

## **Summary document**

This internal document (not for further sharing) summarizes considerations of elements related to private sector engagement and the Kampala Principles that were mentioned during monitoring consultations (held under Chatham House Rule) with different stakeholder groups during March and April 2021.

### **Partner Countries**

Partner Country A:

- Many people do not know the effectiveness principles, so more awareness and greater visibility is needed to strengthen our work. Strengthening in national plans is a method of combatting this. Guidelines and documents like the Kampala Principles need greater awareness and investment.

Partner Country B:

- Dialogues with the private sector and CSOs are strong and important elements

Partner Country C:

- We need more institutionalised multi-stakeholder dialogues
- To bring the private sector we need to promote incentives and show the benefits of effective development co-operation.

Partner Country D:

- Involvement of CSOs, academia and the private sector at the early stage of development co-operation is important.

Partner Country E:

- Our government is trying to reinforce consultation with the private sector and to improve involvement of the private sector in the entire process.

Partner Country F:

- In terms of the process, we should think how we can involve more stakeholders beyond the key actors like Development partners and partner countries: other constituencies like the private sector and civil society organisations, regional organisations, philanthropy are important actors

Partner Country G:

- We have to find a new strategy to target CSO and private sector representatives to incentivize them to participate in the monitoring round.
- We have established networks of universities, private sector actors, etc. and also created partnerships with foundations, the private sector and NGOs.

Partner Country H:

- We need to engage other stakeholders like the private sector and CSO in the monitoring exercise. The spirit of effectiveness is often not clear to them, so it is difficult to convey the importance of this exercise.

### **Trade Unions (TU)**

- In this reform and regarding the role of Trade Unions, the Kampala Principles offer a good and recognized road map.
- With the economic expansion in certain specific economic sectors, the development needs to be equitable and inclusive (especially with COVID). TUs have a big role to play when it comes to decent job and setting standards on social justice. This role needs to be reflected in the Kampala Principles.
- We need to integrate the Kampala principles in our reflection regarding enabling environment, freedom of participation, etc. i.e. every time we make the workers' voice heard.
- With regard to the Kampala Principles, the private sector when engaged in this area lacks accountability, does not share information on gains, and it is focused on profitability for HQs and not focused on countries
- As for innovative partnerships, we need new cooperation mechanism, TUs have been monitoring situation on the ground when private sector gets involved in development cooperation; studies in Country A and Country B have found that Kampala Principles are not effectively implemented yet; we need to have a stronger indicator 3.
- When we talk about monitoring private sector, we need to increase accountability because when a country receives development aid with investment to be managed by a multinational company, often this would not benefit local population and local work; need involvement of private sector to reduce local unemployment but Kampala Principles need to be met "absolutely".
- Accountability important in context of increasing role of private sector in delivering development. We acknowledge role of private sector in development technology, innovation, but we need to remind ourselves that the role of bringing development results remains with government because people have social contract with government not with private sector; unfortunately in context of SDGs, and elevation of PS in delivering development results, this is not always fully recognized.
- In relation to the Kampala Principles, transparency and accountability are vital principles within global framework. It is important to have decent conditions for workers; insist on the inclusivity factor. Need involvement of PS at local level as it can play major role in development cooperation; need to discuss dialogue but inclusiveness is major factor.

### **Multilateral Actors**

- Currently, a lot of stakeholders show interest in measuring the mobilisation from the private sector; it is therefore important to cover it in the monitoring framework.
- Especially in a time of pandemic, MDBs have to enhance the tools for cooperation with the private sector, by reflecting mobilization indicators, and using corporate resources allocation framework. This mobilization effort will grow over time and needs to be better reflected in the updated monitoring exercise
- Institution A produces a report that tracks private mobilization through its work. What we don't track is what could be mobilized through technical cooperation, and how much this has generated in impact, this is difficult but could be a great value-added to the monitoring framework.
- For example on support to Country A for a green bond market (which was not technical cooperation per se), or imagining helping Country B to issue a social bond: Our organization is able to attribute how much funding was disbursed, but is not capable of measuring to what extent this has had an impact on private sector mobilization
- For our Organization, this question is at the heart of addressing the financing gap to achieve the SDGs: ODA from countries and international organisations is not sufficient.

The role of the private sector is therefore critical, and understanding its needs and mindset is necessary. For us, the new strategy shifted from donor-centred to country-centred with engagements with private sector. We identified innovative solutions, new models, equity-based partnerships models geared towards mobilising blended finance. Our strategy for member country partnerships has resulted in increases in the mobilization of private sector.

- So far, we completed this member country strategy for two countries and the feedback received is encouraging. The more we understand private sector's needs and provide incentives to enhance its participation, the more we can move forward with more development efficiency, using the private sector's flexible levers which can be triggered quickly.
- The establishment of formal combined platform with the private sector is important in designing project intervention and helping with the choice of indicators. Technology can make this doable. For instance, a blockchain platform was carried out by our organization to help manage the COVID crisis, establishing good and promising partnerships with the private sector. The blockchain technology can help ensure and strengthen the transparency and accountability principles for all transactions.
- Agree that including private sector is crucial, and this is recognised across the MDBs. We need to try and "crowd in" the private sector rather than crowd it out.
- To monitor this is a complicated exercise: there was a working group on private sector across some of our organizations which aim to produce indicators to measure private capital mobilisation. A lot of work went into defining what was tracked and then to define what part was attributable to private sector and what was attributable to our organizations.
- Instead of trying to measure amounts, we could assess whether institutions have a strategy/policy on private sector engagement; and see also how this can be reflected in the country strategies - it might be a more feasible way to go about it.
- These issues are articulated and internalized in the Kampala principles.
- Our organizations strategy aims to have at least 1/3 of operations targeting the private sector. An indicator looks at sovereign and non-sovereign private partnerships, as well as an indicator on private sector mobilization.
- Our organization also measures private direct mobilization (\$ billion) and we plan to update the measurement this year. Current definition is as follows: Volume (\$ amount) of financing from a private entity on commercial terms due to the active and direct involvement of our organization leading to commitment. Evidence of active and direct involvement includes mandate letters, fees linked to financial commitment, or other validated or auditable evidence of an organization's active and direct role leading to commitment of other private financiers. Private direct mobilization does not include sponsor financing.
- On gender inclusion and private sector, our organization is exploring how to bring criteria into the corporate results framework indicator.

### **UN System**

- The private sector and donors have many diverse frameworks that require more results-based budgeting, but we need to deepen the accountability at the country/entity level. We need to improve that level of detail, but we would have better idea of efficiency if we link results to costing process.
- We are working with a network of private sector actors on a voluntary reporting basis. Private sector funding is more reliable, and we need to integrate into these networks and build partnerships with companies that are already engaged--- EX: GIIN (See link below)
- Example of data that would be key to measure the role of private sector Investments made into companies, organizations, and funds with the intention to generate a measurable social

and environmental impact alongside a financial return <https://thegiin.org/impact-investing/need-to-know/#s7>

- On private sector engagement, we are working to change business models to a more sustainable one; the Global Compact is working with country teams and more data is available there.
- The Global Compact has a women's empowerment principle that looks at how the private sector engages in gender equality and looks at private sector resources flowing into countries, which might be useful.
- It is important to properly define what we mean by private sector and civil society so we can differentiate the local private sector from the international private sector, and monitor civil society participation and influence in governance processes.
- In terms of the Funding Compact we need to look at how the private sector funding flows to UN entities and how we monitor it and create processes to manage it. These kinds of partnerships are measured at the global level but also need to be measured at the country level.

### **Parliamentarians**

- In many partner countries there is a large footprint of enterprises which have made commitment to the Global Partnership. There are also several principles to have best practices in interaction with the government and other actors on the ground. Good to know in what way parliaments can work to hold the private sector accountable. In particular Public-Private Partnerships (PPP), where contracts are brought to the attention of the parliament for review before adoption.