The Kampala Principles Assessment
Monitoring the Effectiveness of Private Sector Engagement at Country-level

The Kampala Principles Assessment aims to provide rich evidence on how effectively the private sector is engaged through development co-operation at country-level, a niche no other global monitoring exercise fills. This note explains why the Assessment is relevant to stakeholders of the Global Partnership for Effective Development Co-operation and the main features of the Assessment, as included in Annex III to the Revised Proposal of the Monitoring Framework ahead of the technical workshop in Cotonou, Benin, 14-16 June 2022.

Effectiveness is central to Private Sector Engagement through development co-operation

In the 2030 Agenda for Sustainable Development, UN Member States called upon “all businesses to apply their creativity and innovation to solving sustainable development challenges”. The global community has also committed to build better partnerships between governments, civil society and the business sector.¹

Effective private sector engagement (PSE)² in development co-operation has transformative potential to contribute to delivering the 2030 Agenda and the pledge to leave no one behind. As a key enabler to mobilise resources, build trust across development actors, and share risks of investments, PSE can leverage business solutions to development challenges that are both profitable to private partners and help achieve the SDGs.

At SDG half-time, however, much of PSE’s potential remains untapped, in particular to deliver to those most left behind. As development partners increasingly seek development opportunities that offer a return on their investment, risk aversion, lack of trust and lack of transparency can incentivise them to shift their funds to less risky contexts. This could be detrimental to countries and people most in need and drive partner country governments into a race to the bottom in terms of standards. It is crucial to focus on the qualitative dimensions of PSE and private finance to engage the private sector together with all partners where it matters most and to ensure no one is left behind.

¹ The Outcome Document of the last High-level Meeting of the GPEDC in 2016 in Nairobi called for “unleashing the potential of development co-operation to attract inclusive private investment [by setting] clear effectiveness commitments as the development community engages in partnerships between governments, civil society and the business sector”.

² 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 deliberately broad and includes all modalities (finance, policy dialogue, capacity development, technical assistance, knowledge sharing and research for engaging the private sector in development co-operation), from informal to more formalised collaborations and encompasses all sectors (e.g. health, education, private sector development, renewable energy, governance, etc.). For more information see here.
The Kampala Principles and its Toolkit and Assessment

The GPEDC launched the Kampala Principles for Effective Private Sector Engagement in Development Co-operation in 2019 after two years of analytical work and a series of multi-stakeholder consultations. They respond to the need to guide collective work to make private sector partnerships at country level more effective. They were designed and agreed by and for partner countries, their development partners, the business community, trade unions and civil society, and are rooted in evidence gathered through numerous case studies, country-level evidence and dialogue. The Principles provide guidance for better country ownership, fostering trust and mutual benefits, increased transparency and accountability and a stronger focus on risk sharing approaches that can help reaching those furthest behind.

The Kampala Principles provide the backbone to drive action at the country level using two new tools: the Kampala Principles Toolkit and the Kampala Principles Assessment (the Assessment). Both are complementary tools that are being developed in parallel at the moment. Countries and stakeholders who report on the new Assessment can consult the practical guidance in the Toolkit to contextualise their monitoring results and take action to improve the effectiveness of PSE. Conversely, undertaking the Assessment will help stakeholders to track progress made and identify the gaps and challenges that require improvement.

The Assessment and the GPEDC monitoring exercise

The Assessment will be an integral part of the GPEDC monitoring exercise. As supported by the GPEDC Steering Committee, it will integrate and replace the current framework’s Indicator 3, which measured the quality of public-private dialogue. The Assessment will be a more comprehensive assessment of effective private sector engagement in development co-operation – looking beyond public-private dialogue to measure how to engage effectively with the private sector as part of development co-operation. This is not covered in any other global monitoring exercise.

What the Assessment measures

The Assessment will prioritise a select number of metrics that reflect the essence of the Kampala Principles, including:

- The prevalence of PSE at the country level – whether development partners engage the private sector in their development co-operation, the type of private sector engaged, and modalities used – KPs 1-5
- Awareness of stakeholders of the key conditions that make PSE more effective – KPs 1-5.
- The state of the PSE policy - whether development partners and partner country governments use policies/strategies/results frameworks to articulate objectives and goals for PSE – KPs 1 and 5
- Whether an inclusive dialogue on private sector engagement in development co-operation is taking place at national and programme levels in countries – KPs 3 and 5
• Whether the PSE partnerships are designed with a clear business case in mind, a clear perspective on sustainable results, and a credible effort to targeting those who are furthest behind and whether it is geared towards benefitting those furthest behind – KPs 2 and 5
• The transparency and accountability arrangements in place – KPs 4 and 2
• The degree to which the private sector considers it easy to partner with other stakeholders at country level and is aware of PSE opportunities - KPs 1-5

Who reports on the Assessment

The measurement of former Indicator 3 did not include all relevant stakeholders as identified in the Kampala Principles. Now, the Assessment not only targets partner countries, the business community and trade unions: civil society organisations and development partners will also be able to report on its various measurement areas (see Annex III for the full list of Assessment questions and data points).

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Guiding questions for Session 5: Kampala Principles Assessment – Tracking the Effectiveness of Private Sector Partnerships, Technical workshop, Cotonou, Benin

The session will invite participants to comment on the Assessment, its metrics and the expected evidence to emerge from the assessment; and strategize around ways to raise awareness and generate buy-in and interest among relevant actors at country level in using the assessment. Participants will be guided by the following questions:

1. Are the key metrics on PSE clear? If not, can you point out what is unclear?

2. What is the most/least useful evidence on the dimensions of, and challenge associated with PSE, that you can draw from the key metrics to trigger dialogue and action at country-level?

3. Is there any dimension of PSE that you find relevant that is missing?

For question 4, please refer to the questions that you have been assigned to your constituency in Annex III.

- Partner Country Governments – p. 36
- Development Partners – p. 37
- Civil Society Organisations – p. 47

4. Is reporting on the key metrics feasible? Who would you reach out to consult on/report on these metrics and what would be the challenges that you could face? How could these be addressed?

For question 5, please refer to Key Metric 7 addressed to private sector representatives in Annex III, p. 44

5. Based on your experience in PSE at country-level, do the proposed questions reflect relevant opportunities/challenges faced by the private sector when partnering in development co-operation?