T H E

K A M P A L A

P R I N C I P L E S:

Online Toolkit for Civil Society

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# **Glossary with Key Terms and Definitions**

**BLENDED FINANCE:** Blended finance is the strategic use of development finance for the mobilisation of additional finance (public and/or private) towards sustainable development in developing countries. The World Economic Forum and OECD (2015) note that blended finance has three characteristics: leverage, the use of development or philanthropic funds to attract capital into deals (i.e. concessional finance); impact, investments that drive social, environmental and economic progress; and returns, in line with market expectations based on real and perceived risks.

**CIVIL SOCIETY ORGANISATIONS:** The multitude of associations around which society voluntarily organizes itself and which represent a wide range of interests and ties. These can include community-based organisations, indigenous peoples’ organisations and non-government organisations.

**DEVELOPMENT CO-OPERATION:** Development co-operation is an activity that “aims explicitly to support national or international development priorities, is not driven by profit, discriminates in favour of developing countries and is based on co-operative relationships that seek to enhance developing country ownership”. Official Development Assistance is one form of financing within a much broader palette of development co-operation approaches and instruments. These include non-concessional finance, South-South and triangular co-operation, climate finance, co-operation among governments on non-aid policies, and co-operation with and among non-governmental actors, such as businesses and civil society.

**DEVELOPMENT PARTNERS:** This refers to the range of national and international organisations that partner with countries receiving development co-operation to realise national sustainable development priorities and achieve the SDGs. They include governments that provide different types of development co-operation, multilateral organisations such as United Nations agencies and programmes, international financial institutions such as the World Bank, bilateral development finance institutions and philanthropic organisations. They may also include civil society organisations, trade unions and parliamentary organisations in their capacity as implementing partners.

**LARGE DOMESTIC CORPORATION:** Large domestic corporations include all resident corporations and quasi-corporations that are not controlled by government or by non-resident institutional units and employ 250 or more employees.

**MICRO-SMALL AND MEDIUM-SIZED ENTERPRISES (MSME):** Micro, small and medium-sized enterprises (SMEs) are non-subsidiary, independent firms which employ fewer than a given number of employees. This number varies across countries. The most frequent upper limit designating an SME is 250 employees, as in the European Union. Small firms are generally those with fewer than 50 employees, while micro-enterprises have at most 10, or in some cases 5, workers. The turnover of medium-sized, small and micro enterprises should not exceed EUR 50 million, EUR 10 million or EUR 2 million, respectively.

**MULTINATIONAL CORPORATION (MNC):** A multinational corporation, sometimes also called multinational enterprise (MNE), just multinational or international corporation, is an enterprise producing goods or delivering services in more than one country. A multinational enterprise has its management headquarters in one (or rarely more than one) country, the home country, while also operating in other countries, the host countries.

**PARTNER COUNTRIES:** These are countries that go into partnerships with development partners in the pursuit of advancing on their national development priorities and achieving development outcomes. They mostly consist of low- and middle-income countries who face disproportionately higher development challenges. It is these contexts, where local policy processes an implementation of development co-operation programmes and projects take place.

**PRIVATE SECTOR:** The organisations that make up the private sector are those that engage in profit-seeking activities and have a majority private ownership (i.e., they are not owned or operated by a government). The term includes financial institutions, multinational companies, micro, small and medium- sized enterprises, co-operatives, individual entrepreneurs, and farmers who operate in the formal and informal sectors. The term excludes actors with a non-profit focus, such as civil society organisations.

**PRIVATE SECTOR DEVELOPMENT:** Activities carried out by governments and development organisations with the objective of promoting an enabling environment for the private sector in partner countries. Private sector development refers to the substantive nature of particular development activities (i.e. the sector targeted by development interventions). Activities include the creation of an adequate policy environment, addressing market imperfections (e.g. value chain development) and firm-level interventions (e.g. capacity building, access to finance and markets).

**PRIVATE SECTOR ENGAGEMENT:** The aim of private sector engagement (PSE) through development co-operation is to leverage the private sector to achieve development objectives, while at the same time recognising the need for financial return for the private sector. In 2016, the OECD defined PSE in development co-operation as “an activity that aims to engage the private sector for development results, which involves the active participation of the private sector.”1 The definition is broad and includes all modalities - such as finance, policy dialogue, capacity development, technical assistance, knowledge sharing and research. These efforts and actions range from informal collaboration to more formalised arrangements, encompassing many sectors (e.g., health, education, private sector development, etc.).

**TRADE UNIONS**: A trade union is defined as a workers’ organization constituted for the purpose of furthering and defending the interests of workers.

# INTRODUCTION

Why a toolkit for Private Sector Engagement?

Development co-operation actors are increasingly working with the private sector in their projects and programmes to address the challenges brought by the pandemic and climate change, and to deliver on the 2030 Agenda at the country level. This trend has created a demand by these actors for more practical guidance on how to design, implement or review a private sector engagement (PSE**[[1]](#footnote-2)**) policy, programme or project. These actors are also keen to promote mutual learning, knowledge exchange and innovation in PSE.

This toolkit provides guidance for stakeholders to practically apply the [Kampala Principles for Effective Private Sector Engagement](https://www.effectivecooperation.org/content/kampala-principles-effective-private-sector-engagement-through-development-co-operation) – a set of 5 normative principles and 16 sub-principles – to guide private sector partnerships in development co-operation to deliver better outcomes at country level. The ultimate goal of this toolkit is to inspire stakeholders to invest in new ways of collaborating with the private sector as a genuine partner in development co-operation in the pursuit of the 2030 Agenda and the SDGs. In the spirit of SDG 17, it also aims to foster greater recognition of the partnership angle of development co-operation and of the concerns of different stakeholders active in this endeavour.

Strong, multi-stakeholder partnerships come into being through the work of champions. The toolkit is meant to inspire all actors engaged in partnerships with the private sector to cultivate and improve their relationships with the Kampala Principles in mind. Kampala Principles ‘champions’ will be important to showcase what good looks like and scale up such practices with the ambition to deliver better to achieve the 2030 Agenda with the help of different private sector actors as genuine partners in development.

While the GPEDC working definition of PSE includes mobilisation of additional private finance, the guidance in this toolkit is mostly focused on the implementation and practical use of international public resources to support policy or projects with the private sector. Nevertheless, the toolkit does provide indicative guidance that could be relevant for mobilisation of additional finance and points to relevant resources for those who are interested in consulting more information.

The toolkit unpacks the Kampala Principles into action-oriented guidance with a strong focus on country and local level perspectives. It is based on inclusive dialogue and consultations with a wide range of development co-operation actors over the last three years.

Who is the toolkit for?

The toolkit comes in five parts. This part is meant to provide guidance to **civil society organisations (CSOs)** that wish to start systematic engagement with the private sector in their development co-operation activities or improve their ongoing practices. A deliberate distinction is being made between international and domestic CSOs to cater guidance to organisations’ respective roles, interests and needs. The other toolkit parts support action by partner country governments, development partners, the diverse set of private sector actors, and trade unions.

What are the base assumptions of this toolkit?

The toolkit recognises that CSOs operate in distinct ways and through different channels with the private sector, with varying perspectives and demands for information. It also acknowledges that the private sector is comprised of a wide variety of actors with substantial differences in terms of interests, motivations and capacities. The toolkit, therefore, should not be perceived as a one-size-fits-all handbook of solutions for all topics, PSE modalities and types of CSOs and private actors. Rather, it serves as *meta-guide* pointing to relevant and more detailed information from other sources to provide all actors the possibility to use the provided guidance in line with their own activities and systems.

How does the toolkit work?

This is a draft document intended to facilitate consultations on the toolkit with relevant development actors. A final version will be made available as an interactive online platform in the run up to the Effective Development Co-operation Summit 2022 (12-14 December 2022). The toolkit will be freely accessible to all stakeholders online. It will allow users to follow relevant content and filter specific information of interest. The guidance provided under each of the sub-principles is divided into: a) an explanation on importance; b) priority questions for self-reflection; c) priority actions to consider; d) common pitfalls to avoid; e) examples of good country-level practices; and f) resources for further reading.

How to navigate through this document?

To ease the review process, the content is displayed in a format resembling the functionality of an online toolkit. Hyperlinks and bookmarks are incorporated to enhance interactivity and to easily navigate within the document. The [**table of contents**](#_Table_of_Contents) provides a broad overview and allows for jumping to specific sections of interest using the command **‘ctrl+click’**. At the end of each Kampala Sub-Principle and in the bottom right corner of each page you will find the **button** ‘[Back to Overview Ý](#_Table_of_Contents)’, and the **button** [Ý](#_Table_of_Contents), respectively. Both lead back to the table of contents in the beginning of this document. Should readers be interested in certain sub-topics, i.e. self-assessment questions, actions to consider, pitfalls to avoid, country examples or resources only, the **bookmarks overview** enables to click and choose among the different options under each Kampala Principle (see below). Clicking on the **button** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP1A)located next to each sub-heading using ‘**ctrl+click**’ will redirect the reader to the same topic under the subsequent Kampala Sub-Principle (e.g., from the country example under KP 1B to the country example under KP 1C).

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| **2) Results & Targeted Impact** | [A) Sustainable dev. results](#_2.A_Focus_on)  [B) Align business & dev. interests](#_2.B_Ensure_sustainable)  [C) International standards](#_2.C_Engage_in) | [Reflect\_KP2A](#Self_Assess_KP2A)  [Reflect\_KP2B](#Self_Assess_KP2B)  [Reflect\_KP2C](#Self_Assess_KP2C) | [Actions\_KP2A](#Actions_KP2A)  [Actions\_KP2B](#Actions_KP2B)  [Actions\_KP2C](#Actions_KP2C) | [Pitfalls\_KP2A](#Pitfalls_KP2A)  [Pitfalls\_KP2B](#Pitfalls_KP2B)  [Pitfalls\_KP2C](#Pitfalls_KP2C) | [Example\_KP2A](#Country_Example_KP2A)  [Example\_KP2B](#Country_Example_KP2B)  [Example\_KP2C](#Country_Example_KP2C) | [Resources\_KP2A](#Resources_KP2A)  [Resources\_KP2B](#Resources_KP2B)  [Resources\_KP2C](#Resources_KP2C) |
|  |  |  |  |  |  |  |
| **3) Inclusive partnerships** | [A) Inclusive dialogue](#_3.A_Support_and)  [B) Bottom-up partnerships](#_3.B_Promote_inclusive,)  [C) Accessibility of partnerships](#_3.C_Make_partnerships) | [Reflect\_KP3A](#Self_Assess_KP3A)  [Reflect\_KP3B](#Self_Assess_KP3B)  [Reflect\_KP3C](#Self_Assess_KP3C) | [Actions\_KP3A](#Actions_KP3A)  [Actions\_KP3B](#Actions_KP3B)  [Actions\_KP3C](#Actions_KP3C) | [Pitfalls\_KP3A](#Pitfalls_KP3A)  [Pitfalls\_KP3B](#Pitfalls_KP3B)  [Pitfalls\_KP3C](#Pitfalls_KP3C) | [Example\_KP3A](#Country_Example_KP3A)  [Example\_KP3B](#Country_Example_KP3B)  [Example\_KP3C](#Country_Example_KP3C) | [Resources\_KP3A](#Resources_KP3A)  [Resources\_KP3B](#Resources_KP3B)  [Resources\_KP3C](#Resources_KP3C) |
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| **4) Transpa-rency & Accountability** | [A) Measure results](#_4.A_Measure_results)  [B) Disseminate results](#_4.B_Disseminate_results)  [C) Ensure accountability](#_4.C_Ensure_Accountability) | [Reflect\_KP4A](#Self_Assess_KP4A)  [Reflect\_KP4B](#Self_Assess_KP4B)  [Reflect\_KP4C](#Self_Assess_KP4C) | [Actions\_KP4A](#Actions_KP4A)  [Actions\_KP4B](#Actions_KP4B)  [Actions\_KP4C](#Actions_KP4C) | [Pitfalls\_KP4A](#Pitfalls_KP4A)  [Pitfalls\_KP4B](#Pitfalls_KP4B)  [Pitfalls\_KP4C](#Pitfalls_KP4C) | [Example\_KP4A](#Country_Example_KP4A)  [Example\_KP4B](#Country_Example_KP4B)  [Example\_KP4C](#Country_Example_KP4C) | [Resources\_KP4A](#Resources_KP4A)  [Resources\_KP4B](#Resources_KP4B)  [Resources\_KP4C](#Resources_KP4C) |
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| **5) Leave no one behind** | [A) Assess private sector solution](#_5.A_Ensure_that)  [B) Targeting for greatest impact](#_5.B_Target_specific)  [C) Risk sharing](#_5.C_Share_risks)  [D) Risk mitigation](#_5.D_Establish_provisions) | [Reflect\_KP5A](#Self_Assess_KP5A)  [Reflect\_KP5B](#Self_Assess_KP5B)  [Reflect\_KP5C](#Self_Assess_KP5C)  [Reflect\_KP5D](#Self_Assess_KP5D) | [Actions\_KP5A](#Actions_KP5A)  [Actions\_KP5B](#Actions_KP5B)  [Actions\_KP5C](#Actions_KP5C)  [Actions\_KP5D](#Actions_KP5D) | [Pitfalls\_KP5A](#Pitfalls_KP5A)  [Pitfalls\_KP5B](#Pitfalls_KP5B)  [Pitfalls\_KP5C](#Pitfalls_KP5C)  [Pitfalls\_KP5D](#Pitfalls_KP5D) | [Example\_KP5A](#Country_Example_KP5A)  [Example\_KP5B](#Country_Example_KP5B)  [Example\_KP5C](#Country_Example_KP5C)  [Example\_KP5D](#Country_Example_KP5D) | [Resources\_KP5A](#Resources_KP5A)  [Resources\_KP5B](#Resources_KP5B)  [Resources\_KP5C](#Resources_KP5C)  [Resources\_KP5D](#Resources_KP5D) |
| *Note*: Hyperlinks lead to specific sub-sections under each Kampala Principle. | | | | | | |

# **KAMPALA PRINCIPLE 1: INCLUSIVE COUNTRY OWNERSHIP.**

# **Strengthening coordination, alignment and capacity building at the country level**

Government leadership, inclusive and co-ordinated processes, and capacity at national and local levels impact the long-term sustainability and effectiveness of private sector engagement (PSE) through development co-operation. Development co-operation can support the creation and implementation of policies for PSE through development at country level, facilitate PSE through development co-operation in ways that maximise participation by local businesses and build the capacity of all stakeholders to contribute.

## **Sub-Principle 1.A: Define National PSE Goals Through an Inclusive Process**

Articulate a policy framework that is explicit about the role expected of the private sector in delivering national and sectoral development priorities in line with the 2030 Agenda and the contributions of PSE through development co-operation, including how success will be measured. Such frameworks should set clear expectations regarding priorities and objectives for PSE through development co-operation at national level, including in key sectors and markets. They should be developed through an inclusive and equitable process that allows for dialogue (including social dialogue) up front with all relevant stakeholders, including those with more limited capacities such as micro, small and medium-sized enterprises (MSMEs).

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| ***CSOs – International*** | ***CSOs – Domestic*** |
| **Why is it important?** | |
| A national strategy for working with the private sector in development cooperation can set or make reference to regulatory frameworks that companies should follow, identify priority sectors where companies can operate, set results frameworks around which companies can develop their projects, and create predictability. International civil society organisations, as part of the relationship between people and decision makers at the global, regional and national level, can play an effective role for participatory democracy and for consolidating and voicing the views of involved groups that are impacted by private sector activities. | A national strategy for working with the private sector in development cooperation can set or make reference to regulatory frameworks that companies should follow, identify priority sectors where companies can operate, set results frameworks around which companies can develop their projects, and create predictability. The involvement of domestic civil society in the dialogue brings greater accountability to the process and as a neutral broker can play a valuable role in ensuring that the outcomes are in the interests of the public and the environment. The approaches of civil society in engaging with governance institutions depend on both CSO capacity to engage with governments, the openness of governments and opportunities for engagement. |
| **Self-Reflection Questions** [**Ü**](#Self_Assess_KP1B) | |
| * Have you consulted the national PSE strategy (either a standalone policy or a section in an overall development co-operation strategy)? Is there any defined roles and responsibilities for CSOs? How does it reflect the priorities and objectives of development actors and stakeholders including MSMEs and CSOs? * Have you supported local CSOs in participating in the elaboration of a national PSE strategy? Have you supported local CSOs in analysing their recommendations and inputs into the process? * Have you shared your experiences from other processes in other countries you engaged on PSE goal developments before so lessons can be learnt on the most effective dialogue and engagement? * Could this process set up a more permanent scheme for dialogue for CSOs on PSE matters? How can you help with this? Are there informal or more pragmatic ways to engage if the formal framework is restrictive? | * Have you consulted the national PSE strategy (either a standalone policy or a section in an overall development co-operation strategy) of your country? Is there any defined roles and responsibilities for CSOs? How does it reflect the priorities and objectives of development actors and stakeholders including MSMEs and Community-Based Organisations? * Have you been involved in the elaboration of the national PSE strategy and/or definition of national PSE goals at the national level? Are there informal or more pragmatic ways to engage if the formal framework is restrictive? * Have you clearly articulated where you need support from development partners and government and can offer specific opportunities for engagement? * Have you thought about how you can coordinate, organise and engage with other CSOs, networks, similar stakeholders to gather information, do joint analysis and evidence-based research, develop joint advocacy for the consultation process? * What processes can you set up to ensure other civil society actors are informed and provided with all the necessary documentation to engage effectively? * Have you shared with stakeholders the best ways for getting diverse group CSOs involved and the best methods to do this? How do you ensure Community-Based Organisations play a role in policy engagement? |
| * Support domestic civil society in the consultation process when requested. Participate in national consultations when requested. * Clearly communicate your priorities backed up with evidence-based research. * Support domestic civil society get organised by making sure they are aware of the consultations, opportunities for engagement and developed recommendations to input into the consultations. Offer capacity building to domestic CSOs in policy and advocacy, especially smaller CSOs. * Be aware of the legal provisions for CSO engagement. Dialogue with development partners on how these provisions have been translated into practice. | * Participate in the consultations together with or on behalf of communities. Use national CSO networks or platforms to set priorities instead of engaging yourself. * Raise awareness of the consultation among beneficiary communities. * Get organised and enhance networking among CSOs and other stakeholders to amplify policy-related evidence, share resources and create united demands. Develop effective strategic alliances to harness the range of skills needed for effective policy dialogue and create a critical mass for change – such as research bodies, lawyers, media, and diversity of CSOs. * Make sure you are aware of the opportunities for engagement, legal provisions for engagement, develop recommendations and strategies to input into the consultations through your context and analysis and ensure to demand continued feedback to monitor implementation. * Seek advice and information from international CSOs and national platforms if you are unable to access information. * Be vocal if the process is not transparent, you have not been well informed of ongoing policies and strategy developments and if information has not been received at the right time to the right people. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP1B) | |
| * Impose or lead discussions in detriment to domestic CSOs. * Let yourself be co-opted to satisfy the perception of dialogue and consultation. * Stay quiet and not speak up to support domestic CSOs when it is clear the process is not transparent, diverse in participation or the information is limited and not provided in a timely manner. * Keep information for yourself and not share with domestic networks and/or platforms. | * Engage in the process without understanding the policymaking process, preparing targeted strategy, or providing any input. * Engage with an inward focused network that takes up time developing systems for coordination and organisation and less for action and influence. * Let yourself be co-opted to satisfy the perception of dialogue and consultation. * Develop recommendations that are anecdotal evidence rather than collecting wide-ranging data. * Not uphold internal codes of practice around transparency and accountability. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP1B) | |
|  |  |
| **Resources** [[**Ü**](#Self_Assess_KP1B)](#Resources_KP1B) | |
|  | [Support to civil society Engagement in Policy Dialogue, OECD](https://www.oecd.org/derec/denmark/CSO_indhold_web.pdf) |
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## **Sub-Principle 1.B: Align and co-ordinate PSE through development co-operation with national priorities and strategies**

Individual projects should be based on agreed objectives that are linked to national development priorities and the 2030 Agenda. Partners should align their efforts with the priorities identified in the plans and policies of national and sub-national governments, as well as through inclusive consultation. Co-ordination within and across stakeholder groups is equally important to ensure synergies among the work of different actors and alignment with national PSE priorities and the Sustainable Development Goals (SDGs).

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| ***CSOs – International*** | ***CSOs – Domestic*** |
| **Why is it important?** | |
| Aligning PSE projects to the national development priorities of a country and the Sustainable Development Goals is key to ensure there is shared responsibility and accountability. It will provide a level of legitimacy to the PSE project and those partners that participate, showing that objectives are in line with the national and internationally agreed goals. It will improve effectiveness, ensure national ownership, and enhance the impact of the project. International CSOs should monitor and hold account development actors that they are aligning their PSE strategies and projects to national development priorities. | Aligning PSE projects to national development priorities of a country is key to ensure shared responsibility and accountability among numerous partners within the country. It will improve effectiveness and impact of the project, thus ensuring greater value for money. Domestic CSOs should monitor and hold account development actors that they are aligning their PSE projects to national development priorities. |
| **Self-Assessment Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP1C) | |
| * Is the project aligned with national development priorities and the 2030 Agenda for Sustainable Development? What Sustainable Development Goals do private sector engagements touch on and may be leaving out? * Does your PSE project explicitly indicate how it aligns with the national PSE and development goals? * How often do relevant partners involved in your PSE projects review progress and ensure continued alignment with national and sub-national objectives? How inclusive are such reviews? | * Is the project aligned with national development priorities and the 2030 Agenda for Sustainable Development? What Sustainable Development Goals does the PSE engagement touch on and may be leaving out? * Does your PSE project explicitly indicate how it aligns with the national PSE and development goals? * How often do relevant partners involved in your PSE projects review progress and ensure continued alignment with national and sub-national objectives? How inclusive are such reviews? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP1C) | |
| * Actively consult and look for information that could help you align your projects and programmes with national strategies, including national development goals, use of national results framework and indicators, joint assessment of progress. * When present in the country, participates in consultations and coordination meeting. * Establish structured and regular channels of communication with government focal points and development stakeholders to ensure coherence and facilitate alignment. | * Actively consult and look for information that could help you align your projects and programmes with national strategies, including national development goals, use of national results framework and indicators, joint assessment of progress. * Participate in consultations and coordination meeting including regular channels of communication with government focal points and development stakeholders to ensure coherence, facilitate alignment and avoid fragmentation * Identify focal points and build relationships with other development actors including from governments, development partners and Trade Unions. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP1C) | |
| * Ignore national development strategies if they don’t fit with your overall objectives. Overlook sub-national development priorities when developing a project. * Implement projects without prior coordination with local authorities and domestic and local civil society Stay silent with development partners on the actual space CSOs have to engage in domestic policies. | * Ignore national development strategies if they don’t fit with your overall objectives. Overlook sub-national development priorities when developing a project. * Implement projects without prior coordination with local authorities and local civil society. * Stay silent with development partners on the actual space that CSOs have to engage in domestic policies. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP1C) | |
| [WWF supported six Business Dialogues of the Climate Action Table led by Peru 2021](https://www.wwf.org.pe/en/our_work_/copy_of_copy_of_vida_silvestre_25092020_0009_27092020_2245/private_sector/). Each one of these dialogues focused on a specific topic related to a group of mitigation and / or adaptation measures of the NDC of Peru. [They partner with the Government of Peru](https://www.wwf.org.pe/en/our_work_/copy_of_copy_of_vida_silvestre_25092020_0009_27092020_2245/central_government/). |  |
| **Resources** [[**Ü**](#Self_Assess_KP1B)](#Resources_KP1C) | |
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## **Sub-Principle 1.C: Invest in capacities for PSE through development cooperation**

There is a need for investment in the development of institutional capacities to effectively partner across different stakeholder groups. The development community should also support the efforts of stakeholder groups to strengthen their capacity to engage effectively in PSE through development co-operation. This includes through national and local-level policy making and resource allocation with a particular focus on commonly excluded or difficult to reach groups.

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| ***CSOs – International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| Partnerships with private sector actors in development cooperation can prove challenging to traditional ways of working. To be effective, international CSOs can play an important supporting role in local processes based on their experiences, as well as facilitating the links from the local to the global. International CSOs should invest in capacity building and training opportunities for their staff at country level to access and learn from best practices. Building internal capacities will help identify the most added-value projects to engage in, influence improvements in the business environment and PSE policies, provide possibilites for scaling, access to funding, understanding of terminolodgy and meaningfully contribute to the local development agenda. | Partnerships with private sector actors in development cooperation can prove challenging to traditional ways of working. At the same time, engaging in international partnerships with a range of actors help build capacities. To be effective, domestic CSOs need to identify their capacity constraints (within management, skills, funding, internal governance). Then build internal capacities to identify the benefits of engaging in PSE including the most added-value projects to engage in, what the most effective role is in the project, influence improvements in the business environment and PSE policies, understaning of terminolodgy, access to funding, and access to range of stakeholders. Focusing on building the capacity of informal or formal CSO networks could lead to a more structured civil society working towards ‘a common goal. |
| **Self-Reflection Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP2A) | |
| * Have you convened CSOs to plan, build capacities and share knowledge ahead of any PSE project development or PSE consultation processes? * Have you engaged development partners to access financial support for local CSOs? * Have you considered which skills are needed for staff to effectively engage with development partners around PSE? * Does the project have dedicated resources for building capacities of the partnership? * Do you provide training to other stakeholders including local CSOs and Trade Unions? * Have you developed supporting guidelines for the use of staff and other stakeholders in support of formulation, implementation and assessment of partnerships with the private sector, including on due diligence processes? | * Have you considered which skills are needed for your staff and management to effectively engage with development partners around PSE? * Does the PSE project have dedicated resources for building capacities of the partnership? * Do you know where to look for accessing capacity building? Have you built relations with donors or international CSOs to access financial support to build capacities? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP2A) | |
| * Focus on civil society engagement and support the enabling environment for engagement rather than focus on capacity building and support of individual domestic CSOs. * Support domestic CSOs on the process of networking rather than the establishment and operation of networks that often turn inward looking and reduce effectiveness and influence. * Develop CSO programming that facilitates citizen and community empowerment activism, public education and active citizenship. * Support capacity building activities to facilitate engagement with relevant actors (local government, trade unions, development partners) through local networks or platforms. | * Invest in your staff capacity to engage in PSE projects. Train staff in how to engage with the private sector including variants of terminology. * Consider including capacity building activities in projects with development partners. * Specifically, seek support to develop skills to commission, use, and critique research studies, and build the evidence case to support informed engagement in PSE policy dialogue. * Pool resources for training and capacity building with other CSOs and CSO networks/platforms. Seek support for local actors and communities. |
| **Pitfalls to avoid** | |
| * Assume that development cooperation projects do not require specific training for successful implementation. * Treat capacity building as a one-size-fits-all approach without considering local context specificities. | * Send only senior staff for capacity building trainings. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP2A) | |
|  | [Live Well](http://livewellzambia.com/) recruits, trains and supports a network of Community Health Entrepreneurs to promote basic healthcare and to sell health-impact products in underserved communities in rural and peri-urban areas in Zambia. Live Well provides Community Health Entrepreneurs with entrepreneurial opportunities and a self-generated income in communities with high unemployment rates. |
| **Resources** [[**Ü**](#Self_Assess_KP1B)](#Resources_KP2A) | |
| [New Roles of CSOs for Inclusive Development Archives - INCLUDE Platform](https://includeplatform.net/theme/new-roles-for-csos-for-inclusive-development/) |  |
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# **KAMPALA PRINCIPLE 2: RESULTS AND TARGETED IMPACT**

# **Realising sustainable development outcomes through mutual benefits**

Private sector engagement (PSE) through development co-operation aims to realise better outcomes for people and the planet through partnerships that harness the mutual benefit from businesses and development stakeholders. Its effectiveness in achieving significant, sustained and sustainable development impacts depends on maximising clearly identified, well-defined and measurable sustainable development and business outcomes. predicting, avoiding and remedying unintended negative impacts; and ensuring that partnerships recognise and respect the needs and incentives of all partners.

## **Sub-Principle 2.A: Focus on maximising sustainable development results**

At the policy level there is a need to identify key sectors, markets and populations where increased private investment and entrepreneurial activity is needed to support sectoral, national and international sustainable development priorities and efforts to leave no one behind. It is also important to identify situations where PSE through development co-operation can support inclusive dialogue processes and the creation of partnerships involving private sector actors. Partners should identify and prioritise investments and engagement opportunities to maximise results for groups most in need, such as poor rural households and those living in urban poverty, women and young people. Delivering results for these groups will require partnerships with and support for micro, small and medium- sized enterprises (MSMEs), businesses and entrepreneurs in the informal sector, as well as trade unions and other relevant actors.

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| ***CSOs – International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| Maximising sustainable development results is about bringing transformational change especially for those left behind. When public finances are used to support PSE, the development objectives and desired results should determine the selection of the private sector partners. The project should, like any other, be evidenced-based, with careful targeting and tailored interventions. When all partners are on the same page about the objectives and desired outcomes of a project, these initiatives are more likely to be successful in producing the desired development results. International CSOs can bring the wider paradigm, monitoring the results of the partnerships, providing lessons learnt and best practice to partners in how to maximise development results. Monitoring of PSE results is important for CSOs because not all SDGs are given attention; blended financing is mobilized less in low-income countries; MSMEs have difficulties accessing resources; Access to finance is a major constraint among many MSMEs; there is lack of transparency in public-private partnerships (PPP). | Sustainable development results are about bringing transformational change. When public finances are used to support PSE, the development objectives and desired results should determine the selection of the private sector partners. The project should, like any other, be evidenced-based. When all partners are on the same page about the objectives and desired outcomes of a project, these initiatives are more likely to be successful in producing the desired development results. Maximising sustainable development results will require careful monitoring of the impacts of PSE projects over the short and medium term, and inclusive dialogues on priorities and results. PSE programs almost always start small as pilots. This aligns to the private sector investment mindset that favours launching new ideas as pilots to validate the assumptions about operations, profitability, scalability and ROI. Piloting is essential to PSE programs with an economic development focus because it enables a program to start small and scale appropriately after the model is proven. Domestic CSOs have a role to play in ensuring maximising development results are at the top of the agenda of the partners. |
| **Self-Reflection Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP2B) | |
| * Are your activities and the targeting of your interventions towards specific sectors, markets and groups informed by the priorities and assessments of the government? * Have you considered all the possible contributions you could make towards maximising the impact of development policies and project - i.e. identification of target groups, project implementation, advocacy, monitoring, communications etc.? * Have you offered domestic CSOs support in their analysis, targeting, data collection methodologies? * Are all the partners’ net value gain from the project clear especially from the private sector? * Have you developed a list of criteria that should be followed when partnering with the private sector ie. Partners signing a code of conduct, disclosure of data agreement, due diligence process. | * Are your activities and the targeting of your interventions towards specific sectors, markets and groups informed by the priorities and assessments of the government? * Have you considered all the possible contributions you could make towards maximising the impact of development policies and project - i.e. identification of target groups, project implementation, advocacy, monitoring, communications etc.? * How will your involvement impact disadvantaged sectors like women and young people? Have you developed targeted measures for women and other marginalised groups? Will there be an impact on the environment? * Are all the partners’ net value gain from the project clear especially from the private sector? * Do you collect data from your activities that can feed into the analysis being done by governments and development partners to identify sectors, markets and populations where PSE can maximise development results? Do you use that data to understand the context you are working in in relation to sustainable development results? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP2B) | |
| * Support governments and development partners in identifying sectors, markets and populations where PSE can maximise development results through participating in consultation or direct actions. * Support local CSOs exercise their watchdog role. * Ensure PSE projects and programmes focus on sectors, markets and populations that are critical for development outcomes, as identified in the national PSE strategies. * Encourage development partners that all partners, especially the private sector should be involved as early as possible in the programme cycle. * Build and act upon evidence of what works and what doesn’t and ensure the information is published and shared with partners. | * Support governments and development partners in identifying sectors, markets and populations where PSE can maximise development results through participating in consultations or direct actions. * Ensure that PSE projects are actually focusing on the identified sectors and populations. Ensure that you have the capacity and resources to fulfil a watchdog function. * Take advantage of the range of development partner PSE modalities available including finances, technical expertise and knowledge transfer. * Encourage that all partners, especially the private sector are involved as early as possible in the programme cycle. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP2B) | |
| * Remain silent when partners for the project focus solely on financial value forgoing the value of social and environmental impacts. * Disregard qualitative indicators and the lived experience of disadvantaged groups in projects’ impact measurement. * Hold onto preconceived notions or biases going into the partnership. * Be part of a project without a theory of change, business case and exit strategy. * Expect quick results, rather than a more long-term progress towards results. * Stick to traditional development cooperation programme cycles rather than business-focused project management. | * Provide anecdotal evidence at the expense of strong data and evidence-based research. * Hold onto preconceived notions or biases going into the partnership. * Disregard qualitative indicators and the lived experience of disadvantaged groups in projects’ impact measurement. * Be part of a project without a theory of change, business case and exit strategy. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP2B) | |
|  | [RevoluSolar](https://www.climatefinancelab.org/project/revolusolar/) is a community-based non-profit organisation working towards becoming an energy cooperative that researches, produces and manages renewable energy in local communities based in Rio de Janeiro, Brazil. RevoluSolar  has established partnerships to give scholarships to community members to take part in professional and technical training in solar. Its sustainable practices and inclusive governance allow it to do business while avoiding eroding natural resources for generations to come, and allow social classes previously excluded from the energy system to become protagonists by including them in the decision-making of the organisation.  [Fida International](https://fingo.fi/wp-content/uploads/2021/01/fingo-kenya-private-sector-collaboration-reportvflaunchversion.pdf) has an internal standardised evaluation mechanism against which projects/ partnerships are evaluated. This standardisation ensures that the organisation is able to measure output and impact uniformly across different partnerships. |
| **Resources** | |
| [Oxfam Business Advisory Service | Oxfam GB](https://www.oxfam.org.uk/about-us/private-sector/business-advisory-service/)  [Making social purpose count | Oxfam GB](https://www.oxfam.org.uk/about-us/private-sector/social-purpose/) |  |
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## **Sub-Principle 2.B: Ensure sustainable development results by aligning core business and development interests**

The sustainability of results relies on a high level of commitment by all partners. When working with the private sector, projects and partnerships should be built on appropriate incentives for private participation, upfront consideration for core business practices/cases and agreed exit strategies that ensure ongoing viability after support schemes end. Ensuring compatibility between core business activities and 2030 Agenda objectives ensures that efforts are mutually beneficial for all parties and can be sustained beyond the end of the partnership.

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| ***CSOs – International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| The SDG targets are ambitious and require transformation of both public and private activities. However, SDGs remain to be mainstreamed in many business operations worldwide. Transformation means encouraging the adoption of new business models, bringing in innovation/technology and doing business differently – more sustainably and more ethically. A recent study of 8,550 companies worldwide found that only 0.2% of companies were strongly aligned with the UN Sustainable Development Goals (SDGs). Prominent areas of misalignment are those that concern the environment, including responsible consumption and production, affordable and clean energy, and climate action. It is critical to recognise that all partners require incentives to engage in development efforts and those incentives may differ for private sector actors, finding effective incentives is a complex but critical engagement step. For the private sector, incentives must include a financial benefit, such as increased profits or market share, something that lowers risk, or something that improves the chance of success. International CSOs have many examples of successful projects that have built and become viable alternative business models, to use as lessons learnt towards partners that could be concerned in the increased risk of adapting business models. | All partners require incentives to engage in development efforts and those incentives may differ for private sector actors, finding effective incentives is a complex but critical engagement step. For the private sector, incentives must include a financial benefit, such as increased profits or market share, something that lowers risk, or something that improves the chance of success. Domestic CSOs can influence and encourage the adaption of business models and highlight the importance of impact if core business and development interests can be aligned. They can provide lived experience and examples to incentives the project partners. |
| **Self-Reflection Questions** | |
| * Have you assessed where there areas in which business activities may conflict with development objectives? * How can you encourage businesses to better align their core operations with the ambitions of sustainable development? * Is there a clear theory of change that examines how both business and development interests will be served by your projects? * Have you inputted into a project framework on how the partnership will jointly define and measure development and business outcomes? * Are the private sector partners keen on changing their business models, in order to create truly inclusive markets that endeavour to contribute to the achievement of SDGs? What actions can you take to support them on this journey? | * Have you assessed where there areas in which business activities may conflict with development objectives? * How can you encourage businesses to better align their core operations with the ambitions of sustainable development? * Is there a clear theory of change that examines how both business and development interests will be served by your projects? * Have you inputted into a project framework on how the partnership will jointly define and measure development and business outcomes? * Are the private sector partners keen on changing their business models, in order to create truly inclusive markets that endeavour to contribute to the achievement of SDGs? What actions can you take to support them on this journey? |
| **Actions to consider** | |
| * Ensure appropriate incentives for private participation at the project level, including upfront consideration for core business practices/cases and agreed exit strategies that ensure ongoing viability after support schemes end. * Support local CSOs exercise their watchdog role and help develop feedback mechanisms to ensure local community are also involved. * Support those business models that focus on delivering both business and development outcomes. | * Support the identification of development outcomes for specific projects you are involved in. * Ensure that the identified development goals are actually on track or met (watchdog function). * Involve local actors when assessing project progress on business and development targets with clear feedback mechanisms. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP2C) | |
| * Support short-term projects with CSR initiatives over long-term projects based on core operations of partner companies. * Stay quiet when government and development partners use inappropriate or excessive incentives to attract business in detriment of development outcomes. * Undermine the commercial viability and sustainability of interventions by demanding that the project exclusively focus on development outcomes. * Assume that efforts to alignment are only businesses’ responsibility. | * Support short-term projects with CSR initiatives over long-term projects based on core operations of partner companies. * Stay quiet when government and development partners use inappropriate or excessive incentives to attract business in detriment of development outcomes. * Undermine the commercial viability and sustainability of interventions by demanding that the project exclusively focus on development outcomes. * Assume that efforts to alignment are only businesses’ responsibility. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP2C) | |
| [In Bangladesh, the NGO Care International](https://www.thepartneringinitiative.org/wp-content/uploads/2015/07/Unleashing-the-Power-of-Business_Roadmap_full_forweb.pdf) trained and built up a sales force of 2000 previously destitute women working through 66 retail hubs that provide a distribution network for seven major companies, servicing large areas far more effectively than traditional means.  Oxfam has worked with the ‘[B-Team](http://www.bteam.org/)’. This is a group of companies that have realised that corporations’ current tax behaviour is causing major problems in the fabric of society. They are building a set of tax responsibility principles for companies to adopt. Initiatives like this create space for governments to bring in better legislation. | [The Afghan Fair-trade Grape GDA in Afghanistan](https://www.tasteatlas.com/afghan-grapes) is a good example of a program in which commitments from a European fair-trade importer incentivized Afghani farmers and others to take the steps required to produce raisins that met international quality standards  Funded by Caritas, [ELIO Social Laundries is a self-sustaining social economy enterprise](https://fairtrade-advocacy.org/wp-content/uploads/2020/12/mind-our-business-ONLINE.pdf) in the municipality of  Šabac, Serbia, that generates funds to be reinvested into targeted social services. ELIO provides employment opportunities to women from marginalised groups, for example women with partial physical or mental disabilities.  [CORR](https://www.cjwbd.com/) (Christian Organization for Relief and Rehabilitation) has set up the Jute Works (CJW), a women’s non-profit handicraft marketing trust and exporter of quality handicrafts in Bangladesh. |
| **Resources** [[**Ü**](#Self_Assess_KP1B)](#Resources_KP2C) | |
| [Neufeld, D. (2021, March 18). UN Sustainable Development Goals: How companies stack up. World Economic Forum](https://www.weforum.org/agenda/2021/03/how-aligned-are-un-companies-with-their-sustainable-development-goals/)  [Oxfam Behind the Price campaign](https://www.oxfam.org/en/take-action/campaigns/end-suffering-behind-your-food)  [Oxfam Behind the Brands Campaign](https://www.behindthebrands.org/) |  |
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## **Sub-Principle 2.C: Engage in partnerships according to international standards**

Development partners and governments have an obligation to ensure compliance with safeguards and regulations when working with the private sector or when the private sector is implementing a project on their behalf. These include the International Labour Organisation labour standards, the United Nations Principles on Business and Human Rights, and the OECD guidelines for multinational enterprises. Due diligence processes should include the identification of environmental, social and governance (ESG) risks as part of the partnership development process, with appropriate plans and responsibilities set in place to monitor and address risks over the course of the project life cycle. Partnerships should be founded on an understanding that all partners will follow relevant existing national and international voluntary and legal frameworks, in recognition of the fact that a commitment to high standards contributes to sustainable development results.

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| ***CSOs – International*** | ***CSOs – Domestic*** |
| **Why is it important?** | |
| International standards set important benchmarks for development programs and partnerships when it comes to the protection of human rights, labour standards, business practices, the environment etc. They provide universally defined and agreed upon minimum criteria and failure to align PSE activities with them will have deleterious impacts upon people and the planet. The primary obligation of the private  Sector operating on the ground or providing aid-related services must be ‘do no harm’ and advance human rights. It is the responsibility of governments and donors to ensure firms meet this obligation. International CSOs have experience in monitoring and calling out private sector engagement and investment that does harm progress towards environmental, social and governance goals. | International standards set important benchmarks for development programs and partnerships when it comes to the protection of human rights, labour standards, business practices, the environment etc. They provide universally defined and agreed upon minimum criteria and failure to align PSE activities with them will have deleterious impacts upon people and the planet. Experience shows enterprises can and do infringe on human rights, especially where government is lax. Domestic CSOs have a key role in ensuring that PSE projects are compliant with these standards. Monitoring should aim to reinforce the State’s responsibility to respect, protect and fulfil human rights. Utilising international CSO and Trade Unions experiences in holding private sector to account in these regards will be extremely useful. |
| **Self-Reflection Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP3A) | |
| * Do you know what provisions are in the national PSE strategy regarding international standards on human rights and labour standards? Have you set up feedback and monitoring mechanisms to feed into consultations on these issues? * Does the project observe local and international human rights and labour standards? * Has the partnership conducted a rigorous social and environmental impact assessment of the proposed programme to identify and mitigate potentially harmful impacts? * Does the private sector partner have a human and labour rights policy that is aligned with the highest applicable legal framework and voluntary standards? Can you support the business partners in developing a policy? * Do you provide private sector partners with awareness raising trainings to understand their obligations and adherence to these standards and regulations? * Does the project have a feedback, grievance, and redress mechanism (FGRM) in place? | * Does the engagement observe local and international human rights and labour standards? * At the project level, do you or other partners closely monitor adherence to national frameworks and international standards, and redress emergent risks over the course of a project’s life cycle? * Does the due diligence of the private sector partner ahead of the project commencing, take into account compliance with national frameworks and alignment with international standards? * Do the PSE projects being implemented, have due diligence processes in place and with feedback, grievance, and redress mechanisms (FGRM)? |
| **Actions to consider** | |
| * At the policy level, ensure that policies and strategies take into account international standards (i.e. International Labour Organisation, UN Principles on Business and Human Rights, OECD guidelines for multinational enterprises). * At the project level, ensure projects are following relevant existing national and international voluntary and legal frameworks (watchdog function). * Support local CSOs exercise their watchdog role. * Engage in dialogue with the private sector partners to ensure that trust is built around the monitoring process and any issues can quickly be redressed before escalating. | * At the policy level, ensure that policies and strategies take into account international standards (i.e. International Labour Organisation, UN Principles on Business and Human Rights, OECD guidelines for multinational enterprises). * Ensure projects are following relevant existing national and international voluntary and legal frameworks (watchdog function). * Build in resources to the project or stand alone resources from development partners to support regular monitoring activities. * Build partnerships with International CSOs and Trade Unions to gather lessons learnt from their own experiences of monitoring and ensure to adapt to reflect local realities. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP3A)**** | |
| * Fail to monitor, flag and address risks or violations to standards. * Remain silent when projects being monitored are intimidating those doing the monitoring and those participating in the monitoring. * Escalate and make findings of monitoring public before engaging in dialogue with partners to plan redress pathway. | * Assume private sector familiarity with international PSE standards and guidelines. * Fail to monitor, flag and address risks or violations to standards. * Fail to provide support and safety systems for staff and the local community engaging in the monitoring process including at on-site visits. * Collect anecdotal evidence rather that provide sound and precise information and analysis. * Using top-down company-led Human Rights Impact Assessment tools rather than community-based human rights impact assessment tools. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP3A)**** | |
| [Oxfam’s Behind the Brands campaign](https://www.behindthebrands.org/) evaluates 10 largest food beverage companies’ policies and practices on social and economic justice and environmental sustainability. It compares them to peers and shines a spotlight on specific areas for improvement along the supply chain.  [COLEACP](https://ecdpm.org/great-insights/partnerships-business-development/innovative-partnerships-coleacp-model/) (the Europe-Africa-Caribbean-Pacific Liaison Committee) provides technical assistance to ACP companies in 50 countries to help them meet the demands of the markets in terms of regulations and standards.  [DDI@RESOLVE](https://www.resolve.ngo/ddi.htm) works to transform artisanal and small-scale mining by bringing this largely unregulated, informal sector into the formal economy in ways that benefit miners, their communities, regional and national economies, and the diamond and jewellery industry. DDI@RESOLVE created and applied the **[Maendeleo Diamond Standards](https://www.resolve.ngo/maendeleo_diamond_standards.htm)**, the first-ever set of standards for ethical artisanal diamond production and supply chain security.  Not-for-profit public-private partnership, the [European Partnership for Responsible Minerals (EPRM)](https://europeanpartnership-responsibleminerals.eu/), was formed to act as an accompanying measure to the EU regulation that requires 3TG importers to undertake due diligence in their 3TG supply chains from all conflict-affected and high risk areas (CAHRAs). It will help make the rules work on the ground in CAHRAs by improving the social and economic conditions for mine workers and local communities, at the same time increasing the number of mines adopting responsible business practices. | 2018, APEM took part in a civil society monitoring mission in Mai Ndombe province , DRC. Questions asked local communities aimed to find out the level of consultation by the REDD project developers, whether the project clarified and improved land tenure and what benefits the communities received. [A report](http://redd-monitor.org/wp-content/uploads/2019/06/Preliminary-findings-of-Bolukiluki-REDD-missions.pdf) concluded that the REDD+ activities have mostly failed to adhere to national and international standards – local communities unaware existence of REDD+, no FPIC, no activities to improve their land rights and not received the promised benefits. |
| **Resources** | |
| [Basic Principles of Human Rights Monitoring, OHCHR](https://www.ohchr.org/Documents/Publications/Chapter02-MHRM.pdf)  [CIVICUS Monitor: Tracking close to real-time data on the state of civil society and civic freedoms in 196 countries.](https://civicus.org/index.php/what-we-do/innovate/civicus-monitor)  [Promoting human rights in global supply chains | Oxfam GB](https://www.oxfam.org.uk/about-us/private-sector/human-rights/)  [Debunking five myths on due diligence in mineral trade - ECDPM](https://ecdpm.org/great-insights/partnerships-business-development/debunking-myths-due-diligence-mineral-trade/) | [Avoiding Forced Displacement - Inclusive Development International](https://www.inclusivedevelopment.net/tools/avoiding-forced-displacement-a-community-guide-to-negotiation-and-advocacy/): A community guide to negotiation and advocacy  [followingthemoney.pdf (inclusivedevelopment.net)](https://www.inclusivedevelopment.net/wp-content/uploads/2020/05/followingthemoney.pdf)  [Achieving commitment to dialogue | Publications Library (iied.org)](https://pubs.iied.org/17349iied)  [Guide: How to conduct monitoring by civil society. Istanbul anti-corruption action plan.](https://www.oecd.org/corruption/acn/ACN-Civil-Society-Monitoring-Practical-Guide-ENG.pdf)  [Oxfam and Canadian organization Rights and Democracy, a community-based human rights impact assessment tool (HRIA) - Getting It Right.](https://www.oxfamamerica.org/explore/issues/economic-well-being/private-sector-engagement/community-based-human-rights-impact-assessment-initiative/) |
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# **KAMPALA PRINCIPLE 3: INCLUSIVE PARTNERSHIP**

# **Fostering trust through inclusive dialogue and consultation**

Governments, parliamentarians, the private sector, business associations, civil society and trade unions all play roles and have valuable contributions to make in the development of a domestic private sector that provides markets, decent employment, production inputs, and services and goods which improve the lives and livelihoods of those left behind. PSE through development co-operation can use its convening power to foster trust at country level between different stakeholders by promoting processes for regular and ongoing dialogue, as well as targeted consultation in the development of specific partnerships and programmes. It is important that PSE through development co-operation opportunities are inclusive and accessible to a wide range of partners, including smaller businesses, at the local level.

## **Sub-Principle 3.A: Support and participate in inclusive dialogue and consultation**

Partners should support institutionalised dialogue on PSE through development co-operation, including social dialogue, building on existing mechanisms – where these exist – to reach agreement on priorities, identify solutions to shared challenges, establish relationships and build partnerships. Such efforts contribute to building trust within and across stakeholder groups. Ensuring inclusivity may also mean supporting stakeholders with more limited capacities to engage in dialogue up-front (e.g., local MSMEs, informal sector entrepreneurs and rural producers and traders). Of equal importance is inclusive consultation with local stakeholders to identify needs and respond to concerns at policy and project levels.

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| ***CSOs – International*** | ***CSOs – Domestic*** |
| **Why is it important?** | |
| The SDGs stress the need to work in partnerships, adopt cross-sectoral approaches and focus on localised, context-based approaches while targeting the bottom of the pyramid. Developing inclusive partnerships is complex due to the disparity of contexts and the diversity and lived experiences of the different partners. For International CSOs it is important to ensure that the design stage of any project lays the groundwork for strong working relationships and for generating the insights needed to develop successful interventions. This includes developing mechanisms and bringing best practice experiences, to ensure inclusive dialogue and consultations are a key part of the partnership. | The SDGs stress the need to work in partnerships, adopt cross-sectoral approaches and focus on localised, context-based approaches while targeting the bottom of the pyramid. Domestic CSOs are not just partners or subcontractors for other stakeholders, they are key stakeholders in dialogue and consultations. However domestic CSOs can face capacity constraints, ranging from limitations in management and skills to funding or internal governance. The work of civil society has a powerful impact on the inclusion of marginalized groups, social cohesion, and the equity and sustainability of policies and programmes. |
| **Self-Reflection Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP3B) | |
| * Are all stakeholders consulted and represented in social dialogues? How are local communities involved in the process? * Have partnerships you engage in made a commitment to regular inclusive dialogue and do you know what this entails including your role and responsibilities? * Do you have code of conducts, agreement on terminology and conflict resolution mechanisms in place in for these dialogues and consultations? * Have active listening processes with beneficiaries and co-creators been set up? Do you ensure that all members of the community and stakeholders you represent are able to be involved in the consultations? * Are you aware of the principle of free, prior and informed consent (FPIC). Have you ensured that your partners, especially the private sector partner have policies and processes in place? | * Are all stakeholders consulted and represented in social dialogues? How are local communities involved in the process? * Has the partnership made a commitment to regular inclusive dialogue and do you know what this entails including your role and responsibilities? Are you able to be part of the consultations? * Do you have code of conducts, agreement on terminology and conflict resolution mechanisms in place for these dialogues and consultations? * Do you ensure that all members of the community and stakeholders you represent are able to be involved in the consultations? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP3B) | |
| * If present in the country, participates in regular consultations organised by national governments. * Support the participation of those CSOs for which capacity is a challenge to meaningfully engage. * Organises your own regular consultations among CSOs and with other development actors (development partners, CSOs, private sector, local administrations, etc) to discuss priorities and challenges in PSE, when relevant. * Ensure engaging is early and often to ensure impact. | * Participate in regular consultations organised by national governments and development partners. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP3B) | |
| * Set up infrequent discussions with local community that assigns larger amount of time telling them what is happening with little to no time for them to express their opinions and be listened to. * Assume that communication is clear and understood by all partners. | * Set up infrequent discussions with local community that assigns larger amount of time telling them what is happening with little to no time for them to express their opinions and be listened to. * Assume that communication is clear and understood by all partners. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP3B) | |
| [Empowering smallholders for organic nutmeg Indonesia](https://www.icco-cooperation.org/en/project/empowering-smallholders-for-organic-nutmeg-indonesia/). Run by ICCO, the project has a multi-sector partnership which consists of ICCO Cooperation South East Asia and Horti Chain Center, supported by the Indonesian Netherlands Association and Financial Access. Supporting partners in the private sector are: AgriPro Tridaya Nusantara in Jakarta, Multi Rempah BV in Manado, Indonesia and LenersanPoortman in the Netherlands | [A structured platform for CSOs and private sector engagement has been established (the Private Sector and Civil Society Initiative) in Uganda](https://www.effectivecooperation.org/system/files/2019-04/Private-Sector-Engagement-through-Development-Co-operation-in-Uganda-Draft-Case-Study.pdf). It aims to build sustainable partnerships and amplify the voices of both actors. Partnerships between CSOs and the private sector are increasing with the private sector seeing the importance of playing a role in improving social conditions. Nevertheless, CSOs also compete with the private sector over resources and grants and more efforts are needed to promote collaboration. Development partners are increasingly looking to support what they referred to as triangular relationships involving CSOs, the private sector and the development partner. |
| **Resources** | |
| [Promoting inclusive business models: The role of CSO-business partnerships - ECDPM](https://ecdpm.org/great-insights/partnerships-business-development/promoting-inclusive-business-models/)  [Seven principles for effective and healthy multi-stakeholder partnerships - ECDPM](https://ecdpm.org/great-insights/civil-society-business-same-direction/seven-principles-effective-multi-stakeholder-partnerships/) | [CSO-Public- Private Partnerships in Cameroon. Review of possible models, challenges and prospects.](https://oecd.sharepoint.com/teams/2020-6NQG0O/Shared%20Documents/PSE/KP%20Guidance/Toolkit/CSOs%20&%20TUs/CIVIL_SOCIETY_ORGANIZATION.pdf%20(paidafrica.org))  [Community engagement in extractive industries - ECDPM](https://ecdpm.org/great-insights/partnerships-business-development/community-engagement-extractive-industries/) |
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## **Sub-Principle 3.B: Promote inclusive, bottom-up and innovative partnerships and raise awareness of engagement opportunities**

For specific partnerships, increase the range of partners involved at community level, including micro, small and medium-sized enterprises (MSMEs), making use of innovative engagement modalities to explore partnership opportunities in the spirit of leaving no one behind. Development partners should promote outreach and awareness raising of partnership opportunities by working with government, civil society, trade unions, academia and private sector stakeholders, including business associations, to promote greater participation by local businesses and other actors in PSE through development co-operation.

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| ***CSOs – International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| Policies and projects that include the private sector can hardly produce development outcomes that leave no-one behind without being bottom-up in nature and/or are able to identify and offer grass-root engagement opportunities. Including a wider gamut of diverse and local actors ensures that projects and priorities are rooted in the needs and priorities of local contexts and communities. Moreover, these actors are best placed to highlight when projects are producing positive or negative outcomes, or if they are producing unintended consequences in non-target sectors. Inclusive and bottom-up partnerships and opportunities for engagement can, therefore, support efforts towards more effective and equitable implementation. Establishing partnerships is not an easy task and requires the creation of nurturing and enabling environment for partnering that includes building up institutional capacities, convening and supporting infrastructure, and a policy environment that together can help mainstream collaboration.  International CSOs role is holding the private sector accountable to communities, governments and other regulatory and policymaking bodies to ensure local actors are included in policies, partnerships and projects for PSE. | Partnering is an evolving process. Gaining an understanding of each other’s perspectives, interests, and challenges can take time, and might not immediately result in a specific collaboration opportunity. However, investment in relationship-building is valuable, as collaboration opportunities are more likely to emerge as partners gain greater trust and understanding of each other. The participation of domestic CSOs is essential as they can offer deep and up-to-date understanding of the local context, to ensure context-adapted solutions, the basis for the sustainability of the project. Because the private sector operates in a competitive and dynamic environment, PSE programs often have an on-going market research function that enables rolling identification of new potential partners, market drivers, opportunities and threats. PSE programs may require more frequent research and assessments that are built into program implementation in order to continually adapt activities and partners. |
| **Self-Reflection Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP3C) | |
| * Have you built up understanding of local political economy factors that may shape how community members might be affected by the project? * Have you used financial, economic, and systems analysis to determine the impact on stakeholders, sustainability and additionality created by engaging in this opportunity with partners? * Are there mechanisms agreed in the partnership? * Does the partnership have a policy to support long term capacity building of local actors? * How are engagement opportunities disseminated to stakeholders? | * Can you build and act upon the evidence of what works and what doesn’t in PSE? * Are there areas in which MSMEs could have been involved in the level of policy and project implementation? * How are engagement opportunities disseminated to stakeholders? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP3C) | |
| * Support the awareness raising of partnership opportunities. * Support the involvement of local actors. * Be the facilitator, bringing together different actors to discuss common problems and the need for better government regulation. * Provide technical support to domestic CSOs, trade unions and MSMEs to build their engagement in PSE. * Provide financial support to local actors to be involved in the partnership. * Know your exit strategy. | * Engage with development partners to be informed of partnership opportunities. * Ensure you advocate to be involved in the co-creation of the partnership. * Build in flexibility to enable your collaboration at various stages of the partnership. * Identify constraints in project design and implementation and jointly assess market-based solutions. * Balance your objectives with those of others and decide whether and how to engage. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP3C) | |
| * Neglect partner country contexts when designing the outreach. Local societies and communities may have a diverse range of potential stakeholders that can go beyond what you are used to. * Lack adequate knowledge of business management and business culture; our non-profit orientation can make it harder to identify suitable for-profit solutions. * Presence may influence or distort the market due to a perception that we are an international actor with “free” funds (for example, wages and working conditions may be different for an INGO than in a private firm. | * Not setting aside preconceived notions or biases and not being flexible. * Lack adequate knowledge of business management and business culture; our non-profit orientation can make it harder to identify suitable for-profit solutions. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP3C) | |
|  | [Almodo](https://ecdpm.org/great-insights/partnerships-business-development/waste-management-driving-green-growth/) developed a solid waste management model to address the lack of waste collection in Niamey, Niger.Led by the private company GVD-Afrique, the Almodo concept is based on a partnership between businesses, civil society organisations (CSOs) and city councils.  [Solidaridad and the company Natural Habitats Sierra Leone (NHSL)](https://ecdpm.org/great-insights/civil-society-business-same-direction/non-profits-business-land-governance-sierra-leone/) have joined forces for land rights, livelihoods and sustainable business practices in Sierra Leone. The project involves a range of interventions. It includes facilitation of stakeholder consultations, training on land governance and land rights in local dialect and support to farmers to organise themselves and apply good agronomic practices for production of certain staple foods. |
| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP3C) | |
| [ICS Centre. 2014. Multi-Stakeholder Partnerships Building Blocks for Success. International Civil Society Centre.](https://www.partnerschaften2030.de/en/multi-stakeholder-partnerships-building-blocks-for-success/)  [Kuenkel, P. and K. Schaefer. 2013. Shifting the way we co-create. How we can turn the challenges of sustainability into opportunities. The Collective Leadership Institute.](https://www.researchgate.net/publication/313295059_Shifting_The_Way_We_Co-Create_How_We_Can_Turn_The_Challenges_Of_Sustainability_Into_Opportunities)  [OECD. 2015. Development Co-operation Report 2015: Making Partnerships Effective Coalitions for Action. Paris: OECD Publishing.](https://www.oecd.org/dac/developmentco-operationreport2015makingpartnershipseffectivecoalitionsforaction.htm) | [ECDPM, Greater Insights, Partnerships with business for development, 2016](https://ecdpm.org/great-insights/partnerships-business-development/)  [Corporate-NGO inclusive business partnerships: Why they work and why they don't - ECDPM](https://ecdpm.org/great-insights/partnerships-business-development/corporate-ngo-inclusive-business-partnerships/) |
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## **Sub-Principle 3.C: Make partnerships more accessible**

Partnerships should be facilitated through streamlined procedures that make engagement opportunities accessible to a wide range of stakeholders. Such processes should recognise that needs and capacities vary across and within stakeholder groups and that many of those with limited abilities and opportunities to engage are often also those most important to delivering the 2030 Agenda. Application procedures and monitoring and evaluation provisions should be established in accordance with different needs and capacities, the scale and scope of partnerships, and attention to transparency, accountability and timeliness.

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| ***CSOs – International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| Multi-stakeholder partnerships are difficult but worthwhile. For partnerships to succeed, it is critical that interests align, and a “win-win” situation exist for all stakeholders. A common objective need to be established and stakeholders must be flexible to ensure that the needs of all stakeholders are met. The creation of such partnerships is time consuming but can pay off and often leads to better results. International CSOs can play a facilitating role by amplifying the voices of people facing marginalization and exclusion, by defending and asserting rights, and by demanding transparency and accountability. They can also analyse what are the barriers to participation in partnerships and seek to offset these barriers with development partners. | Multi-stakeholder partnerships are difficult but worthwhile. Each stakeholder brings a different set of values, priorities, resources and competencies to a partnership. The challenge of any partnership is to bring these diverse contributions together, linked by a common vision in order to achieve sustainable development goals. It is important that partners recognise and accept that each partner organisation has the right to expect benefits that will be specific to them and that all partners have a right to an opinion. Domestic CSOs provide private partners with access to communities and serve as a legitimate entry point. When the private sector is partnering with domestic CSOs it is because they are wanting to tap into existing levels of trust between communities and CSO partners. It is important that domestic CSOs ensure that all relevant stakeholders are involved and help them to access the partnership. |
| **Self-Reflection Questions** | |
| * Has there been an assessment done on who are the actors to include in the partnership and what potential barriers there are to inclusion? * Which language does the partnership communicate in – can more be done in the local language or increase the use of translators? * Do you offer additional capacity support to smaller stakeholders (such as MSMEs or local CSO actors) to ensure that they can meaningfully engage in inclusive dialogue processes on a level playing field? For instance, do you have the means to ensure that local stakeholders can understand and engage with relevant policy documentation/information? | * Are you prepared that building relationships with private sector partners is time consuming and requires a focused, dedicated effort? * Do you know what barriers you could face to participate in the partnership? Have you let the partnership know what these barriers are? * Have development partners and other partners provided you with support on how best to work with them? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP4A) | |
| * Facilitate partnerships through streamlined procedures and simplified monitoring & evaluation processes adapted to the capacities of specific stakeholders. * Ensure sufficient investment of time and resources at the start is key for building strong working partnerships. * Support activities to build capacity of MSMEs, domestic CSOs and other local partners to take full benefit of PSE opportunities. | * Participate in workshops and capacity-building activities. * Hierarchy and seniority may have greater importance with private sector partners compared to other actors you may partner with, and this perspective goes both ways. The private sector could expect you to engage with them at the appropriate level, and they expect you to engage from the appropriate level, involving senior staff on both sides at the right time. |
| **Pitfalls to avoid** | |
| * Assume that simple inclusion by being given a seat at the table equates to meaningful participation. * Leave your assumptions unchecked (e.g. assuming that private sector actors can only contribute financial resources to a project). * Allow the most influential actors to determine the direction and agenda of a partnership. Disparities in power and influence may be harming a partnerships’ accessibility but can be deliberately offset in PSE projects through providing greater voice and engagement opportunities to disempowered actors. | * Be unclear of the ownership over investments at the start of partnerships, common understandings of the project, outcomes and contributions from each stakeholder and roles within partnerships. * Assume that simple inclusion by being given a seat at the table equates to meaningful participation. * Demand instance transparency and accountability when private sector partners may need time to adapt culture and adopt practices. * Assume that private sector actors can provide financing as their main contribution to the project. * Underestimate time horizons can vary between CSO and private partners with CSOs looking towards longer term horizons and the private sector seeking quick wins. * Allow the most influential actors to determine the direction and agenda of a partnership. Disparities in power and influence may be harming a partnerships’ accessibility but can be deliberately offset in PSE projects through providing greater voice and engagement opportunities to disempowered actors. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP4A) | |
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| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP4A) | |
| [Four tips for effective corporate/NGO partnerships - ECDPM](https://ecdpm.org/great-insights/partnerships-business-development/four-tips-effective-corporate-ngo-partnerships/)  [From looking good to doing good: Mapping CSO-business partnerships (ECDPM Discussion Paper 182)](https://ecdpm.org/wp-content/uploads/DP-182-Mapping-CSO-Business-Partnerships-ECDPM-2015.pdf)  [Private Sector Engagement Toolkit\_ August 2012.pdf (mercycorps.org)](https://www.mercycorps.org/sites/default/files/2020-01/Private%20Sector%20Engagement%20Toolkit_%20August%202012.pdf)  [IBON International. (2019, July 13). On engaging the private sector for development and the Kampala principles](https://oecd.sharepoint.com/teams/2020-6NQG0O/Shared%20Documents/PSE/KP%20Guidance/Toolkit/CSOs%20&%20TUs/•%09https:/iboninternational.org/2019/07/13/on-engaging-the-private-sector-for-development-andthe-kampala-principles). | [Zambia Partnering Toolbook – An essential guide to win-win collaboration for sustainable development](https://www.thepartneringinitiative.org/wp-content/uploads/2015/10/Zambia-Partnering-Toolbook-1.pdf)  [Platforms for Private Sector–Humanitarian Collaboration](https://www.humanitarianfutures.org/wp-content/uploads/2017/11/Platforms-for-Private-Sector-Humanitarian-Engagement.pdf) |
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# **KAMPALA PRINCIPLE 4: TRANSPARENCY AND ACCOUNTABILITY**

# **Measuring and disseminating sustainable development results for learning and scaling up of successes**

There is a lack of timely information, evidence and data related to the performance of partnerships with the private sector established to achieve sustainable development, including the 2030 Agenda. Transparency and accountability for PSE through development co-operation needs to be improved through the creation and use of frameworks that identify and measure results in terms of nationally and internationally defined sustainable development targets and business outcomes. Such results frameworks provide a transparent and mutual understanding of what is expected of the partners and what constitutes success for the partnership. They should set out roles and responsibilities for data collection and provisions for information disclosure, the communication of results and independent evaluation. The creation of complaints mechanisms related to the impacts or negative effects of PSE through development co-operation is also important for ensuring accountability.

## **Sub-Principle 4.A: Measure results**

Stakeholders should define and agree on frameworks to measure results for all partners involved. These include sustainable development outcomes and roles and responsibilities for data collection, with due consideration for reporting burdens. This also involves establishing provisions for independent evaluation, as appropriate.

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| ***CSOs - International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| Transparency and accountability in PSE need to be improved to help to identify comparable data, lessons learned, best practices, create confidence and help understand key factors that lead to scale and impact. To really know if PSE is working, results need to be measured, though this is not without its challenges. The partnership needs to agree on a measurement framework to use, how the data will be collected, the roles and responsibilities of each partner for collecting data and how the results will be compiled and shared publicly. Measuring results will help the partnership show what works, what does not and adjust accordingly. It also builds trust amongst the partners, identifying challenges for addressing during project implementation. For International CSOs providing examples of lessons learnt and experiences from other projects will benefit the partnership’s measurement framework development. | Measuring results helps to tell partners and the community what is working, what is not and what needs to be adapted. Measuring and communicating results will contribute to more resources, more confidence and better development outcomes. Partners need to agree on a common measuring framework, how the data will be collected, the roles and responsibilities of each partner for collecting data and how the results will be compiled and shared publicly. Domestic CSOs have a critical role to play in ensuring that the framework will collect the right data, provide realistic overview of what is feasible for the local stakeholders and be an integral part in collecting data. |
| **Self-Reflection Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP4B) | |
| * Do the countries where you operate have an overarching results framework for PSE projects on their national strategies? If so, did you actively participate in its creation? * Does the framework include indicators that are linked to national priorities and the SDGs? Does this framework disaggregate indicators at impact, outcome, and output levels? * Does the partnership take into account the national systems and results frameworks of partner countries rather than creating entirely new metrics? * Were metrics to measure business outcomes incorporated into the framework, in addition to development results? * Have you been assigned responsibilities for data collection and evaluation according to your capacity? * Has a complaints mechanism been set up regarding the role and impact of private sectors activities in country? * Can you take advantage of data that you already collect to adapt to the monitoring process? | * Does your country have an overarching results framework for PSE projects on their national strategies? If so, did you actively participate in its creation? * Does the partnership take into account the national systems and results frameworks of the country rather than creating entirely new metrics? * Have you been involved in building the theory of change and identifying the projects key milestones and hypothesis that is the basis for any monitoring framework? * Is the data and information readily available and easily accessible? If not, is there a process to follow to make a complaint? * Do you understand your role and responsibilities in implementing the projects’ monitoring framework? Do you understand the project partners’ roles and responsibilities? Have you allocated enough resources (finance, time) to ensure proper quantitative and qualitative monitoring and evaluation? If you do not have the capacity or resources have you explained this to the partnership? * Do you know where to go to find support for implementing this work? * Can you take advantage of data that you already collect to adapt to the monitoring process? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP4B) | |
| * Support the development of monitoring frameworks at project and policy level, ensuring that roles are cleared defined and information is easily accessible. * Inform local partners of grievance mechanisms that could be utilised. Support the use of grievance mechanisms by domestic CSOs when relevant. * Support the capacity development of smaller stakeholders to take part in the collection and analysis of information. * Support local stakeholders in finding funding to support these activities. | * Support data collection when relevant and monitoring progress of the project. * Be clear and open when the reporting burden is too much and seek to rebalance responsibilities with other partners. * Encourage that data collection includes disaggregated data, when relevant by gender, disabilities, vulnerable groups. * When relevant, utilise the complaint mechanisms and ensure other stakeholders and local stakeholders know to use it. * Request funding and resources to ensure you can meet your role and responsibilities in the monitoring framework * Don’t hesitate to acknowledge your challenges in collecting and processing data and ask for support when needed. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP4B) | |
| * Only measure one side of the ‘shared value’ equation; that is, only measuring either the development or business side of things. * Settle for the lowest common denominator in the development of project measurement frameworks. * Disregard the tension between the need for streamlining indicators and the need for inclusivity of diverse stakeholder goals and logics. Seek an appropriate balance but recognise there are no blueprints. | * Not communicate with partners on the capacities available to collect data from end users and when data is not available. * Only measure one side of the ‘shared value’ equation; that is, only measuring either the development or business side of things. * Disregard the tension between the need for streamlining indicators and the need for inclusivity of diverse stakeholder goals and logics. Seek an appropriate balance but recognise there are no blueprints. * Stereotype private sector actors as providers of finance or services alone, thereby overlooking potential for private sector contributions to results measurement. * Fail to engage when the government reaches out to develop the overarching framework. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP4B) | |
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| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP4B) | |
|  | [CSO Handbook on Private Sector Engagement - CSO Partnership for Development Effectiveness](https://csopartnership.org/resource/cso-handbook-on-private-sector-engagement/) |
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## **Sub-Principle 4.B: Disseminate results**

Provide information on the outcomes of partnerships, including through inclusive dialogue, in order to learn, improve transparency and remain accountable to the partners involved, beneficiary communities and citizens at large. Sharing outcomes broadly also plays an important role in scaling and replicating successes.

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| ***CSOs - International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| Transparency and access to information are at the core of good governance, informed participation in decision-making, building of trust and public accountability especially when utilising public finances. **Disseminating** results can help you to: 1) Ensure stakeholders and the community understand the issues addressed by the program 2) Increase understanding and awareness about the types of support needed for successful implementation 3) Inform program improvements 4) Help to secure additional or ongoing funding 5) Create positive publicity for the project and your business 7) Be clear on additionality and impact attribution 6) Pave the way for inclusive, high-impact development outcomes. International CSOs can ensure the results are distributed through their networks, support domestic CSOs translate the results into meaningful lessons learnt and help develop recommendations for the partnership to ensure even stringer results moving forward. CSOs also have a role to ensure PSE projects they are not involved in are transparent and implement transparency campaigns when needed. | Disseminating results lets stakeholders and the community where the project is being implemented, know if it is delivering on its development outcomes or not. Being transparent about the results, whether they show success, challenges or failures helps open an inclusive dialogue on how to improve the project and builds trust and accountability when utilising public finances. Domestic CSOs have the experience in how to disseminate results in the most meaningful way to communities and the local level. |
| **Self-Reflection Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP4C) | |
| * How do you disseminate data and results of your projects? * How do you ensure this information is accessible, low-cost and comparable? * Do you make sure that the data and results are made public by any partnership you are involved with? * Do you make sure that the partnership has published the basic information of the project (partners, project budget including private sector contributions (financial and in-kind), duration, monitoring, results framework, results, and evaluations? * How do you support domestic CSOs in demanding that data and results are shared publicly in PSE projects? * Can you access support from development partners to help you disseminate results? | * How do you disseminate data and results of your projects? * Do you make sure that the data and results are made public by any partnership you are involved with? * Do you make sure you speak out when there are PSE projects that do not publicly information about the project and disseminate the results? * Can you access support from development partners to help you disseminate results? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP4C) | |
| * Support organisations that do inclusive dialogues in the sharing of successes and failures. * Support dissemination of results at the country level, making sure communication is tailored to different stakeholders using appropriate channels and results focus. * Be clear on how dissemination could be scaled up, accessible and impactful. | * Make use of information for a watchdog role. * Demand the publication of results and data to help your own analysis of the results. * Be clear on how dissemination could be scaled up, accessible and impactful. * Demand the publication of results at the intermediary stage of the PSE project to help influence any course corrections needed. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP4C) | |
| * Focus on stories and photos rather than building a picture of lessons learned and insights on how to scale up. | * Focus on stories and photos rather than building a picture of lessons learned and insights on how to scale up. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP4C) | |
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| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP4C) | |
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## **Sub-Principle 4.C: Ensure Accountability**

Effective governance mechanisms, good project design and credible commitment are important to sustaining partnerships and ensuring that engaged parties are answerable to the commitments they have made. There is a need to establish and clearly communicate provisions for addressing concerns related to the impacts of partnerships.

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| ***CSOs - International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| PSE depends on shared ethics and values, including high standards in corporate governance, environmental impact, social inclusion, and transparency. While PSE practices vary throughout the Program Cycle, ongoing consultation, clear lines of accountability, clear internal and external communication and relationship-building between partners should remain constants. CSOs play many roles in ensuring that business has a positive footprint in society; a crucial one is ensuring businesses’ accountability to the SDGs. The contributions of community groups, national organizations and global CSOs go beyond monitoring and exposing business practices to include the creation of spaces for citizen participation at the national and sub-national levels, the elevation of local voices to global centres of decision making and the analysis of existing data to flag potential risks before harm occurs. International CSOs can help domestic CSOs 1) hold companies accountable by highlighting gaps and campaigning against lack of transparency or inaction; 2) Work with companies to ensure they make changes that signify real progress; 3) advocate to governments for stricter regulations and mechanisms to hold companies accountable and prompt systemic change. | PSE depends on shared ethics and values, including high standards in corporate governance, environmental impact, social inclusion, and transparency. While PSE practices vary throughout the Program Cycle, ongoing consultation, clear lines of accountability, clear internal and external communication and relationship-building between partners should remain constants. CSOs play many roles in ensuring that business has a positive footprint in society. Domestic CSOs can 1) hold companies accountable by highlighting gaps and campaigning against lack of transparency or inaction; 2) Work with companies to ensure they make changes that signify real progress; 3) advocate to governments for stricter regulations and mechanisms to hold companies accountable and prompt systemic change – ultimately ensuring governments are the duty bearers and particularly promoting MSMEs for effective development cooperation. |
| **Self-Reflection Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP5A) | |
| * Are internal auditing and evaluation practiced? Is there an existing mechanism for hearing and addressing concerns regarding the project? * Are the most vital aspects and details of the engagement, particularly those with far-reaching impact, available to the public? * Has the partnership made public its partnership criteria, application producers, decision making, financial contract details, partners supported, activities, results and evaluations? * Have you done a mapping of PSE projects and programmes at the country level? Collating date on their stakeholders and purpose, the size of engagement, and the communities which will be positively or negatively affected, among others is vital when building accountability mechanisms. * Have you provided case studies to reveal patterns in PSE projects? | * Has the partnership made public its partnership criteria, application producers, decision making, financial contract details, partners supported, activities, results and evaluations? * Do you have sufficient resources to hold PSE projects to account? Do you know where to access resources? * Have you asked to be involved in ensuring the accountability of corporate actors and been sufficiently involved in the design and evaluation of the PSE projects? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP5A) | |
| * Support effective governance mechanisms in which communication among partners is clear and regular. * Ensure goals and commitments are realistic and credible and that all partners are answerable to them. * Support the creation and clear communication of project-level grievance mechanisms (PGFM). * Ensure there is a ‘safe space’ for analysing how partners are working together facilitated by a [partnership broker](http://partnershipbrokers.org/w/brokering/what-is-a-partnership-broker/) or a [critical friend](http://www.ascd.org/publications/educational-leadership/oct93/vol51/num02/Through-the-Lens-of-a-Critical-Friend.aspx#rand=0.5879426873238871&iit=1545069377344&tmr=load%3D1545069376823%26core%3D1545069376851%26main%3D1545069377336%26ifr%3D154506937). * After collating and validating the set of information, it is possible to provide both quantitative and qualitative insights into the state of PSEs? * Appraise business conduct and hold them to account in upholding ESG standards and producing development impacts. * Utilise already developed indices and scorecards as they represent a potentially powerful mechanism for monitoring progress and holding companies accountable. | * Support effective governance mechanisms in which communication among partners is clear and regular. * Ensure goals and commitments are realistic and credible and that all partners are answerable to them. * Support the creation and clear communication of project-level grievance mechanisms (PGFM). * Appraise business conduct and hold them to account in upholding ESG standards and producing development impacts. * Access resources through development partners as an important actor in evaluating and holding PSE projects and partners accountable. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP5A) | |
| * Accept the poor level of information. * Not advertise and utilise, when needed, the grievance mechanism at the project level. | * Accept the poor level of information. * Not advertise and utilise, when needed, the grievance mechanism at the project level. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP5A) | |
| [Know the Chain benchmark](https://knowthechain.org/) is a resource for companies and investors to address forced labour in global supply chains.The benchmarks and practical resources help companies operate more transparently and responsibly, while also informing investor decisions.  The [Corporate Human Rights Benchmark (CHRB)](https://www.worldbenchmarkingalliance.org/corporate-human-rights-benchmark/#:~:text=The%20Corporate%20Human%20Rights%20Benchmark%20%28CHRB%29%20provides%20a,This%20is%20a%20public%20good%20for%20all%20stakeholders.)provides a comparative snapshot year-on-year of the largest companies on the planet, looking at the policies, processes, and practices they have in place to systematise their human rights approach and how they respond to serious allegations.  [Oxfam’s Behind the Brands scorecard](https://www.oxfam.org/en/research/behind-brands-scorecard-methodology) examines company policies in seven areas critical to sustainable agricultural production, yet historically neglected by the food and beverage industry: women, small-scale farmers, farm workers, water, land, climate change, and transparency. |  |
| **Resources** | |
| [Partnerships for sustainable development: the monitoring and evaluation challenge - ECDPM](https://ecdpm.org/great-insights/civil-society-business-same-direction/partnerships-sustainable-development-monitoring-evaluation-challenge/)  [Partnership Learning Loop](http://www.learningloop.nl/) (PLL) tool which seeks to strengthen collaboration between partners. It explores different partnership layers and provides insights into how a partnership functions, how it adds value and how it evolves over time.  An approach suggested by [Building Partnerships for Development](http://www.bpdws.org/bpd/web/d/doc_249.pdf?statsHandlerDone=1) that examines partnership performance and effectiveness by analysing drivers. | Reality of Aid. (2012). Aid and the Private Sector: Catalysing Poverty Reduction and Development? Philippines: IBON International. (pay- wall – lots of examples)  Framework developed by [Jennifer M. Brinkerhoff](https://www.sciencedirect.com/science/article/abs/pii/S0149718902000174) for assessing evolving partner relationships. This approach aims to improve partnership practice and explore a partnership’s contribution to performance and outcomes. |
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# **KAMPALA PRINCIPLE 5: LEAVE NO ONE BEHIND**

# **Recognising, sharing and mitigating risks for all partners**

Targeting the furthest behind through private sector engagement (PSE) requires greater risk-taking on the part of all partners involved. It is essential to recognise, share and mitigate such increased risk. This is necessary as diverse actors engage in partnerships, make investments to deliver development results and incentivise greater private sector contributions to sustainable development. This enables PSE through development cooperation to realise its full potential and help achieve progress where it is most urgently needed. This endeavour requires comprehensive and inclusive approaches that involve private investors, governments, civil society and, in particular, the vulnerable citizens and communities concerned that are excluded from competitive markets, employment opportunities and key economic and social services – or actors operating in areas and economic sectors where market failures, poor infrastructure, difficult access and weak governance make both private and public investment costly, difficult and risky. Private investment in these contexts is essential to address income poverty, food security, decent employment, inequality and economic inclusion. To ensure investments in these areas maintain a focus on leaving no one behind, all PSE efforts – from creating new markets and decent employment to providing specific goods and services – require such targeted approaches. As such, PSE through development co-operation must visibly contribute to leveraging additional investments, rather than simply increasing profitability.

## **Sub-Principle 5.A: Ensure that a private sector solution is the most appropriate way to reach those furthest behind**

The use of PSE through development co-operation to reach those furthest behind should be based on an assessment of whether a private sector solution is the most appropriate and sustainable way to realise the desired sustainable development results. Important factors in determining whether PSE through development co-operation is the right approach include the interests and motivations of potential private and public sector partners, the additional value a partnership with the private sector can bring over alternative solutions and the likelihood of realising long-term sustainable development results. In situations where PSE through development co-operation is the best approach, a set of realistic sustainable development objectives that target specific populations or sectors should be established, alongside an associated results framework.

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| ***CSOs - International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| When official development assistance (ODA) is used to support PSE it should do with the aim to trigger investments that businesses would not make otherwise, to make them happen more quickly, at a bigger scale and be better in terms of development outcomes. In short, public support should be additional to what would have happened anyway. In some cases market-based solutions might not be able to reach intended beneficiaries for example, the poorest and most-vulnerable populations in a country. In these cases, there could be other ways the role of the private sector could be explored in a partnership to find the comparative advantage. International CSOs have a role in monitoring and campaigning for the effective use of ODA and ensuring it is spent to support those most left behind. They can demand a clear theory of change and inclusive consultations with local actors, to help with the identification of sectors and projects where a private sector solution is appropriate. | When official development assistance is used to support PSE it should do with the aim to trigger investments that businesses would not make otherwise, to make them happen more quickly, at a bigger scale and be better in terms of development outcomes. In short, public support should be additional to what would have happened anyway. In some cases market-based solutions might not be able to reach intended beneficiaries for example, the poorest and most-vulnerable populations in a country. In these cases, there could be other ways the role of the private sector could be explored to find the comparative advantage. Domestic CSOs have a role in monitoring whether the necessary processes have been carried out to assess whether a private sector solution is the most appropriate. |
| **Self-Reflection Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP5B) | |
| * What challenges does the private sector face in terms of reaching out to the most disadvantaged sectors? * What advantages and risks, especially to beneficiaries, does a private sector solution carry? Has the project description answered this question? * Does the project include a theory of change that explicitly states the development challenge trying to be addressed and how the involvement of the private sector will benefit those furthest behind? * Does the project examine alternative solutions to the development challenge from actors other than the private sector? * Does the project include an ex ante additionality assessment that specifically highlights how the project will meet the needs of those furthest behind? Are there mechanisms in place to ensure course correction? | * What challenges does the private sector face in terms of reaching out to the most disadvantaged sectors? * What advantages and risks, especially to beneficiaries, does a private sector solution carry? Has the project description answered this question? * Does the project include a theory of change that explicitly states the development challenge trying to be addressed and how the involvement of the private sector will benefit those furthest behind? * Does the project examine alternative solutions to the development challenge from actors other than the private sector? * Does the project include an ex ante additionality assessment that specifically highlights how the project will meet the needs of those furthest behind? Are there mechanisms in place to ensure course correction? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP5B) | |
| * Ensure public and private accountability vis-à-vis expected development results of projects involving the private sector, based on agreed rationale at the policy and project level. * Ensure it is clearly communicated the rationale for working with the private sector in specific projects. * Promote inclusive and sustainable business models. * Collect case studies | * Ensure public and private accountability vis-à-vis expected development results of projects involving the private sector, based on agreed rationale at the policy and project level. * Ensure it is clearly communicated the rationale for working with the private sector in specific projects. * Promote inclusive and sustainable business models. * Collect case studies |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP5B) | |
| * Limit engagement on monitoring the quantity and quality of ODA provided to private sector instruments and engagement to ensure they reach those left behind. | * Not recognise that there is a role for private sector actors in development cooperation. * Neglect to speak out when communication is unclear on the selection and added value of business partners in development programs and policies. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP5B) | |
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| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP5B) | |
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## **Sub-Principle 5.B: Target specific locations, markets, value chains and investor types that are most likely to have a positive impact on those furthest behind**

When undertaking PSE, development co-operation should target contexts where investments in profitable entrepreneurial activity will provide markets, employment, production inputs, services and goods that improve the lives and livelihoods of those furthest behind. Partners should target support accordingly to promote efforts that leave no one behind by reducing risk, incentivising investment, and ensuring sustainability.

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| ***CSOs - International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| The international community has committed to putting the furthest behind first. For this to succeed, PSE needs to target and expand people-centred markets, goods, and services to improve the well-being and livelihood of those furthest behind. Partnering with communities and others beyond the provision of financial resources, allows for co-creation and implementation of initiatives, identifies conflict-sensitivities and builds greater mutual accountability between companies and communities with appropriate modalities of co-operation and incentives for the private sector to contribute to leaving no one behind. International CSOs can help identify the sectors in which investments in profitable entrepreneurial activity will provide markets, employment, production inputs, services and goods that improve the lives and livelihoods of those furthest behind. | Market conditions or perceptions associated with poorer people can make doing business difficult, risky or expensive and as a result, may exclude the poor from meaningful economic participation and deter companies from exploring ways to integrate poorer groups into business plans or activities. Inclusive business models bridges between businesses and the poor for mutual benefit, going beyond immediate profits and higher incomes. A ‘territorial approach to local development’ is increasingly used to better fit local needs and realities. This is where, domestic CSOs have an important role as they are the closest to understanding the local needs and realities to identify the sectors that can be focused on. |
| **Self-Reflection Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP5C) | |
| * Has an analysis been conducted to show how private investment will open or improve access to markets, employment, production inputs, services, and goods for those furthest behind? * Has a dialogue been established with the private sector to show them other ways beyond the partnership they could support the poorest such as ensure decent work practices, pay living wages, promote women-friendly workspaces, and reduce companies' negative impact on the environment? * Do you understand how the PSE project will target vulnerable sectors or populations and what your role is in the project? * Do development partners have a PSE strategy that explicitly and specifically targets countries, regions, sectors and contexts that are being left behind? * Do development partners have a PSE strategy that prioritises PSE activities and modalities that are likely to have the greatest impact on the livelihoods of those who are, or are at risk of being, left behind? | * Has an analysis been conducted to show how private investment will open or improve access to markets, employment, production inputs, services, and goods for those furthest behind? * Has a dialogue been established with the private sector to show them other ways beyond the partnership they could support the poorest such as ensure decent work practices, pay living wages, promote women-friendly workspaces, and reduce companies' negative impact on the environment? * Do you understand how the PSE project will target vulnerable sectors or populations and what your role is in the project? * Are the local communities seen as partners and co-designers of new products/ services to enhance local buy-in? are they seen as partners in the project as a whole? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP5C) | |
| * Support the identification of sectors in which investments in profitable entrepreneurial activity will provide markets, employment, production inputs, services and goods that improve the lives and livelihoods of those furthest behind. * Support the government in making a LNOB agenda and strategy with well-defined vision, mission with specific targets, clear coordination mechanisms and matrix of responsibilities for all relevant stakeholders plus needs assessment to collect data to inform private sector investments. | * Support the identification of sectors in which investments in profitable entrepreneurial activity will provide markets, employment, production inputs, services and goods that improve the lives and livelihoods of those furthest behind. * Support the government in making a LNOB agenda and strategy with well-defined vision, mission with specific targets, clear coordination mechanisms and matrix of responsibilities for all relevant stakeholders plus needs assessment to collect data to inform private sector investments |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP5C) | |
| * Ignore the importance of local community buy-in and utilising local capacity. | * Ignore the building of case studies and examples that would highlight the successes and failures of PSE projects on those most left behind. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP5C) | |
| In collaboration with VISA, for example, Oxfam in the Philippines worked to set up a [simple and efficient platform](https://philippines.oxfam.org/press_release/oxfam-and-visa-push-better-disaster-preparedness-through-financial-inclusion) involving local financial institutions and communities to organise speedy money transfers during disasters and emergencies. | [The TREYL programme, Kenya](https://practicalaction.org/pmsd-toolkit/treyl-case-study/), aims to strengthen opportunities for young people in agriculture. Preliminary Market Mapping was used is to draw on systems thinking to understand the complex relationships between market actors, in the form of a Market Map.  [The EnDev project](https://practicalaction.org/pmsd-toolkit/electric-cooking-nepal/) seeks to increase access to reliable electricity in both peri urban and rural areas of Nepal. In 2020, PA conducted a market and institutional readiness study to inform the design of electric cooking market activation program in Nepal. The [Adopt, Adapt, Expand, Respond (AAER) tool](https://practicalaction.org/pmsd-toolkit/aaer/) was used to think through the potential sequence of changes over a longer period of time. |
| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP5C) | |
| Practical Action has developed the [Participatory Market Systems Development (PMSD)](https://practicalaction.org/pmsd-toolkit/) - an approach that can support you to understand and influence markets to make positive changes to the lives of marginalised groups. | Practical Action has developed the [Participatory Market Systems Development (PMSD)](https://practicalaction.org/pmsd-toolkit/) - an approach that can support you to understand and influence markets to make positive changes to the lives of marginalised groups.  [NGOs as Market Actors: Roles and responsibilities in supporting small producers in low-income countries](https://www.iied.org/pubs/display.php?o=G02251)  [NGOs, Business and the Challenges of ‘Scaling Up’](https://www.iied.org/pubs/display.php?o=G02249) |
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## **Sub-Principle 5.C: Share risks proportionately to incentivise private sector contributions to leave no-one behind**

Reaching those left behind can mean promoting partnerships in markets that have higher risks. These perceived risks need to be assessed jointly. Development co-operation can be used strategically to offset risks for the private sector when targeting populations underserved by the market. Considerations about sharing risks should be made in accordance with the scale and scope of the desired sustainable development results and due attention to the proportionality of risk being taken by public and private actors vis-à-vis benefits to partners. There should be transparency from the outset regarding the risks undertaken by each partner.

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| ***CSOs - International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| Partnering is not a low-cost, quick fix or risk-free option. Partnerships require the sharing of risk and benefits. Partnerships that include different actors beyond the private sector require the sharing of risk and benefits between all partners. Decisions need to be made on the effective allocation of operating and political risks to the parties best placed to minimize and manage such risks. There are common risks to partnership success including power imbalances and conflict of interests. It will be important for international CSOs to do due diligence to determine the possible risks and advantages of new partnerships or a new program with an existing partner. The goal of due diligence is threefold: to ensure the partnership and program is (a) compatible with your mission and supports our development goals; (b) does not pose a risk to your reputation and integrity in the countries where you work and with your donors; and (c) does not create a risk for the wellbeing of your staff and participants | Partnering is not a low-cost, quick fix or risk-free option. Partnerships require the sharing of risk and benefits. Common risks to partnership success include power imbalances and conflict of interests. Each stakeholder brings a different set of values, priorities, resources and competencies to a partnership. The challenge of any partnership is to bring these diverse contributions together, linked by a common vision in order to achieve the development impact. It is important that partners recognise and accept that each partner organisation has the right to expect benefits that will be specific to them. Due diligence is the process that determines the possible risks and advantages of new partnerships or a new program with an existing partner. Domestic CSOs should ensure that due diligence is carried out before they join in any partnership with the private sector. The goal of due diligence is threefold: to ensure the partnership and program is (a) compatible with your mission and supports our development goals; (b) does not pose a risk to your reputation and integrity in the countries where you work and with your donors; and (c) does not create a risk for the wellbeing of your staff and participants. |
| **Self-Reflection Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP5D) | |
| * Has the external and internal context been examined collectively as a partnership to support the risk management approach? * Have the views of the local community been accounted for in the design of the project? * Are you aware of the mitigating risk strategies of the other partners? * Do you and your staff have sufficient capacity to shoulder additional risk? * Has the partnership assessed the risks and allocated appropriately including assigning specific authority, responsibility and accountability at the appropriate levels of each organisation? * Has the partnership developed and agreed a policy that establishes a conflict of interest and risk management approach? Are the necessary resources allocated to manage risk? | * Has the external and internal context been examined collectively as a partnership to support the risk management approach? * Have you consulted with the local community to help assess local risks? * Do you recognise the different incentives and risks for actors involved, including affected communities? Are those incentives and risks represented in the overall results and monitoring frameworks? Are you aware of the mitigating risk strategies of the other partners? * Does the project consider renegotiation of PSE contracts if project stakeholders express legitimate concern over the balance and sharing of risks and returns? * Do you and your staff have sufficient capacity to shoulder additional risk? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP5D) | |
| * Support the identification and assessment of risks to the beneficiary communities. * Prioritise shielding vulnerable populations and sectors from risk. * Assess risks jointly with partners, if part of project, considering the scale and scope of the expected results and ensure the risks taken by each partner are clearly articulated. * Ensure that the provision of free, prior and informed consent and social license to operate was offered as part of due diligence assessment. | * Support the identification and assessment of risks to the beneficiary communities. * Prioritise shielding vulnerable populations and sectors from risk. * Take time to understand how different actors understand and perceive risk, particularly given diversity in capacity, philosophies, and access to information. It may be worthwhile to have formalised stakeholder meetings towards developing shared terminology on risk and return sharing. * Ensure that the provision of free, prior and informed consent and social license to operate was offered as part of due diligence assessment. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP5D) | |
| * Ignore that potential conflicts of interest are inevitable and not inherently negative. * Mismatch of understanding of risk. | * Ignore with the communities whose land is being affected by the project. * Mismatch of understanding of risk. * Ignore that potential conflicts of interest are inevitable and not inherently negative. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP5D) | |
| [Practical Action Nepal](https://practicalaction.org/pmsd-toolkit/solar-powered-vegetable-irrigation-nepal/) worked with SunFarmer, a social enterprise that offered financing and technical implementation of a solar-powered irrigation solution for vegetable farming in a remote district. The business model was developed in close collaboration, with the added benefit that SunFarmer was willing to take risks to serve rural farmers. The team worked with farmers and traders to undertake [Participatory Market Mapping](https://practicalaction.org/pmsd-toolkit/participatory-market-mapping/) for different vegetables to select those with the most potential for economic growth and income. | [Shining Hope for Communities (SHOFCO)](https://fingo.fi/wp-content/uploads/2021/01/fingo-kenya-private-sector-collaboration-reportvflaunchversion.pdf) is a grassroots movement based in Nairobi, Kenya in urban slums providing services, community advocacy platforms, and education and leadership development for women and girls. Project implementation is guided by signed MOUs that provide timelines, roles and the scope of the engagement. SHOFCO often begins with pilots with small populations then scales the interventions to larger populations. It also factors in flexibility in implementation to allow for iteration. |
| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP5D) | |
| [fingo-kenya-private-sector-collaboration-reportvflaunchversion.pdf](https://fingo.fi/wp-content/uploads/2021/01/fingo-kenya-private-sector-collaboration-reportvflaunchversion.pdf)  [The Benefits and Risks of Partnering – The Partnering Initiative](https://thepartneringinitiative.org/the-benefits-and-risks-of-partnering/) |  |
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## **Sub-Principle 5.D: Establish provisions to mitigate and manage risks**

Carry out a joint assessment of the potential risks for the beneficiaries of the partnership as part of due diligence. Develop systems to monitor these risks, bringing in appropriate civil society partners as needed and undertaking course correction where necessary.

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| ***CSOs - International*** | ***CSOs - Domestic*** |
| **Why is it important?** | |
| Due diligence and risk management are important to avoid and address adverse impacts related to workers, human rights, the environment, bribery, communities, reputational damage and governance. International CSOs should ensure that PSE programmes and partnerships operate in line with the tenets of presumed full disclosure and transparency, principles of accountability, provision for public oversight, a public consultation mechanism and a publicly communicated complaints mechanism, including public reports on the outcome of complaints and in line with due diligence principles and guidelines. | When making decisions as part of managing risk, it is about managing uncertainty to achieve objectives that should include social, environmental and economic objectives. Risk is also circumstance-specific and must be dynamic, iterative and responsive to change. Risk is usually considered in terms of both threats and opportunities. Domestic CSOs need to hold to account PSE programmes and partnerships so they operate in line with the tenets of presumed full disclosure and transparency, principles of accountability, provision for public oversight, a public consultation mechanism and a publicly communicated complaints mechanism, including public reports on the outcome of complaints and in line with due diligence principles and guidelines. |
| **Self-Reflection Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP1A) | |
| * Are monitoring of risks integrated into project implementation? Have enough resources been dedicated to monitoring? * Are there mechanisms in place to deal with conflicts of interest - where a decision or action is right for the partnership but maybe at odds with individual companies’ interests or certain stakeholders over others? * Have you developed a risk mitigation strategy? Is there an exit strategy? | * Is there a clear risk mitigation strategy for the PSE project? Is this strategy in the public domain and open to regular revision? * Has the government outlined a role for domestic and local CSOs to be part of the monitoring risk across all PSE projects and policies? * In the event that a PSE project or investment is causing environmental, social or governance harm, is there mechanisms in place to course correct (such as through a renegotiation of a contract to rebalance and manage risk; a readjustment of a project’s aims, partners or activities)? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP1A) | |
| * Participate in regular risk assessments. * Start small: seek out initial pilot studies to scope out potential risks, provide initial adjustments, and offer more confidence to private sector and other partners through the demonstration effect. * Ensure governments regularly update and monitor risk assessment frameworks. * Anticipate, manage and mitigate conflict of interest. | * Participate in regular risk assessments. * Anticipate, manage and mitigate conflict of interest. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP1A) | |
| * Decline to push for CSOs to give contributions and have key role in monitoring risk both at the strategic, policy or local level. * Ignore risk mitigation strategies that do not recognise risks for all partners involved, most notably for those furthest behind. * Stay silent if no establish guidelines on acceptable levels of risk are published. * Not call out if there is a concerted effort to shrink civil society space including consistent negative rhetoric in the public discourse, rhetoric that criminalises activism, smear campaigns or rumour-spreading on organisations or activists in media or social media. | * Decline to push for CSOs to give contributions and have key role in monitoring risk both at the strategic, policy or local level. * Ignore risk mitigation strategies that do not recognise risks for all partners involved, most notably for those furthest behind. * Stay silent if no establish guidelines on acceptable levels of risk are published. * Stop communicating openly with partners, staff and stakeholders about the partnerships approach to conflict of interests. * Not call out if there is a concerted effort to shrink civil society space including consistent negative rhetoric in the public discourse, rhetoric that criminalises activism, smear campaigns or rumour-spreading on organisations or activists in media or social media. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP1A) | |
| [Managing Risk through Economic Development(M-RED),](https://practicalaction.org/pmsd-toolkit/sugarcane-for-flood-resilience-nepal/) implemented by Mercy Corps, Nepal. The project showcases a unique hybrid of market systems approaches and resilience building approaches aimed at disaster risk reduction. The project worked in agricultural market systems in the Far West Terai region of Nepal with high potential to boost incomes while reducing exposure to floods and droughts in communities. As part of the market analysis, the project team identified a number of systemic constraints for this remote part of Nepal including access to capital, financial literacy, access to markets and extension services. |  |
| **Resources** | |
| [The SDG Partnership Guidebook – The Partnering Initiative](https://thepartneringinitiative.org/publications/toolbook-series/the-sdg-partnerships-guidebook/) a publication of the [SDG Partnership Accelerator](https://thepartneringinitiative.org/global-impact/the-partnership-accelerator/) and serves as a practical resource to help build high impact multi-stakeholder partnerships for the Sustainable Development Goals.  [Risk Management (industry.gov.au)](https://www.industry.gov.au/sites/default/files/2019-04/lpsdp-risk-management-handbook-english.pdf) – leading practice sustainable development program for the mining industry.  [Private sector engagement - A Guidance Document for Supply Chains in the Modern Context](https://publications.jsi.com/JSIInternet/Inc/Common/_download_pub.cfm?id=15176&lid=3) A guidance for PSE in national health system and health care supply chains in particular. The guide is directed towards government agencies, NGOs and private sector organizations and touches upon several relevant topics for the KP (risk sharing, PPD, monitoring & evaluation etc.)  [Sharing Risk and Revenues from PPPs: Perspectives from current practice in the road sector (iisd.org)](https://www.iisd.org/system/files/publications/sharing-risk-revenues-from-ppp-discussion-paper.pdf) | [ISO - ISO 31000:2018 - Risk management — Guidelines](https://www.iso.org/standard/65694.html)  [The SDG Partnership Guidebook – The Partnering Initiative](https://thepartneringinitiative.org/publications/toolbook-series/the-sdg-partnerships-guidebook/) a publication of the [SDG Partnership Accelerator](https://thepartneringinitiative.org/global-impact/the-partnership-accelerator/) and serves as a practical resource to help build high impact multi-stakeholder partnerships for the Sustainable Development Goals. |

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1. The aim of private sector engagement (PSE) through development co-operation is to leverage the private sector to achieve development objectives, while at the same time recognising the need for financial return for the private sector. In 2016, the OECD defined PSE in development co-operation as “an activity that aims to engage the private sector for development results, which involves the active participation of the private sector.” The definition is intentionally broad and includes all related modalities - such as finance, policy dialogue, capacity development, technical assistance, knowledge sharing and research across many sectors (e.g., health, education, private sector development, etc.). PSE is distinct from the concept of private sector development (PSD) which refers to activities carried out by governments and development organisations to promote an enabling environment that benefits the private sector in partner countries. See more definitions in the [Glossary](#_Glossary_with_Key) on page 3. [↑](#footnote-ref-2)