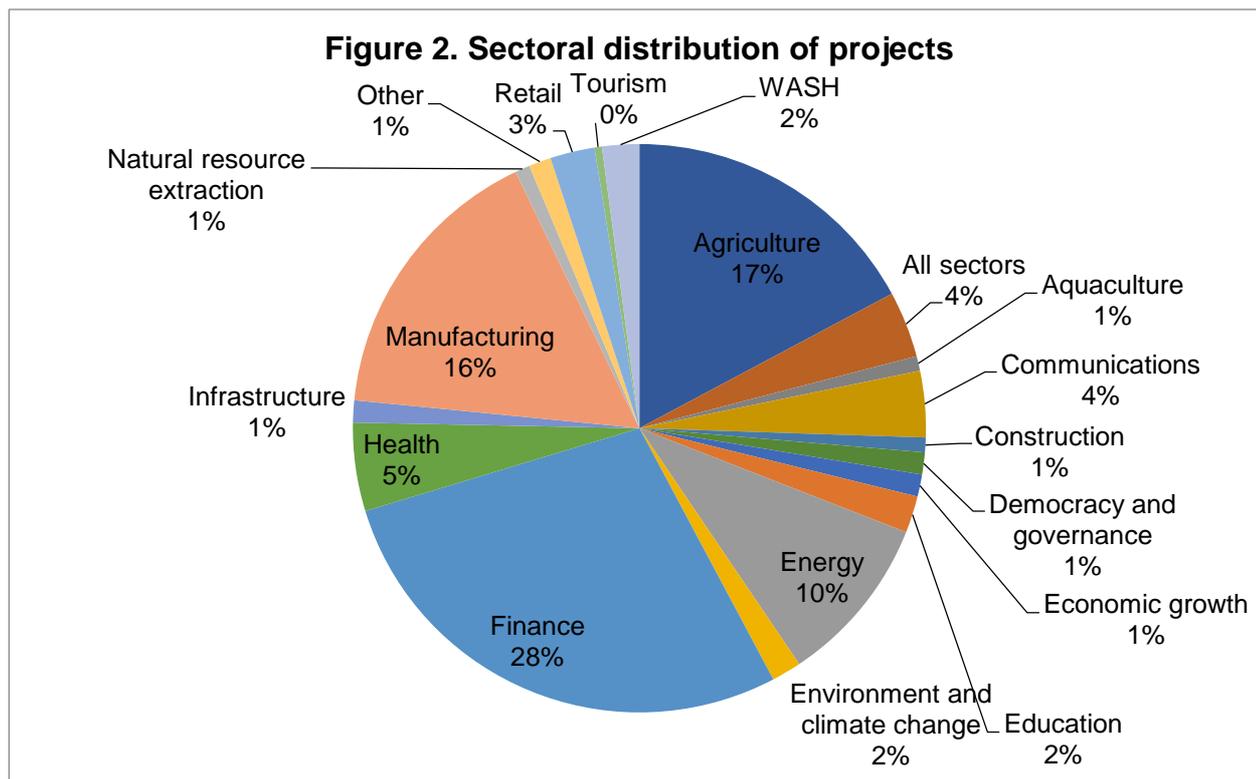
²⁷ See: <https://stats.oecd.org/glossary/detail.asp?ID=7315>.

²⁸ Some projects are linked to more than one sector. Figure 3 represents only main sectors of focus.

²⁹ Country-level capacity development, knowledge sharing and research projects, from which many sectors can benefit are categorised as cross-cutting issues.

³⁰ Infrastructure projects for energy such as power plant construction are included in energy sector. This explains why the share of infrastructure is small in Figure 3.

³¹ Other includes: Ship-breaking, marketing and value-chain maintenance.



Activities supported

Table 6 provides an overview of the main activities supported by top five main sectors of focus – finance, agriculture, manufacturing, energy and health. It shows the activities in the financial sector are mainly geared towards improving access to finance for SMEs (the majority of projects at 45.3%) or for a specific sector (30.7%). In agriculture, the main activity supported is development and deployment of new technologies and research related to improving agricultural productivity (42.2%), including through the cultivation of higher value or more resilient agricultural commodities. Value chain development (22.2%), capacity development (20%) and supporting improved access to finance (20%) are also featured. In manufacturing, where nearly half of the projects focus on the textile or readymade garment industry, the most prominent activities include financing expansion activities and other operations in factories (41%). Efforts to improve environmental, social and governance (ESG) standards (22.2%) and capacity development (15.4%) activities are the next most prominently cited activities. For energy, the construction of new facilities is the most prominent activity (58% of projects) followed by support for expansion or upgrading of existing facilities (20.8%). Projects in the health sector are fairly evenly spread in terms of activities, with 20% focusing on expansion of healthcare services to the poor or underserved communities, 20% focussing on raising awareness of services through social marketing and media, 13.3% supporting technology transfer to improve services and 13.3% supporting the development of health networks or franchises.

The main activities supported by PSE projects include improving access to finance for SMEs and/or a specific sector, technology or research related interventions in agriculture, and financing company operations, including expansion activities and upgrades.

Sector	Activity	Number of projects
Finance (75 projects)	SME on-lending	47 ³²
	Lending for a specific sector overall	23 ³³
Agriculture (45 projects)	Technology or research related intervention – testing, adoption of new techniques	19
	Value chain development	10
	Capacity development / technical assistance	9
	Access to finance	9
Manufacturing (39 projects)	Financing company activities and/or expansion	16
	Improving ESG standards in factories	8
	Capacity development, including through skills	6

³² Number varies from Table 2 as it applies only to projects for which the financial sector was the main sector. In other words, other projects in the mapping included efforts to improve on-lending to SMEs but did not have the financial sector as the main sector of focus.

³³ Of which 9 focus on trade and 3 on green investments.

	development	
	Construction of new facilities	14
	Expansion of activities or upgrading	5
Health (15 projects)	Development of healthcare services specifically for the poor or underserved areas such as slums	3
	Social marketing to raise awareness and improve access	3
	Technology transfer to improve service	2
	Development of health networks or franchises	2

V. More effective PSE in Bangladesh: Opportunities & Challenges

Creating shared value in Bangladesh

Working hand-in-hand to co-create development impact and business profit is vital to deliver on the SDGs and Bangladesh’s national development priorities. The project mapping, interviews and workshop have demonstrated the vibrancy of efforts by the government, the private sector and civil society in this regard. Despite efforts, the leadership of many domestic and international companies active in Bangladesh is not aware of the broader development objectives and how, through their core practices, they are already or can further contribute to them.

A challenge to creating shared value in Bangladesh is the extent to which development partners effectively consider business outcomes in their approaches. In the readymade garment sector, development partners are mainly promoting Environmental, Social and Governance (ESG) and Corporate Social Responsibility (CSR). However, some companies argue that efforts to improve ESG standards come at an additional cost to the business but they are unwilling to increase their prices to international buyers (interviewee, December 2017). ESG and CSR programmes should be better coupled with efforts to improve productivity and lower costs. Such an approach will enable the private sector to see the benefits of contributing to the SDGs through changes to their core business.

Some interviewees noted that development partner funding models have created difficulties for collaboration with the local private sector. Direct support to the private sector has led some companies to believe that they can obtain funding for core business and call it development co-operation. As such, they are less willing to put up their own money to promote changes in their supply chain. In the view of one private sector representative, some development partner funding models have almost become a form of corporate welfare, with larger companies accessing development funds for investments they otherwise would have done on their own. There is a need for development partners to better ensure financial additionality when working with the private sector in Bangladesh (interviewee, February 2018). Despite these challenges, some modalities have been introduced in Bangladesh by development partners that encourage the private sector to take a greater lead and to collaborate with CSOs where a clear business case exists, particularly through the use of match-funding schemes. The facilitation role of development partners and the government is important, as noted above, to help build trust across sectors.

Country Ownership & Capacity Development

The limited participation by the Government of Bangladesh and other local stakeholders in the PSE projects the mapping exercise captured suggests that there is room to improve country ownership in private sector engagement projects. Projects predominantly include only development partners and the private entities in the country. The extent to which PSE projects are explicitly tied to government priorities or include consultation with the government and other local stakeholders in their development is difficult to decipher from the information obtained through the project mapping which included online descriptions and project databases, as well as project information documents and relevant institutional policies where available. Additional information such as project proposals, background documentation and interviews with development partners would be needed for each project to make a full assessment. Bilateral and multilateral DFIs are more likely to articulate how their investments coincide with their own strategies as part of the standard information provided for a project rather than government priorities. It is outside the scope of the mapping exercise to examine the overarching strategies of each development partner to assess the extent to which they specifically align with the priorities of the Bangladesh government. Documentation from the Asian Development Bank explicitly refers to how the projects it supports align to country development plans. According to an interviewee from a DAC donor (December 2017), the projects they support must receive sign off by the Bangladesh government, which helps to ensure alignment with country priorities.

More participation by local stakeholders in PSE projects would contribute to making partnerships more inclusive and support country ownership. Development partners can provide targeted capacity development to support the ability of local partners, including government institutions, to develop and participate in PSE projects.

While recognising that the government is offering incentives for the private sector to invest in social impact and contribute through CSR in the form of funding to the Bangladesh Bank, one CSO representative noted that there is a need for the government to take greater ownership over PSE activities more generally (aside from the PPP Authority). The 2017 development finance assessment noted that improving country ownership over public flows dedicated to the domestic private sector is likely to be a challenge for the government as data is generally difficult to access and collate, private interests are not always aligned with government interests, and the government will need to improve capacity to manage social and environmental risks and opportunities (Bjornestad et al., 2017). At the workshop, it was noted that low levels of communication and coordination across government institutions is a challenge. There is also a need to improve capacity to move from policy to action, ensure compliance by the private sector with laws and regulations, and monitor the outcomes of PSE. The business enabling environment remains a priority with national stakeholders pointing to challenges in terms of reducing costs, cutting red tape, improving data availability, infrastructure, technology and skills development.

At the workshop, it was noted that no policy or legal framework exists for PSE and the promotion of shared value. Bangladesh would benefit from clear policy formation on PSE, underpinned by appropriate legislation and supported through budgetary resources that promote PSE on the SDGs and harness contributions from development partners. Such efforts could be overseen by a parliamentary standing committee (discussed further below). This approach would help to consolidate and advance PSE and efforts to realise shared value over the long term and improve country ownership.

As noted above, the main mechanism for PSE by the Government of Bangladesh is the PPP Authority. The government has developed a strategy for development partner support to PPPs that sets out the terms and conditions for PPPs supported through the Authority by development partners.³⁴ The PPP Authority has seen improvements in terms of capacity in recent years (Bjornestad et al., 2017). However, it continues to face capacity challenges, including improving the quality of infrastructure planning, closing deals, and developing strategies to encourage PPPs in high risk areas that have high social returns but low private returns. Some also argue that the PPP Authority is too centralised under the Prime Minister's Office, suggesting the need for stronger units at the sectoral level in government ministries (Rashed et al., 2014).

In addition to capacity challenges faced by government institutions, one interviewee from a business association also noted the importance of strengthening engagement between parliamentarians and the private sector. Though parliamentarians have the capacity to engage different stakeholders, they may be less familiar with how to effectively engage the private sector in particular. There is currently no caucus related to private sector engagement which may make it difficult for parliamentarians to bring their issues to the private sector. Given that a large number of members of parliament have a private sector background, interest tends to be more on an individual basis according to one representative from parliament (December 2018). On the other hand, private sector associations have been able to successfully lobby parliamentarians, bringing their concerns to the table. There is an opportunity to move towards more structured engagement. The large composition of business leaders in parliament presents an opportunity to establish a non-partisan caucus on PSE. Building the capacity of parliament as an institution and individual members of parliament is also critical to ensuring they are "fit for purpose" when discharging their budgetary, legislative, representative and oversight responsibilities in the context of achieving the SDGs. The transformational and inclusive nature of the 2030 Agenda makes the issue of capacity all the more urgent and pressing according to a representative from parliament (December 2017). Development partners can act as facilitators and enablers in this context.

Beyond parliament and government institutions, participants at the workshop identified the need for capacity development for all stakeholders to engage in PSE, including SMEs, civil society, trade unions and business associations. These stakeholders have a role to play in multi-stakeholder partnerships and supporting a business enabling environment. However, it was current resource levels are insufficient.

The extent to which development partners consult and work with local organisations was raised in a number of interviews. One interviewee (October 2017) with considerable experience partnering with development partners noted that DAC donors have become less approachable in recent years in Bangladesh, preferring to bring in their own consultants rather than engaging with local partners. This had led to development partners taking less of a partnership approach in terms of consulting with local stakeholders on the private sector agenda and rather moving forward on agendas based on their own analysis of what is needed. This view was supported by another interviewee (October 2017) who noted that the needs of the recipient are no longer re-

³⁴ See http://www.pppo.gov.bd/download/ppp_office/Policy_G2G_Partnership-2017.pdf.

flected. This is both in terms of the substance of projects as well as the use of external consultants. It should be noted however, that these views were not shared by all individuals interviewed. One interviewee argued that domestic capacity in Bangladesh has grown and that there is in fact more engagement with local stakeholders, with development partners aware of the criticisms related to bringing in their own consultants when local capacities exist. Moving forward, one representative from civil society argued that CSOs could be better supported in PSE through the provision of funds and capacity development for advocacy related projects in addition to projects that focus on direct partnerships and the implementation of projects (January 2018). At the local level, it is critical for CSOs to have the capacity to monitor the impacts of PSE through development co-operation. Support for regional exchanges between CSOs would also be helpful given that PSE through development co-operation often goes beyond national boundaries.

In addition to addressing capacity challenges, stakeholders at the workshop highlighted the need for greater ownership over the SDGs, and related PSE activities, beyond government. There is a need to raise awareness of the SDGs, existing PSE platforms and share information between stakeholders to develop common purpose and build trust across sectors and from grassroots to national levels. Citizen engagement, stakeholder consultation and capacity development for SDG engagement were highlighted in this regard. Technical workshop participants see a need to create a sense of shared ownership and responsibility across government, the private sector and civil society on the SDGs going forward as a means to develop shared action plans, promote individual and collective actions, and establish multi-stakeholder partnerships.

Overall, the project mapping appears to align broadly with Government of Bangladesh priorities from a sectoral perspective. However, the research approach did not include an assessment of individual projects against specific national actions and priorities within each sector. Nevertheless, PSE projects focus on finance which is a key constraint in the business enabling environment. The focus on agriculture shows alignment as the majority of Bangladeshi people work in agriculture. Manufacturing is an important sector for the government and a major employer. PSE projects in energy address an important constraint for the business enabling environment and an unmet need for the population in Bangladesh. Finally, the health sector is a priority for the government and impacts the ability of all people in Bangladesh to lead healthy, productive lives. A 2009 mapping of private sector development projects (which focus on improving the enabling environment and growing businesses and do not necessarily include private partners), many of which directly engage the private sector, found that in general, projects at the time aligned to the indicators in the government's Poverty Reduction Strategy Paper at the time (Crosby, Watson, and Sawar, 2009). Interviewees from an independent research institution (October 2017) argued that development partners, generally speaking, tend to be more aligned with government priorities. They noted that alignment occurs through the Bangladesh Development Forum – the main vehicle through which the government engages all development partners – and that donors have bought into the 7th Five Year Plan and the government's approach to the SDGs. Box 2 provides an example of a PSE initiative for which country ownership and alignment is particularly strong. Despite these indications of alignment, the limited participation by the Government of Bangladesh and other local stakeholders in the PSE projects the mapping exercise captured suggests that there is room to improve country ownership in PSE. Moreover, a representative from a DAC donor noted that Bangladesh continues to face the challenge of donors concerned with their own agenda and visibility. As noted above, the development of a national policy framework on PSE could help to further ensure alignment between efforts by development partners and national priorities.

Box 2. Country ownership & alignment when engaging the private sector: Katalyst

The Katalyst project engages businesses in the agriculture sector. It has seen three phases of implementation over 2002-2018. Implemented by Swisscontact, the project is co-funded by Switzerland, the United Kingdom, and Denmark, and operates under the Ministry of Commerce of the Government of Bangladesh. Other development partners have also participated in the project in the past including Canada, the Netherlands and Germany. By the end of the third phase, the project aims to reach an additional 1.43 million farmers and SMEs, increasing the income of its beneficiaries by US \$260m. In phase 2 of the project, Katalyst aimed to reach 2.3 million farmers and small businesses, and provide employment for 450,000 poor people by the end of 2013. Phase one, which ended in 2007, helped create 200,000 jobs and assisted 700,000 farmers and small businesses. Phases one and two are estimated to have increased income of beneficiaries by US \$435m.

Katalyst provides capacity development to SMEs, supports local agri-business networks, improves information channels and works to capitalise the sector and improve women's economic empowerment. The programme covers farmed fish, maize and vegetables and partners with agro-processors, compost producers, lead farmers, sector associations and local government. Grameenphone and Banglalink became partners to help disseminate information to farmers. Banks are also involved to help improve access to capital. The project is implemented under a pro-poor market development approach (making markets work for the poor – M4P).

According to one interviewee (October 2017), Katalyst project is a good example of alignment and country ownership in PSE. The project operates under the Ministry of Commerce and with local government and other stakeholders, ensuring an inclusive multi-stakeholder approach. It has also demonstrated positive results for poor people and growth over its three phases.

Sources: Katalyst, n.d; Gibson, 20015; interviewee from the research community, October 2017.

Fair Access to PSE for SMEs

The project mapping clearly shows that development partners tend to partner with large domestic private sector firms overall. Where domestic SMEs are engaged in projects, engagement tends to be in the form of on-lending to SMEs, capacity development, value chain development and efforts to improve environmental and social standards (particularly in textiles). For the most part, SME engagement across projects tends to place SMEs as a beneficiary of PSE projects rather than an active partner. The 2009 mapping of development partner private sector development activities found that the majority of projects focussed on SME development (Crosby, Watson, and Sawar, 2009). The main forms of SME engagement identified through the mapping study suggest that development partners have continued to prioritise SME development.

Two out of the five projects that make use of policy dialogue to engage the private sector include SMEs. As noted above, SMEs are also not well-represented in existing business associations. Research on public-private dialogue in Bangladesh suggests that there is a need to empower SMEs to enable them to effectively engage in dialogue opportunities (Sobhan and Azhar, n.d.). Moreover, public-private dialogue mechanisms should be structured with particular attention to how SMEs can be engaged.

According to one interviewee from civil society (January 2018) more could be done to ensure that all private sector stakeholders benefit from financial incentives for engagement. The interviewee argued that there are many entrepreneurs that could have an impact but are unable to access opportunities while companies that are considered allies to the government and others are more likely to benefit. Typically, the private partners that benefit from development co-operation have linkages to the government or powerful business associations. This tends to be larger companies. Workshop participants further highlighted that SMEs face three challenges – awareness, access and capacity. SMEs are often unaware of the opportunities that exist in development co-operation. Even in instances in which they are aware, they may not meet eligibility criteria to access development co-operation funds. Finally, SMEs often have limited capacity to take advantage of opportunities in development co-operation and engage with development partners. It was agreed that SMEs require special attention in terms of raising awareness on opportunities in development co-operation, promoting access by SMEs to opportunities and policy discussions and capacity development to enable SMEs to take advantage of opportunities and advocate for their needs. Importantly, workshop participants called for efforts to move beyond the usual suspects and ensure inclusion of social enterprises and micro-enterprises as important contributors to sustainable development.

In terms of the extent to which DAC donors' PSE benefits their own companies, a CSO representative argued that donors do in fact work more with their own private sector (January 2018).

Besides large domestic companies, SMEs receive support in terms of access to finance, capacity development, value chain development and efforts to improve environmental and social standards. They require additional support to engage in business associations and opportunities for public-private dialogue.

SMEs require special attention to benefit from PSE through development co-operation including awareness raising, access to opportunities and capacity development.

Recognising that the project mapping did not capture all DAC donors engaging the private sector in Bangladesh, the available data for the 240 projects suggests that DAC donors, at least in Bangladesh, work more with the domestic private sector, as noted above. Only 18 projects included a private partner from the same country as the DAC member sponsor of the project, however in a number of instances other private partners from Bangladesh were also included.

At the technical workshop, participants examined the issue of MSME formalisation and the role of PSE through development co-operation. They noted that addressing challenges related to MSME formalisation is critical to the leave no one behind agenda and realising the SDGs given the significant portion of the population employed by MSMEs. PSE through development co-operation has a role to play in supporting MSMEs to participate in policy discussions on formalisation and to support formalisation more broadly. Key challenges to formalisation include access to finance, the high cost of finance, lack of qualified and trained staff, lack of technology, high incentives to stay in the informal sector, lack of a platform through which MSMEs can effectively raise their voices and macro or business enabling environment challenges such as infrastructure. Development partners, the government and civil society have been working to address some of these challenges such as through improved access to credit and by addressing business enabling environment issues. There remains however a need for a conducive industrial policy that promotes formalisation. Additional efforts could also be made to further reduce the cost of finance, train up MSMEs and provide them with technical skills, in addition to raising awareness of SMEs challenges. Bangladesh has seen some successes in terms of empowering women to engage in economic activity and in the provision of loans to SMEs. Future efforts should draw lessons from these experiences and build on successes.

Targeting: Private Sector Engagement and Leaving no one behind

A review of the project mapping reveals that only 28 projects (11.7%) explicitly target the poor or people living in underserved or rural locations as stated in project descriptions. Nine (9) projects (3.75%) noted explicit targeting of women, the majority of which were in agriculture (5). The examination of the results of PSE projects shows that only one project provided information on overall results disaggregated by gender while two projects specifically referred to results for poor people or other groups that may be left behind, such as people with disabilities. For projects that only articulated expected results, the mapping shows that only 14 specifically refer to expected results related to benefitting marginalised groups, such as poor people or individuals living in rural locations. Five projects specifically target results in terms of benefits for women or women-owned SMEs. These findings do not mean that other projects examined do not benefit those left behind in Bangladesh society, however they do suggest that PSE projects do not sufficiently purposefully target leaving no one behind as of yet.

The mapping also shows that PSE is largely occurring in economic and hard infrastructure. While social infrastructure is the largest recipient of ODA from a sectoral perspective, only 9 percent of the PSE projects examined focussed on social sectors including health, education and water and sanitation. These trends are in line with overall reviews of blended finance that show that middle income countries and economic sectors are the main focus of PSE through development co-operation. Given the high proportion of ODA flows going to social sectors overall and the limited PSE projects in this area, there is an opportunity for the government and development partners to make greater use of PSE through development co-operation to address social challenges. Approaches to PSE in social sectors should be cautious however to ensure that they reflect and meet the needs and desires of those left behind and fulfil human rights obligations (Meeks, 2017). Development partners have a critical role to play in ensuring that their PSE targets communities that are left behind. Given that investments that focus on the middle-class are often more attractive to the private sector in terms of risk and return, this can be a challenge (OECD, 2016). Nevertheless, the Bangladesh context presents an opportunity for greater partnership between civil society organisations and the private sector in the social sectors with the former group already playing a significant role (private sector interviewee, February 2018). The growth of impact investing in Bangladesh also offers an opportunity for greater PSE in social sectors (Box 3). In this context, development partners can play an important supportive role through the provision of risk capital, particularly for talented SMEs that have a harder time accessing financing.

Only 12% of examined projects explicitly target the poor or people living in underserved or rural locations. This suggests that PSE projects do not sufficiently purposefully target leaving no one behind yet.

Box 3. Social impact investing as a means to leave no one behind: Build Bangladesh-UNDP SDGs Impact Fund

Build Bangladesh, a social impact investment platform, has partnered with the United Nations Development Programme (UNDP) to develop an impact fund that will invest in growth equity in medium and large sized enterprises that have a positive impact on social and environmental outcomes while generating financial returns. The fund will include investments in agriculture, healthcare, affordable housing, information technologies, renewable energy, training and education, waste management and other sectors. Managed by Impress Capital Limited, the fund makes use of an impact measurement framework developed by UNDP to ensure measurable results for a range of SDGs and to monitor how investments impact different populations.

The growth of impact investment in Bangladesh has potential to support the leave no one behind as a people-centric PSE modality. A number of challenges exist in the current context however. These include developing a pipeline for impact investments, building awareness of impact investing opportunities among local and international investors, making use of government regulation to promote impact investing, and building the capacity of impact investment managers.

Source: Build Bangladesh representatives (February 2018), Build Bangladesh (2017a;b).

According to civil society reports, PSE engagement occurs within a context in which private sector led growth in Bangladesh has not sufficiently benefited the poor (Mahmud and Akter, 2012; Ahmed and Islam, 2011). Privatisation of basic services, promoted by some donors, has led to price increases and has not benefited the poor (Mahmud and Akter, 2012). Moreover, inequality is growing (Ahmed and Islam, 2011). One report concludes that private sector engagement in Bangladesh has not led to pro-poor growth (Mahmud and Akter, 2012). It was felt that there is yet to be a more significant focus on the Base of the Pyramid³⁵ by the private sector in collaboration with the Government of Bangladesh, particularly in relation to core business activities (interviewee October 2017). Moreover, some of the larger projects in energy and infrastructure, including those supported through development co-operation, have violated the rights of the poorest and most marginalised with people being evacuated from their land or moved to other places according to one CSO representative (January 2018). There is a need for the government and development partners to take seriously the views of local populations affected by PSE; consultation should not just be seen as a form of compliance. The view of local people should be accounted for in the design of projects. Though projects are signed off and supported by the government and development partners, monitoring of implementation is insufficient with private partners not consistently complying with ESG standards and not enough attention to ensuring the poorest and most marginalised are reached. When the private sector acts on behalf of the government it must also act as a duty bearer with respect to human rights.

While the government is working to make available special incentives to businesses willing to establish PPPs in rural locations or for underprivileged populations, some interviewees noted the need for the government to take further regulatory action to ensure private sector activities benefit the poor, including through effective minimum wage and work environment policies that are enforced, such as has been the case in the readymade garment sector (October 2017, February 2018). In this sense, there is a need to couple PSE activities with improvements that ensure the business enabling environment ensures minimum standards for business operations and supports socially responsible businesses. The promotion of decent work and wages, as well as skills development to improve employability, has significant potential to support leaving no one behind. Social dialogue can serve as a useful tool to this end (Box 4). Moreover, giving voice to SMEs and other players in the market that are currently under-represented in public-private dialogue would serve as a positive step to addressing barriers to formalisation, which has a direct impact on the SDGs and leaving no one behind given that the majority of people work in the informal sector.

³⁵ The base of the pyramid (BoP, sometimes referred to as the bottom of the pyramid) refers to approximately four and a half billion people who live on less than USD 8 per day at the base of the global economic pyramid.

Box 4. Social dialogue to support leaving no one behind

The majority of Bangladesh’s workforce operates in the informal sector and is not unionised. The decent work agenda under the SDGs offers a useful entry point for leaving no one behind. There is a need to develop employee committees, associations and unions as a means for employees to dialogue with business owners on key issues including wages, work hours and work conditions.

Development partners can make a positive contribution to social dialogue by making it a part of their agenda when engaging with the private sector. They can require private partners to have a dialogue mechanism with workers. In addition, they can support the government to ensure that legal frameworks accommodate all workers to participate in dialogue processes, establish a basic minimum wage and ensure that workers are appropriately ensured in the event of workplace accidents. Currently, the majority of workers in Bangladesh have no minimum wage and accident insurance is roughly US\$1200; employees that are hurt at work receive very little compensation to support themselves if they are unable to work in the future.

Source: Interviewee, February 2018.

Monitoring, results and evaluation

The findings from the PSE mapping in terms of monitoring, results frameworks, results and evaluation are consistent with other reviews of PSE through development co-operation. Transparency around monitoring and evaluation processes, results and results frameworks has been repeatedly noted as an ongoing issue (OECD, 2016; Oxfam, forthcoming 2017; Heinrich, 2017; Tewes-Gradl et al., 2014).

For roughly 66% of the projects examined, development partners suggest that some form of monitoring occurs. At a minimum, it appears that partners are required to submit reports annually, or more frequently on their progress. Yet, despite monitoring provisions, there is limited information made publicly available on preliminary results or more generally, the status of project implementation. Combined with the lack of available evaluations on PSE projects, it is very difficult to assess the impacts of PSE in an aggregate or meaningful way with such limited information.

Limited information in terms of results and evaluations of PSE projects means that an assessment of the key factors that promote success in PSE projects in Bangladesh and how such successes might be scaled up is not possible based on the project mapping. Insights from interviewees suggest that there is a need for development partners to focus more on capacity development and *longer-term* financing for projects to ensure the sustainability of PSE projects, and that partners have the necessary skills and resources to scale their successes (October 2017). In this regard, the timelines for support are critical. Realising systemic change requires longer term support to achieve and scale impacts. Moreover, it requires flexibility on the part of development partners, to enable local partners to be flexible and innovative when conditions change.

At the workshop, it was noted that there is a lack of awareness of existing PSE initiatives among stakeholders in Bangladesh. There is also limited information available on best practice and success stories of bringing initiatives to scale. Stakeholders agreed that there is a need to better share information on PSE, including through the development of case studies of best practice and models that can be replicated by others.

Monitoring

The project mapping revealed that 13 development partners accounting for 128 projects provide general information on their monitoring frameworks but not project specific information. This means that information on the organisation’s overall approach to monitoring was available but not specific provisions for individual projects. In this context, eight development partners note what they monitor, such as overall progress on the project and compliance with contractual obligations, but do not indicate how monitoring occurs. Five development partners include annual or more frequent reporting, typically on overall progress and environmental and social standards. Four development partners make annual or bi-annual visits.

Of the 31 projects³⁶ that provided information on project specific monitoring, 25 referred to annual or more frequent reporting, 22 of which provided full details on the content of reporting such as financial, compliance and narrative reporting. Eight projects included field visits in the monitoring framework while four made mention of baseline data. Five projects referred to what

The majority of PSE projects have some monitoring systems and results frameworks in place. There is limited information made publicly available, on their results or the status of project implementation. This makes it difficult to assess success factors of PSE projects in Bangladesh.

The majority of PSE projects are subject to regular monitoring through annual or more frequent reports, and to a lesser extent, field visits. More development partners could make project-specific monitoring provisions publicly available.

³⁶ Twelve development partners account for these projects.

would be monitored, but not how the monitoring process would occur. Finally, one project noted that monitoring would be conducted through a Project Board, but gave no further details regarding regular reporting.

Workshop participants agreed that PSE through development co-operation should build monitoring frameworks into projects from the beginning with strong engagement by all partners on monitoring priorities and through approaches that reduce the reporting burden where possible on partners. They also noted the importance of building capacity for monitoring within partnerships and ensuring that necessary funding is available to facilitate reporting. For its part, the Government of Bangladesh recognised the need to improve its ability to monitor impact in Bangladesh. A government representative noted that the development of a common basic standard for PSE reporting in the short and long term could facilitate better reporting and allow for comparison across projects. Such an initiative would require consultation and dialogue with development partners, the private sector, including SMEs and others involved in PSE.

Results frameworks

One hundred and forty (140) projects, or 59%, provided some information on results frameworks. Of the projects that did include a results framework, 110 projects, or 46%, provide a general results framework that is used by the organisation. This is the main approach of bilateral and multilateral DFIs (with the exception of the Asian Development Bank) which account for 86 of the projects with general results frameworks. These frameworks tend to be in the form of an overarching approach to results measurement by the development partner, and make reference to standardised results indicators – such as jobs supported, taxes paid, reductions in greenhouse gas emissions and sectoral indicators.

The 30 projects for which results frameworks are available tend to be in the form of monitoring and design frameworks or logic frameworks. The quality of results frameworks varies. Some include expected impacts, outcomes, and outputs, matched with targets, information on data sources and risks, such as the Asian Development Bank. For others, the description of the results framework is largely in the form of a list of indicators. Generally speaking, where results frameworks are available, projects provide a clear indication of the results being monitored including specific outcomes and project activities.

Results

Nearly 58% of the projects examined (139) provide information on results or expected results. Thirty projects, or 13%, provide actual results while roughly 46%, or 109 projects, provide expected results.³⁷ For the most part, expected results are provided in terms of development outputs or outcomes (though some projects note impacts). Only three projects refer to results only in terms of completion of project activities.

Projects showed a use of quantitative and qualitative results indicators with figures almost always provided for quantitative indicators. Table 7 provides an overview of the type of results listed. Box 5 provides an example of a robust presentation of results across PSE projects.

A basic common standard for reporting on PSE for Bangladesh could be developed through a consultative process to facilitate better reporting.

A majority of PSE projects provide information on the institutional results frameworks that inform individual projects. There is a need to make project specific results frameworks for PSE projects more publicly available.

The majority of PSE projects examined provide information on results (or expected results) in terms of development outcomes and outputs linked to overall project objectives.

Table 7. Results listed for PSE projects

Result	Number of projects
Direct beneficiaries (e.g. # of individuals to receive training) (quantitative)	10
Improved working conditions in terms of # of hours per week and/or wages (quantitative)	8
Activities completed	5
Firm level improvements in terms of efficiency and/or productivity (quantitative)	6
Firm level improvements in terms of social and environmental standards (qualitative or quantitative, # of firms)	4
Impact on the general public (e.g. # of homes reached) (quantitative)	4
Jobs supported or direct employment (quantitative)	4
Increased prices for product	3
Improved government capacities	2
Reduced environmental impact, including greenhouse gas emissions (quantitative)	2
Improved capacity of sector business association	1
Empowerment of specific stakeholder group	1

³⁷ We assume that many of the projects in the mapping are ongoing. It is difficult to decipher how many projects are ongoing as many do not list end dates. Including all projects that have no end date suggests that there are approximately 130 projects that are likely ongoing beyond 2017.

Box 5. Reporting the results from the promotion of social and environmental standards in the textile, garment and leather industries

Over 2010-2015, the Bangladesh Ministry of Commerce and the International Labour Organization (ILO) supported entrepreneurs in the textile, garment and leather sector to adhere to national environmental and labour laws and to international standards. With support from GIZ (Germany), the initiative focussed on those laws and standards that safeguard workers' rights, including provisions for the inclusion of people with disabilities. In order to improve social and environmental standards in textile factories, the project's experts are cooperating with all the different interest groups, including ministries, employers' associations, factories, international buyers, non-governmental organisations and trade unions. Project experts are targeting factory management via the major employers' associations in the garment and leather sector, and working directly with managers on improving social and environmental standards. The inclusion of people with disabilities is being promoted by means of a job centre set up specifically for this purpose. The project is building on the activities carried out by its predecessor.

As a result of this project, **more than 800 factories are now demonstrably better at adhering to national labour laws and the ILO's international standards.** Three hundred labour inspectors have been trained and over 2,000 inspections have been carried out. Nineteen women's cafés have been set up, in which female staff receive information about their rights and are given support in asserting these rights in their factories; 20,000 female staff have also been trained in the cafés to act as trainers on employee rights. Teams of advisors have been attached to two major employers' associations in the textile sector. These teams advise factories on implementing labour and social standards and also run training courses on this subject. Around 250 people in middle management have completed a six-month diploma course on implementing social standards. **Environmental standards have also improved with 200 factories have significantly improved their environmental management** in areas such as sewage treatment, chemical management and energy consumption, including over 20 factories working in leather manufacturing and processing. A draft law on classifying and treating industrial sludge devised in collaboration with the Ministry of Environment and Forests has been adopted. Inspectors are being given training on this new law. **Around 130 factories have implemented measures to integrate people with disabilities** – for example, by creating barrier-free access to buildings. Two hundred and ninety men and women with disabilities have been successfully trained to work in sewing workshops and as supervisors while 120 people with disabilities who are interested in working in the garment sector have registered at the job centre specifically set up for this purpose. Here, they are given advice and training and/or placed in employment.

Except from: <https://www.giz.de/en/worldwide/14900.html>

The most commonly stated expected result across projects is increased access to finance for SMEs with 25 projects. This finding likely reflects that the largest proportion of projects in the mapping are in the finance sector. In addition to these 25 projects, another six projects target access to finance more generally, or for a specific sector while one project focuses on improving access to finance for individuals. Employment generation, development of a sector or industry, adoption of environmental, governance and social (ESG) standards, and improved access to energy, including renewable energy, are also prominent expected results noted across projects. Eighteen (18) projects highlight the number of jobs expected as a result while another 18 note that the project will support job creation generally speaking. Twenty-three (23) projects explicitly aim to support the development of a particular industry or sector, including through demonstration effects (DFIs tend to explicitly mention this). Twenty-one (21) projects expect to increase the number of firms adopting better ESG standards. Finally, 18 projects highlight energy generation as a result, generally with quantitative figures, and/or support for development and use of renewable energy.

Other expected results include improvements in agriculture or firm-level capacities and productivity (11), reaching a particular number of households or people in service provision (11), improved environmental outcomes and greenhouse gas emissions reductions (8), improved infrastructure (7), improved livelihoods (5), taxes paid (5), public institutional strengthening (4), technology transfer (4), improved service provision (4) and increased economic growth (4).

Evaluation

Evaluations of PSE projects are limited. Only eight projects (3.3%) provide information from evaluations. One evaluation only focusses on activities and the efficiency of the project rather than development outcomes. Nine projects (3.75%) outline specific evaluation plans for the project in question, typically in terms of when evaluations will occur and how. For the majority of projects, 156 (65%), information is only available regarding institutional approaches and policies for evaluation. For 67 projects (27.9%), no evaluation information is available.

There is a significant gap in terms of evaluations available on PSE projects: Only 3% of projects provided evaluation information, another 4% outlined how evaluation will occur. 65% of projects only provide information on institutional evaluation procedures.

Monitoring and evaluation of the quantity and quality of results in PSE through development co-operation requires appropriate resourcing. While development partners have their own reporting requirements, they must also play a role in working with partners to identify innovative solutions that balance the costs of reporting while getting at quantitative and qualitative results, such as through the use of simple technology, online platforms or by capturing people's stories. When working with the private sector, focusing on outcomes and impacts is also critical, rather than logic frameworks, recognising that business (and other partners) pivots constantly to meet goals and may not take a linear approach.

Transparency and accountability

Table 8 presents the key data gaps identified in the mapping process. In addition to the gaps noted in the previous sections, the table shows that there is a lack of information on project duration, timeline of donor support and project budget size. Areas where information is largely available include information on development partners, the type of private sector partners engaged and who they are, project descriptions, and the roles of various partners. Overall, information on private sector contributions (with the exception of projects funded by the United States) to project budgets is very limited (not counted in the table). This is somewhat surprising given the focus by development partners on catalysing private sector flows through the strategic use of development finance.

Mapping component	# of projects	% of total projects
Financing instrument	42	17.5
Duration, no information	42	17.5
Duration, no end date	124	52.7
Budget	65	27
Development partners	6	2.5
Private sector type	29	12.1
Private sector partners	24	10
Other development partners	6	2.5
About	24	10
Role of partners	3	1.25
Monitoring	81	33.75
Results framework	100	41.7
Results	101	42.1
Evaluation	67	27.9

For the key areas in which information gaps were most prominent – duration (discussed above), monitoring, results frameworks, and results – the mapping shows that all types of development partner sponsors provide information inconsistently.

The majority of projects sponsored by single bilateral DFIs – 76% - did not provide full information on project duration. For multilateral DFIs, this figure is 60%, for DAC members 31%, for CSOs 30%, UN agencies 6.6% (1 project) and foundations 18% (2 projects). The majority of projects with multiple project sponsors – 87.8% - did not provide full information on duration. Forty percent of DAC donor sponsored projects are missing monitoring information. This figure is 33% bilateral DFIs, 2.5% for multilateral DFIs, 26% for CSOs, 13% for UN agencies (2 projects) and 9% for foundations (1 project). Thirty-three percent of projects with multiple sponsors were missing monitoring information. Information gaps on results frameworks were found for 49% of projects sponsored by DAC donors, 38% for bilateral DFIs, 30% for CSOs, 18% for foundations (2 projects), 13% for UN agencies (2 projects) and 3.8% for multilateral DFIs (3 projects). Thirty percent of projects with multiple sponsors do not provide information on results frameworks. With respect to gaps in information on results or expected results, 55% of DAC donor projects are missing this information. This figure is 40% for bilateral DFI projects, 24% for projects with multiple sponsors, 18% for foundations (2 projects), 16% for CSOs (5 projects) and 13% for UN agencies (2 projects). The two SSC projects included in the dataset consistently lack information across all the dimensions from the resource provider (in this case China) though one project includes involvement with the Multilateral Investment Guarantee Agency and has more information available as a result.

The extent to which SSC providers partner with the private sector is unclear as limited public information on their projects was available. Insights from interviewees show that some SSC providers tie their support to Bangladesh with procurement opportunities for their own private sector (Box 6).

Overall, there is a need to improve the availability of information on PSE projects. Stakeholders should be able to realistically expect transparency on basic project information recognising that protected or commercial information may not be made available.

Box 6. SSC provider support to Bangladesh

India has provided the Bangladesh government with three lines of credit for infrastructure development and other areas while China has provided suppliers credit for infrastructure. For India, certain lines of credit are tied to procurement for Indian businesses (single country bidding); depending on the area of development, 65 to 85% of procurement must go to Indian businesses, though through a competitive bidding process. The Bangladeshi private sector lobbied the government on the procurement issue, which led to lower requirements. Aside from these restrictions, the lines of credit from India are open in that the Bangladesh government can decide how to invest. In the case of China, finance is tied to a specific initiative and company, decided on by the financier but linked to Bangladesh's development needs.

In addition to India and China, the New Development Bank (BRICS Bank) provided Bangladesh with a loan for transmission lines in the power sector. In addition, Bangladesh took a loan from Russia for a nuclear power plant that increased Bangladesh's debt burden by about 30%. The terms and conditions are not transparent.

Source: Interviewees (2) October 2017.

In terms of accountability for social and environmental performance by the private sector, a unique challenge in the Bangladesh context relates to the role of DFIs and the use of compliance standards when financing PPPs. A study on PPPs in Bangladesh found that there is confusion across government departments and development partners regarding development compliance criteria for PPPs, creating challenges in the development of PPPs (Rached et al., 2014). Development partners play less of a role in the development stage for PPPs and a greater role in financing (including providing financing to the private partner) at which time compliance with development partner requirements emerges. In Bangladesh, PPPs are often developed prior to involvement with development partners and then not eligible for support as a result of development partner due diligence processes and requirements. According to a CSO representative from an organisation that plays a watchdog role with respect to development co-operation in Bangladesh, the government does not always ensure proper transparency and accountability to local communities in which projects take place (January 2018). This view was also supported by a representative from parliament who noted that there does not seem to be evidence of accountability in terms of the extent to which targeted beneficiaries of PSE benefit (December 2017). In instances where information on the countries supporting particular projects is available, some CSOs will take issues directly to development partners. However, accountability in development co-operation tends to be limited overall. These issues have been raised by CSOs from Bangladesh and other countries through engagement with the DAC.

One way of promoting improved accountability in PSE is through the promotion of CSR. As noted above, Bangladesh has a regulatory gap with respect to CSR. No legal framework or policy exists and stakeholders take different views on what CSR means. Nevertheless, one review found that CSR initiatives in Bangladesh tend to be aligned with international best practice and linked to global business initiatives (Bjornestad et al., 2017). According to a representative from a business association, some companies are also reporting differently in light of the SDGs, becoming more transparent with respect to their impacts on the environment and society (February 2018). Potential exists to work further with the business community to identify how CSR can be incorporated into core business with the aim of identifying win-win solutions that promote shared value and improve corporate accountability. However, a number of challenges exist in this regard. First, there is a need to improve data availability and information on CSR initiatives to inform the policymaking process. Second, interviewees from the research community, civil society, a DAC donor and the private sector (October 2017, December 2018) noted that difficulties exist in pushing companies from business as usual to CSR. Companies tend to take a philanthropy view of CSR, for example by building a school but not addressing core business. Third, the Government can do more to implement policies on minimum wage and work environments for all sectors, beyond the readymade garment sector where significant pressure exists for improvements (interviewees, October 2017).

At the workshop, some stakeholders argued for the need to refrain from a narrative of enforcing accountability and to rather focus on creating a sense of shared responsibility for sustainable development outcomes in the private sector. Others however emphasised the role of government in ensuring compliance, noting that self-regulation has not worked so far in Bangladesh. A CSO representative noted that aside from large companies, many actors in the private sector do not have a proper understanding of CSR let alone human rights and the importance of transparency and accountability (January 2018). Nevertheless, accountability of the private sector is as important as government accountability. Parliament could play a role in supporting greater ac-

accountability for PSE partnerships, as well as supreme audit institutions, ombudsmen, and national human rights commissions (interviewee December 2017). Parliamentary scrutiny and oversight is more likely to happen when PSE funding is reflected in the budget. However, the bulk of PSE activities tend to occur directly between development partners and the private sector, which limits opportunities for parliamentary oversight. There is a need for development partners to share information on their off-budget PSE projects. The effective use of aid management systems can help with this. Moreover, accountability must focus on qualitative as well as quantitative aspects of partnership. In Bangladesh, the accountability protocol focusses mainly on amounts allocated, disbursement and utilisation without sufficient attention to results, impact and effectiveness (interviewee, December 2017). At the workshop, stakeholders proposed the use of a dashboard or website on PSE as “one stop shop” to share information on best practices, basic information on PSE projects and promote dialogue across sectors. Such an effort could contribute to improving transparency and accountability in PSE through development co-operation by making information more readily available and placing a focus on results achieved. Mechanisms should also be established to share information at the local level and to engage local stakeholders on their needs to ensure that PSE through development co-operation fills gaps and coincides with the needs of beneficiaries.

In terms of other systems for mutual accountability in development co-operation, the private sector participates in the Bangladesh Development Forum which occurs every two years and brings together a wide range of development partners to coordinate with the government (GPI, 2017). The private sector participates in sectoral discussions on mutual accountability, but participation is not institutionalised at the plenary level. A 2017 workshop on results frameworks and mutual accountability in Bangladesh concluded that there is a need to strengthen the organisational capacity of private sector coordination bodies (and local CSO coordination bodies) for effective engagement. It also noted that the Bangladesh government has a role to play in ensuring private sector accountability and development effectiveness on women and human rights issues are included in planning, monitoring and results reporting (GPI, 2017).

Increasing PSE through development co-operation to support the SDGs

Bangladesh has made SDG implementation a priority with coordination occurring through the Prime Minister’s Office. A Citizen’s Platform for SDGs also exists that aims to track progress on the SDGs, sensitise policymakers on challenges in SDG implementation and offer a forum for information sharing on the SDGs. It also works to promote further engagement by stakeholders to the benefit of the poorest and most marginalised in Bangladesh. The government has undertaken efforts with the United Nations to localise the SDGs, including through consultation and awareness raising at local levels and with the private sector. According to Bangladesh’s 2017 Voluntary National Review on SDG implementation, the government is holding regular dialogues with the private sector and development partners on how the private sector can help to facilitate the SDGs (Government of Bangladesh, 2017). Several business associations, including the Bangladesh International Chamber of Commerce, Federation of Bangladesh Chambers of Commerce and the Dhaka Chamber of Commerce and Industry have also organised events in collaboration with the government and the United Nations, expressing deep commitment to engagement in SDG implementation. A representative from the private sector noted that efforts in this area have only just begun, focussed on socialising the private sector rather than the development of concrete partnerships at this point. According to one representative from a development partner, the SDGs have in fact provided the impetus for engagement with the private sector; prior to their adoption, the government and development partners had more limited engagement with the private sector (February 2018). Despite these efforts, some interviewees and stakeholders at the workshop questioned the extent to which the private sector is aware of the SDGs, suggesting that the government should be clear about its priority targets, agency responsibilities and funding opportunities. One representative from civil society noted that it is not just low awareness among the private sector that presents a challenge, but also across government and civil society (January 2018).

Public-private dialogue on the SDGs is advancing in Bangladesh. Yet, more efforts are needed to raise awareness among private sector stakeholders around the SDGs and to engage the private sector in PSE projects that support SDG implementation.

There is a need for further awareness raising on the SDGs and for the creation of shared responsibility for their implementation across society, and in particular with the private sector. There is also limited knowledge of existing PSE projects. Participants at the workshop welcomed initiatives by the government to map the SDGs to government institutions and the Global Partnership’s efforts to assess ways to adapt policies and approaches in PSE by development partners. They called for a mapping of how the private sector is contributing to the SDGs to complement these efforts and enable the identification of gaps, reduce duplication of efforts and highlight opportunities for partnership. The United Nations Development Programme Bangladesh country office is working on a mapping of private sector contributions to the SDGs which can be shared going forward. This information should be made available moving forward to improve understanding of PSE on the SDGs and coordination of efforts. In addition, through the SDG coordination efforts at the Prime Minister’s Office, efforts are underway to establish a private sector group which should help to facilitate greater awareness of the SDGs and build trust

among partners (development partner interview, February 2018). Participants at the workshop also proposed the creation of a structured national dialogue to broaden ownership of the SDGs (Box 7).

Box 7. Establishing a national dialogue on the SDGs

Bangladesh has made SDG implementation a priority with coordination occurring through the Prime Minister's Office. The government has undertaken efforts with the United Nations to localise the SDGs, including through consultation and awareness raising at local levels and with the private sector. A Citizen's Platform for SDGs exists that aims to track progress on the SDGs, sensitise policymakers on challenges in SDG implementation and offer a forum for information sharing on the SDGs. It works to promote further engagement by stakeholders to the benefit of the poorest and most marginalised in Bangladesh. Nevertheless, the participants at the workshop noted the need for further awareness raising on the SDGs and for ensuring a shared vision and responsibility for their implementation across society and for the environment, in particular with the private sector.

To improve the quality of dialogue on sustainable development, stakeholders at the workshop on PSE suggested the creation of a mechanism for dialogue at the national level that would build up from sub-national discussions, creating an inclusive dialogue process. The dialogue mechanism should be owned by the government with all stakeholder groups represented. Information would flow to national level discussions and then be communicated back – possibly in the form of a report card – to smaller, more localised dialogue forums. The government should allocate a budget for this process with development partners encouraged to also participate. The government could also provide seed money to support innovative projects and initiatives that result from the dialogue. The government could then present citizens with a report card on its accomplishments with respect to the SDGs.

Source: Workshop on PSE through development co-operation, February 2018.

At the 2017 Busan Global Partnership Forum, the Deputy Secretary of the Ministry of Finance, Mr. Siddique, noted that the challenge for Bangladesh is to align private sector priorities with national priorities and develop the appropriate infrastructure for PSE. Some sectors may also require an active role on the part of the government or development partners to facilitate private sector intervention. For example, a report on PSE in the area of skills development found that private intervention is unlikely to occur in Bangladesh without facilitation by government, development partners or civil society (Dunbar, 2013). Moreover, it found that the private sector is most likely to engage when the benefits are clear, a favourable business environment exists and there is minimal bureaucracy associated with engagement. An interviewee representing a DAC donor noted similarly that without pressure by development partners on key issues such as environmental sustainability in the readymade garment sector, such issues are unlikely to be addressed (December 2018). Creating a sense of shared ownership over the SDGs remains a challenge for PSE in Bangladesh.

Some companies are working in socially responsible ways (Box 8) that contribute to the SDGs, and a number of companies in the financial and insurance sectors are examining business models to reach poorer communities (interviewee, October 2017). The value proposition tends to be clearer for companies in these sectors in terms of long-term business, as well as in telecommunications. Moreover, social enterprises are growing, typically in the form of start-ups and efforts by young entrepreneurs with the Graameen Creative Lab,³⁸ the Yunus Centre³⁹ and Spark⁴⁰ (Box 9) contributing by supporting social enterprises. Projects supported by CSOs have also merged into social enterprises in a number of instances.

³⁸ See <http://www.grameencreativelab.com/>.

³⁹ See <http://www.muhammadyunus.org/>.

⁴⁰ See <http://www.sparkinternational.org/spark-bangladesh/>.

Box 8. Integrating CSR into core business: Rahimafrooz Group

After years of operating in the information sector, Rahimafrooz Group was incorporated in 1954. The family company grew over time from working in trade and distribution of automobile batteries to manufacturing and distribution of automobile batteries, standby power and renewable energy, retail, and exporting. The company founder believed in contributing socially. This legacy has carried on with a focus on the environment, education and creating livelihoods. The company eventually launched a foundation in the late 1990s to improve its focus on sustainability, in addition to its ongoing work to incorporate sustainability into its business model. The company has developed a model to provide home solar energy in remote locations, drastically improving peoples' lives and worked with development partners on projects that aim to leave no one behind. According to a representative from the company, the company's efforts support 13 of the SDGs.

Source: Representatives from Rahimafrooz Group, October 2017.

Box 9. Supporting social entrepreneurs: Spark* Bangladesh

Spark* Bangladesh is a social impact business accelerator that provides entrepreneurship training and support to social entrepreneurs. The initiative aims to improve the lives of a million people living in poverty by 2018 by supporting businesses to refine their business models to meet peoples' needs, including in terms of better jobs, education and health. Spark supported Arif Md Waliullah's venture, Light of Hope⁴¹ in 2016. The social enterprise focuses on education support through direct support to schools with a focus on those located off-grid and in rural areas. The company focuses on products and services to improve education quality of client schools including completely solar-run multimedia classroom solutions, complete library packages with age-specific books, and a full science lab package at the primary level with education toys and "do it yourself" education toys. The business trains teachers to ensure proper and effective use of products.

Source: Rexa, Islam and Fahim 2017.

Development partners are also supporting CSR, which contributes to the SDGs. A number of projects specifically target improved environmental, social and governance (ESG) behaviour in firms. Twenty (20) projects included efforts to improve ESG standards in financial institutions, clients of financial institutions and manufacturing companies. CSR programming by DAC donors has grown with the readymade garment industry accounting for a majority of projects (GTZ Office Dhaka and Embassy of Japan in Bangladesh, 2007). A 2006 review of DAC member CSR programmes found that most, at the time, focused on business associations and business owners, noting the need for CSR training in formal education and at the organisational level. Reviewers also argued that there was a need for DAC donor projects to move beyond audits and compliance to provision of funding for improvements and to better engage CSOs, government and other institutions. Currently, development partners supporting ESG in the readymade garment sector meet every 6 to 8 weeks to coordinate their efforts, including through the creation of a matrix of projects in the sector. Nevertheless, coordination of PSE activities in the sector faces challenges given the wide range of interests from development partners and the proliferation of ESG projects.

When asked how to increase engagement, one private sector representative from a large domestic business noted that the company is open to working with government and development partners on the SDGs (October 2017). However, it was felt that development partners do not necessarily speak to the private sector but rather come up with what they would like to achieve and then engage the private sector. According to the interviewee, many of the individuals working on development projects do not know who to consult with in the private sector. A representative from parliament highlighted the need for an institutional mechanism or structure that builds on existing processes to provide an opportunity for greater interaction with the highest possible policymaking processes (at government and parliamentary levels) in an open and candid way (December 2017). The interviewee noted that such a mechanism would enable policymakers to benefit from direct inputs from the private sector on a regular and sustained basis. Follow up action on outputs from such interactions through transparent monitoring could contribute to their effectiveness. In addition to these efforts, the government and development partners could provide analysis and presentations to the private sector that identifies and crystallises opportunities

⁴¹ See <http://lightofhopebd.org/>

for the private sector within framework of the development agenda. There is a need to challenge and change the existing mindset of the private sector which currently compartmentalises business and development and sees them as separate windows - rather, they should be seen through a single lens which captures business and development as broadly overlapping and recognises potential for shared value.

Participants at the workshop also welcomed initiatives by the government to map the SDGs to government institutions and the Global Partnership's efforts to assess ways to adapt policies and approaches in PSE by development partners. They called for a mapping of how the private sector is contributing to the SDGs to complement these efforts and enable the identification of gaps, reduce duplication of efforts and highlight opportunities for partnership. The United Nations Development Programme Bangladesh country office is working on a mapping of private sector contributions to the SDGs which can be shared going forward. Complementing these efforts, there is a need to identify best practice in PSE through development co-operation to facilitate greater understanding of what PSE means and identify opportunities to replicate and/or scale successes.

To address these challenges, stakeholders called for the development of structured public-private dialogue to support PSE that builds on existing initiatives, ensuring inclusivity in participation and focus on best practice, information and knowledge sharing and lessons learned. Private sector stakeholders can learn from each other, as well as exchange lessons with civil society, development partners and government. Such a mechanism should include offline and online elements, with spaces for innovation to occur and structures that ensure grassroots and SME participation. In this context, development partners can play an important roles as interlocutors between government, civil society and the private sector, convening stakeholders, focusing on results and building capacity and confidence across stakeholders to partner. Finally, workshop stakeholders also noted that the creation of CEO caucus could help to drive momentum for PSE that supports the SDGs.

Other issues in PSE through development co-operation

Building partnerships that work

Some interviewees highlighted specific challenges working with development partners. A representative from a business association highlighted that the way in which funds are made available to the private sector is constraining. For example, when funding is provided for a particular project, there is very little flexibility to allow for innovation when circumstances change. Moreover, there is insufficient capacity development to help partners access other available funds and timelines tend to be too short to ensure the sustainability of results. The increasing use of challenge funds also presents a problem for smaller organisations that are not capable of coming up with match funding, which is easier for larger organisations and companies to do.

A representative from the private sector accounted their company's experience trying to engage with development partners (October 2017). They participated in many meetings to develop a multi-stakeholder partnership but in the end, nothing took off with the bilateral development partner. The company was able to partner with a CSO as a result of the meetings, but the scale and scope of the project was nowhere near what had originally been envisioned.

Partnerships are growing between the private sector and civil society in Bangladesh. However, there is a need for CSOs to embrace new models of development co-operation and see collaborations with the private sector from a business or investment perspective (interviewee, October 2017). Civil society could be working much more with the private sector. There is space for CSOs in Bangladesh to recalibrate their business models to be more agile and flexible in terms of forging private sector partnerships, and to attract investment from the private sector and impact investors, rather than focussing only on grants.

While challenges exist for the private sector to partner with development partners, development partners also experience challenges working with the private sector. One CSO representative provided their perspective on working with multinational and larger domestic firms. The interviewee noted that the main challenge is ensuring that there is a clear win for the private sector partner to engage. Global brands, such as in the readymade garment sector, tend to be sceptical about what can be achieved by working with civil society and other development partners. They have concerns about their return on investment, how well the money will be used and the kinds of benefits that will return to the company. Moreover, multinational private partners tend to doubt the capacity of development sector to objectively measure the impact of their investment (which tend to be small and quite frugal given company size). Private partners want to start small, usually with a pilot regardless of the projects' potential. More could be achieved if the private sector had greater confidence in development partners. On the other hand, CSO partners have a clear mandate and priorities in terms of the areas in which they can collaborate with the private sector. In some respects, they may not be able to be flexible in terms of identifying areas

Move slowly and spend time developing relationships for PSE. Trust building takes time and it is important for development partners to "speak the language" of the private sector.

of shared value with potential partners. These challenges tend to be even greater when working with local private sector partners. Convergence of interests and willingness to invest tend to be more constricted. Overall, partnerships between civil society and the private sector tend to be limited notwithstanding efforts by DAC donors and others to support such partnerships.

According to a representative from a multilateral development agency, there is a need to move slowly and in the right way when working with the private sector. Relationships take time to establish and it is important for development partners to “speak the language” of businesses. This may mean using different language from the SDGs for example (interviewee, February 2018). In addition, stakeholders at the workshop emphasised the importance of ensuring the development partners understand context for potential partnerships, engage with partners from design to implementation stages and operate as interlocutors⁴² where possible to build partnerships between local stakeholders (Box 10).

Box 10. Development partners can be powerful interlocutors for the private sector: Build Bangladesh

When Build Bangladesh, a local impact investment platform, began, the initiative faced challenges obtaining support internationally. By partnering with the United Nations Development Programme, the initiative saw greater access to international development partners and other potential funders. Impress Capital Limited, which manages the fund, was then able to demonstrate its capacity as an established fund manager to potential investors. The United Nations Development Programme served as a valuable interlocutor able to open the rights doors to help the impact fund take off.

Source: Representatives from Build Bangladesh, February 2018.

Women’s economic empowerment

According to a representative from an international financial institution (October 2017), women’s economic empowerment is not a focus overall for the private sector. Women only make up 30% of the labour force overall and represent a significant pool of unpaid labour. A challenge for the Government of Bangladesh is to develop and ensure strategies that encourage more women to participate in the labour force. A representative from the private sector noted that there are a number of ways stakeholders in Bangladesh can better support women’s economic empowerment. These include policy advocacy on issues beyond employee rights and entrepreneurship. Legal and cultural issues must be addressed to promote full engagement by women in the economy. Women are constrained by social and cultural norms, including social stigmas that result in a lack of respect and dignity for working women and predefined roles for women in society. Women that leave the workforce to being a family require additional support to re-join the workforce. Policies that do exist need to be supported, including with provision for implementation. Lack of access to safe public transportation presents security risks for women that want to engage in the economy. Capacity development for women in terms of marketing and money management skills, entrepreneurship skills and product development is also critical. Access to finance and markets also needs to be improved. There is a lack of trust among financiers in women’s ability to manage finance, a perception that is in stark contrast to statistics that show women are excellent at paying back loans. Finally, women and women’s organisations require further support to raise their voices in places of employment and policy discussions. In this regard, improving representation by women and women’s leadership in unions and employee associations is critical (interviewee, December 2018).

A number of steps could be taken to improve women’s economic empowerment through PSE in development co-operation. There is a need for better coordination between civil society organisations and business associations that support women’s economic empowerment. The private sector can also take affirmative action in terms of gender equality, including company policies that promote women to higher ranking positions and respond to the needs and barriers faced by women with the government encouraging such initiatives through incentive structures. The Bangladesh Securities and Exchange Commission could move beyond requiring one woman on corporate boards to 30% for companies listed on the stock market. The government could expand its good work in promoting women’s entrepreneurship to follow up with women entrepreneurs in terms of moving from smaller to larger enterprises and facilitating access to finance and skills development. For development partners, efforts to improve women’s economic empowerment through PSE need to take a holistic, bottom up approach that considers the multi-faceted nature of women’s empowerment, including by working with men. They should also ensure that

Development partners should take a holistic approach to women’s economic empowerment in PSE, recognising the multi-faceted social and economic challenges women face.

⁴² This finding was also echoed by a range of stakeholders in a 2017 workshop on market transformation (Kingdom of the Netherlands et al. 2017).

financing opportunities presented by donors are simple to provide access and opportunities for women entrepreneurs to benefit from partnership. Promotion of the decent work agenda is also critical with a focus on safe, secure and respectful work environments. Results should be assessed in terms of qualitative and quantitative goals with appropriate monitoring of policies and actions. Development partners can also bring their best practices and technical know-how to national counterparts to take the women's economic empowerment agenda forward and scale up.

These efforts should be informed by lessons learned. Stakeholders at the workshop highlighted the importance of dialogues with government on access to finance, training, and capacity development as critical to the success of the women's economic empowerment agenda. They also noted the importance of educating men and boys to address non-monetary challenges such as corruption, harassment and lack of confidence.

[PSE in climate change](#)

The Bangladesh Investment Authority promotes foreign and local green investments and a number of development partners are promoting green investments and partnerships with the private sector. The PPP Authority considers climate and environmental dimensions in the projects it supports, though it does not work directly on climate change. Bidders must demonstrate how their activities will reduce negative environmental impacts. The Ministry of Industry has responsibility for engagement on environmental issues in manufacturing and other sectors. Regulatory frameworks are in place that aim to reduce carbon emissions and the Ministry works to ensure compliance on environmental issues.

The private sector in Bangladesh has an opportunity to positively address the impacts of climate change. A 2016 review of private sector views on climate change found that companies are starting to see opportunities associated with developing new products and services, accessing new and expanded markets, reputational benefits, establishing more resilient supply chains and reducing costs by addressing climate change (Steeves et al., 2016). The development of insurance schemes for businesses operating in disaster prone areas could serve as a business opportunity for insurance companies that meet an important need of local businesses. SMEs could serve as critical allies in addressing climate change through the adoption of more energy efficient practices and simple, environmentally friendly technologies, however they require more support than larger companies that have greater capacity to make positive changes from an environmental perspective.

Companies are faced with challenges in scaling up their climate-related initiatives including information gaps, lack of access to finance, price volatility, capacity constraints, policy or regulatory barriers and trade barriers (Bimesdörfer and Richwien, 2012; Steeves et al., 2016). Others do not necessarily see addressing climate adaptation as their responsibility given that the Government and development partners are already working a lot in this area (Bimesdörfer and Richwien, 2012). Yet, disaster resilience means that the private sector will need to develop more complex understandings of risk and ensure compliance with government strategies and regulations that aim to address the impacts of climate change.

The Government of Bangladesh also faces challenges in terms of establishing a business enabling environment that promotes greater PSE on climate change. There is a need for a long term energy transition plan for the country that helps the private sector improve energy efficiency and shifts towards sustainable energy production. Energy transition will require capacity development support to promote greater use of more efficient technologies and better technology management, particular for SMEs. There is room for the government to carry out further research on how to best engage the private sector on climate change and to explore the creation of incentives systems to promote greater private sector action on climate change and the environment, including in the renewable energy, forestry and manufacturing sectors. Ensuring compliance with regulatory frameworks and effective monitoring in this regard also requires further attention, including establishing better data on environmental aspects of sustainable development.

For their part, development partners can support climate related PSE in three key ways. The first is by supporting government to improve the business enabling environment, particularly in terms of developing incentive systems, ensuring compliance on climate and environment related regulations, and building more robust datasets on key environmental indicators. Second, development partners could take greater risks in terms of piloting local innovations with the PSE to address climate change and in scaling up successful initiatives. Many SMEs are already developing solutions to climate change-related challenges such as small scale initiatives that promote clean energy in more remote locations, but require additional financing to scale their successes.

PSE on climate change requires a business enabling environment that ensures compliance by the private sector with environmental regulations and includes incentives for greater private sector action. Development partners can support the government in this regard, and also have a role to play in piloting new initiatives, scaling up successes and technology transfer.

In this context, the provision of longer term financing is important as the returns on such projects may take longer to be realised. Finally, development partners can support PSE that leads to technology transfer to support disaster risk reduction and climate change adaptation and mitigation.

Conclusion and Policy Recommendations

This report has provided an overview of the current state of play on PSE through development co-operation in Bangladesh. Based on a review of 240 PSE projects, literature review, interviews with a wide range of stakeholders and a multi-stakeholder workshop in Dhaka in February 2018, the report has highlighted a number of opportunities and challenges. The report serves as a starting point and basis for ongoing discussions on how to improve the effectiveness of PSE through development co-operation. Participants at the workshop noted the importance of ensuring that future efforts focus on how to take forward the policy recommendations and actions outlined below, with a particular emphasis on identifying lead institutions and partners, timelines and next steps:

1. INCLUSIVE, COUNTRY-LED DIALOGUE WITH PRIVATE SECTOR AND DEVELOPMENT PARTNERS

- ✓ **Expand and improve existing mechanisms of public-private dialogue** to support PSE on the SDGs. This should include the following elements:
 - **Participation:** engage a broad range of stakeholders beyond the usual and beyond major cities from the private sector (in particular small and medium-sized companies, social enterprises, etc. beyond large domestic firms and MNCs) and others (government, parliament, trade unions, civil society, development partners, etc.) from the inception/planning phases
 - **Thematic focus:**
 - Prioritise dialogue on opportunities for private sector engagement around the SDGs and how development partners can support it in practice.
 - Place emphasis on training and capacity development for new dialogue partners (in particular small companies, in rural regions, etc.)
 - **Government leadership:**
 - Identify PSE opportunities at ministry level, including through sectoral consultations with the private sector;
 - Facilitate cross-sector dialogue to build trust and launch partnerships
 - **Information sharing:**
 - Ensure enough space for stakeholders to identify innovations to shared challenges
 - Focus on best practice, information and knowledge sharing & lessons learned
 - Develop mechanisms to allow for information to flow from the grass-roots to the national level and back
 - Use offline and online tools to ensure smart use of scarce resources
 - Collect information and data on PSE from these and other efforts and make available in ways the data can be easily used. Additional mapping and analysis is needed.

2. BANGLADESH GUIDELINES FOR EFFECTIVE PRIVATE SECTOR ENGAGEMENT FOR THE SDGs

- ✓ **Create shared guidelines for PSE in development co-operation and beyond through an inclusive consultation process that is country-driven and context-specific for Bangladesh.**

3. LEADERSHIP FOR EFFECTIVE PSE THROUGH DEVELOPMENT CO-OPERATION

- ✓ **Establish a national CEO Caucus** on PSE through development co-operation to provide momentum on SDG implementation, including through the promotion of best practice and results-based efforts that support the SDGs with the support of the private sector and development partners and work to leave no one behind. This should build on existing efforts of the PMO.
- ✓ **Establish a non-partisan caucus on PSE in parliament**, taking advantage of the existing composition of MPs which includes a majority of members from the private sector.



4. CAPACITY DEVELOPMENT FOR PRIVATE SECTOR ENGAGEMENT ON SDGs

Stakeholders requiring support to better participate in PSE include government, the private sector, particularly SMEs, and civil society organisations. However, current resource levels are insufficient.

- ✓ **Allocate greater resources to capacity development for PSE** including through programmes that sensitise stakeholders on the opportunities for PSE through development co-operation and build the necessary skills to access resources and establish and maintain partnerships.
- ✓ **Build capacity of government institutions to ensure consistency in their approaches to PSE and on the business enabling environment**
- ✓ **Provide special support for awareness raising and capacity support for SMEs** to engage in PSE and on broader enabling environment issues, including through the establishment of special access points with government and development partners.

5. IN-DEPTH ANALYSIS AND RESEARCH ON PRIVATE SECTOR ENGAGEMENT FOR SDGs

- ✓ **Share information on existing mappings of PSE activities on the SDGs.**
- ✓ **Prepare an analysis of synergies, gaps and opportunities for PSE** based on the allocation of SDG responsibilities across government institutions, development partner support for PSE and private sector activities.
- ✓ **Compile best practices and resources on PSE in Bangladesh to promote greater understanding of PSE and examples others can replicate.**

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Annexes

Annex 1. Research Approach

Introduction

The report is informed by primary and secondary resources, interviews with local stakeholders and a country-level multi-stakeholder workshop. Interviews, secondary resources and the project mapping provided an indication of country specific issues that were worth further analysis in the report. The project mapping provided information against which to assess the main issue areas as identified in the private sector work stream concept note,⁴³ such as how PSE through development co-operation leaves no one behind, and how public-private contracts supported through development co-operation can meet transparency and accountability requirements. In this sense, the framework collects evidence on PSE based on the interests of development co-operation actors as well as key issues in PSE through development co-operation as identified through research on this topic. Interviews and secondary resources were used to identify context specific issues that cannot be assessed through the project mapping.

Literature review

The literature review provided the framing for the current status of PSE through development co-operation in Bangladesh, including with reference to the regulatory framework, private sector landscape, public-private dialogue, key sectors and the role of different non-state actors. In addition to informing the report, this review provided context of the interviews and country level workshop. Projects identified through the literature review were also included in the project mapping. Resources from a wide variety of stakeholders were collected and examined, including from government, parliament, the private sector, civil society, development partners and independent research institutions.

Project mapping

Primary research for the report included an examination of ongoing PSE projects at country level that utilise financial and non-financial development co-operation through desk review. The project mapping provided the factual basis for the analysis of the current state of play of PSE at the country level and for the paper as a whole (what is happening on PSE, by whom, where, etc.). As outlined in the mapping framework below (Table A.1), the mapping focused on evidence-gathering related to key issues in PSE (e.g. availability of results, monitoring frameworks, type of private sector partner engagement, key sectors, etc.). The mapping contributed to analysis of how small and medium-sized enterprises benefit from PSE; examination of the transparency and accountability of PSE supported through development co-operation; evidence of measurable results; and insights on country ownership in PSE, particularly in terms of the involvement of local stakeholders in projects and partnerships. Where information is available, the mapping also contributes to an assessment of the extent to which PSE through development co-operation at country level is working to leave no one behind.

Category	Definition
About	Overview description of the project and its main objectives. Use direct quote where possible.
Modality	Knowledge and information sharing; policy dialogue; technical assistance; capacity development; finance. List all that apply. See Annex 3 in the PSE work stream concept note for full definition of each.
Instrument	Specific instruments supporting the project. These instruments are associated with formal private sector partnerships and create contractual obligations when used. Options include: grants, debt instruments, mezzanine finance instruments, equity and shares in collective investment vehicles, guarantees and other unfunded liabilities.
Programme type	Specific programme supporting the project. A subset of private sector instruments, refers to the specific mechanisms through which private sector partnerships are pursued. Includes: Blended finance, business support, business-to-business, capacity development, challenge funds, multi-stakeholder partnerships, non-profit private sector partnerships, output-based aid, PPPs, technical assistance, mezzanine

⁴³ See http://effectivecooperation.org/wp-content/uploads/2017/10/PSE-Concept-Note_17Oct.pdf.

	finance, asset-backed securities, reimbursable grants, loans, bonds, credit lines, impact investing, equity finance, guarantees. List all that apply. See Annex 3 in the PSE work stream concept note for full definition of each.
Programme name, project title	Name of the programme that supports the project and project title. Include acronym / abbreviation in brackets where relevant. E.g. Dutch Good Growth Fund (DGGF), Flowers in Ethiopia
Duration	Start and end date. If information missing, say 'no start date' or 'no end date'.
Budget	Total budget for the project. If available, include and indicate the private sector financing contribution.
Sector	Aggregate and specific sector, e.g. Agriculture, cocoa.
Development partner(s)	List development partners providing finance to support the project.
Type of private sector partners engaged	List all that apply. Large domestic, SME domestic, large transnational, SME transnational
Private sector partners	List names of the partners. If more than 5, can provide link to this information.
Other development partners	List development partners that are involved in the project but may not be financing it. Includes international and local partners.
Role of partners	Description of what each partner involved is responsible for. Use direct quote where possible.
Monitoring	Overview of how project is monitored. Link to monitoring framework if available.
Results framework	Description of the results that are being monitored. Provide link if a full framework is available (e.g. only gender equality and increases to incomes is listed, that should be included. Only link to comprehensive results frameworks).
Results	Headline figures that are available on the project. If a lengthy report is available, provide link.
Evaluation	Top level findings, particularly on development impact if available and link to report.
Additional notes	Any other information that may be relevant but is not captured by the framework.

To limit scope of the work, projects were drawn from the following:

- Top official development assistance (ODA) providers from the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee and traditional multilateral development banks that account for 75-80% of ODA in country.
- BRICS and other key southern partners, as identified by the country in question, through OECD data, and through a review of secondary resources.
- Top five United Nations (UN) institutions operating in the country based on ODA flows.
- Development finance institutions (DFI) that are active in the country, identified through a systematic examination of DFI websites.
- Philanthropic institutions active in the country identified by OECD specialist and through secondary resources.
- Civil society organisations active in the country identified by the country in question, through secondary resources, and based on suggestions from civil society members of the GPEDC.
- Projects already identified for the country in question from the initial mapping work and as put forward by members of the GPEDC.

It should be noted that projects that focus on private sector development and do not include a private partner were excluded – e.g. development partner to government support for the business enabling environment will be excluded (unless there is a private partner involved in the project). The criteria for project selection is sector agnostic – PSE projects from a wide variety of sectors will be included in the mapping, such health, education, private sector development, water and sanitation, etc. To ensure a wide scope of PSE projects and partnerships are captured by the mapping, the research team examined projects that include a development partner, are supported by development co-operation (ODA, ODA-like flows such as foundation financing, or SSC) and include a private sector partner. This approach follows the definition of PSE through development co-operation as outlined in the 2016 OECD Peer Learning on PSE in Development

Co-operation.⁴⁴ Though the approach to the project mapping aims to be as comprehensive as possible, invariably some development partners were not included in the group of stakeholders as outlined above.

The project mapping was conducted over October-November 2017. To limit the scope of the research, projects that began in 2010 or started before but continued during 2010 were considered. The research team selected 2010 in an effort to limit the scope of projects reviewed while ensuring that the projects selected offered a large enough time span to show results, scale and impact. For each project, the review team looked at key issues in PSE such as modalities, instruments, programmes, roles of partners, results as well as monitoring and evaluation frameworks. Top DAC donors and their project implementing agencies, top 5 UN institutions, multilateral development institutions, and philanthropic institutions were identified through publicly available as well as confidential OECD databases. DFIs active in Bangladesh were identified through a systematic examination of DFI websites. Interviews with local CSO representatives and CSO members of the GPEDC as well as review of secondary resources enabled the team to identify active CSOs in Bangladesh. For BRICS and key southern partners, projects were drawn from secondary resources and other publicly available databases.⁴⁵ After identifying partners, the review team visited websites of individual partners and looked for information on partners' project portfolios. Table A.2 presents the development partners reviewed.

Table A1.2. Development partners reviewed

Development partners	Project identified based on publicly available resources
DAC donors and their implementing agencies⁴⁶	
Australia	Yes
European Union – Europeaid	Yes
Germany – BMZ and GIZ	Yes
Japan – JICA	Yes
Republic of Korea – KOICA	Yes
United Kingdom – DFID and UKAID	Yes
United States – USAID	Yes
Bilateral DFIs	
Austria – Development Bank of Austria (OeEB)	Yes
Belgium – Belgian Corporation for International Investment (SBI-BMI)	No
Belgium – Belgian Investment Company for Developing Countries (BIO)	Yes
Denmark – the Danish Investment Fund for Developing Countries (IFU)	Yes
Finland – Finnish Fund for Industrial Cooperation (FINNFUND)	Yes
France – Proparco	Yes
Germany – German Investment Corporation (DEG)	Yes
Italy – the Italian Development Finance Institution (SIMEST)	No
Japan – Development Bank of Japan	No
Japan – Export-Import Bank of Japan	No
Japan – Japan Bank for International Cooperation	No
Netherlands – Netherlands Development Finance Company (FMO)	Yes
Norway – the Norwegian Investment Fund for Developing Countries (NORFUND)	Yes
Portugal – the Portuguese Development Finance Institution	No

⁴⁴ PSE is defined as: An activity that aims to engage the private sector for development results, which involve the active participation of the private sector. The definition is deliberately broad in order to capture all modalities for engaging the private sector in development co-operation from informal collaborations to more formalised partnerships. Given that the term applies to how development co-operation occurs, private sector engagement can occur in any sector or area (e.g. health, education, private sector development, renewable energy, governance, etc.). Through private sector engagement, the private sector and other participants can benefit from each other's assets, connections, creativity or expertise to achieve mutually beneficial outcomes (Crishna Morgado et al., forthcoming; Di Bella et al., 2013). See <http://www.oecd.org/dac/peer-reviews/Inventory-1-Private-Sector-Engagement-Terminology-and-Typology.pdf>.

⁴⁵ See <http://aiddata.org/datasets>.

⁴⁶ Review team came across to projects from Australia, Sweden, Switzerland and their implementing agencies during the literature review phase and as a result of suggestions from GPEDC members. These projects were included however a systematic review of the websites of these development partners was not conducted.

(SOFID)	
Republic of Korea – Korea Development Bank	No
Spain – Compañía Española de Financiación del Desarrollo (COFIDES)	No
Sweden – the Swedish Development Finance Institution (SWEDFUND)	No
Switzerland – Swiss Investment Fund For Emerging Markets (SIFEM)	No
United Kingdom – the Commonwealth Development Corporation (CDC)	Yes
United States - Overseas Private Investment Corporation (OPIC)	Yes
Multilateral DFIs	
Asian Development Bank (AsDB)	Yes
International Development Association (IDA, World Bank Group)	No
International Finance Corporation (IFC, World Bank Group)	Yes
International Monetary Fund (Concessional Trust Funds)	No
Islamic Development Bank (IsDB)	No ⁴⁷
Multilateral Investment Guarantee Agency (MIGA, World Bank Group)	Yes
OPEC Fund for International Development (OFID)	Yes
Philanthropic institutions	
Bloomberg Family Foundation	No
Bill and Melinda Gates Foundation	Yes
C&A Foundation	Yes
Carlos Slim Foundation	No
Children's Investment Fund Foundation	No
Dutch National Postcode Lottery	No
Dubai Cares	No
Ford Foundation	No
H&M Foundation	No
IKEA Foundation	No
Itaú Social Foundation	No
Li Ka Shing Foundation	No
MasterCard Foundation	No
Oak Foundation	No
Susan T. Buffett Foundation	No
Tata Trusts	No
Wellcome Trust	No
NGOs	
BRAC	Yes
CARE	Yes
Caritas Bangladesh	No
Heed Bangladesh	No
International Development Enterprise (iDE)	Yes
Oxfam	No
United Nations agencies	
International Fund for Agricultural Development (IFAD)	Yes
United Nations Development Programme	Yes
United Nations Population Fund (UNFPA)	No
United Nations International Children's Emergency Fund (UNICEF)	Yes
United Nations Industrial Development Organization (UNIDO)	Yes
World Health Organization (WHO)	No
BRICS and other key southern partners	
China-China Development Bank	Yes
India	No
Islamic Republic of Iran	No
Kuwait	No
Malaysia	No
Saudi Arabia	No
Turkey	No
United Arab Emirates	No

⁴⁷ It is unclear from the project database of IsDB if projects can be categorized as PSE projects.

Interviews and workshop

The report is informed by open-ended, semi-structured interviews and group discussions in person and by telephone with representatives from government, parliamentarians, DAC donors, multilateral development partners, civil society, the private sector (large and small companies), business associations, trade unions, and research institutions. One interviewee responded to questions via email. Potential interviewees were put forward by the Government of Bangladesh and the GPEDC working group on PSE (a multi-stakeholder advisory group consisting of members of the Steering Committee). Interviewees were also identified through the literature review and project mapping exercise. In addition to the interviews, a one and a half days workshop was held on 4-5 February 2018. The following entities/countries were represented at the workshop and through interviewees. The research team was unable to obtain participation by a development finance institution or provider of SSC through the interviews or workshop. The workshop agenda is also presented below.

Entities/Countries represented at the workshop and through interviews:

- Bangladesh Enterprise Institute
- Bangladesh Federation of Women Entrepreneurs
- Bangladesh Foreign Trade Institute
- Bangladesh Institute of Labour Studies
- Bangladesh Women Chamber of Commerce and Industry
- Berger Paints Bangladesh Limited (private sector)
- Build Bangladesh (private sector)
- BRAC Bank
- Canada
- CARE Bangladesh
- Centre for Policy Dialogue
- Center for Responsible Business (India)
- Chittagong Chamber of Commerce and Industry
- Coastal Development Partnership
- DFID - Department for International Development (UK)
- Dhaka Chamber of Commerce and Industry
- European Union
- Germany
- GIZ – The Deutsche Gesellschaft für Internationale Zusammenarbeit (Germany)
- Global Alliance for Improved Nutrition (GAIN)
- Government of Bangladesh, Ministry of Commerce
- Government of Bangladesh, Ministry of Finance
- Government of Bangladesh, Ministry of Industry
- GrameenPhone Limited (private sector)
- International Chamber of Commerce Bangladesh
- International Chamber of Commerce Sri Lanka
- Japan
- International Finance Corporation
- Islamic Bank Bangladesh (private sector)
- Kapaeeng Foundation
- Malship Group of Companies (Sri Lanka) (private sector)
- Member of Parliament
- MILES Limited (private sector)
- Micro Industries Development Assistance and Services (MIDAS) (private sector)
- Mutual Trust Bank Limited (private sector)
- NMB Bank Limited (Nepal) (private sector)
- Nepal Chamber of Commerce
- Rahimafrooz Group (private sector)
- Sweden
- Swedish International Development Agency
- United Nations Development Programme Bangladesh
- USAID - The United States Agency for International Development
- VOICE Bangladesh
- World Bank