

## Mapping results and platform, partnership and initiatives review framework

### Approach

To identify an appropriate niche for the Global Partnership in PSE, a review of 66 PSE platforms, partnerships and initiatives (see annex) was conducted over July-October 2017. The review looked at all registered global, regional and sectoral platforms. It includes prominent business associations, such as the World Business Council for Sustainable Development, and multi-stakeholder platforms such as the Business Call to Action, initiatives that look at the role of the private sector in sustainable development. Specific initiatives that set out principles for PSE, such as the MDB Principles to Support Sustainable Private Sector Operations, were also included in the review, given the ultimate goal of the work stream to develop principles for effective PSE in development co-operation. Annex 2 provides an overview of the platforms, partnerships and initiatives examined.

For each platform, partnership and initiative<sup>1</sup> examined, the review team looked at mandate, geographic and sectoral focus, global and country level activities, including financial modalities and programmes, membership, principles, results achieved and monitoring and accountability functions.

### Findings: Mandate

The review revealed a wide variety of mandates for the 42 global and regional platforms examined. Accelerating progress on the SDGs or sustainable development more generally was included in the mandate of 17 platforms. Promoting responsible or sustainable business (11), promoting collaborative/collective action or matchmaking (11), and increasing financing for sustainable development (10) were the next most common goals stated. Improving co-operation or cross-sector collaboration and building the evidence base or conducting research to promote action across sectors on a specific issue were the next most commonly cited mandate features each by 7 platforms. Three platforms included the specific goal of bringing business perspectives to policymakers while two noted the goal of developing the business case for engagement on the SDGs. Only one global platform – The Partnerships for SDGs – includes an accountability function in its mandate, namely documenting partnerships and their progress to link with the follow-up mechanisms of the 2030 Agenda.

Of the 24 sectoral platforms examined, 15 promote faster, better and more sustainable outcomes for a particular sector or set of sectors. Eleven are mandated to set sectoral standards or promote principles, 10 promote matchmaking or cross-sector collaboration, 5 conduct research or collect evidence to promote action, and 4 have the mandate to build capacity within the sector. Only three platforms – the roundtable platforms for responsible soy and palm oil, and the Accord on Fire and Building Safety in Bangladesh – are specifically mandated to monitoring progress in the sector.

### Findings: Activities

The majority of the platforms, 55, carry out activities at the global level. For 11 of these platforms, global activities are also complemented by activities in focus countries from around the world. The remaining 11 platforms focus on specific countries or regions, with Africa serving as the most predominant (5). In terms of sectoral focus, all of the global platforms (39), with the exception of two, work on all sectors. The regional platforms for Asia and Africa focus on infrastructure. The most prominent sector represented by the sectoral platforms is agriculture (10), followed by health (3), natural resources (2) and trade (2). Two platforms deal with data issues for all sectors. One sectoral platform was included in each of the following sectors: green growth, energy, infrastructure and financial inclusion.

To support their goals, platforms carry out a range of activities at the global level. Table 2.1 provides an overview.

Activity	Global (total = 39)	Regional (total = 3)	Sectoral (total = 24) <sup>2</sup>
Knowledge sharing	33	2	17
Policy dialogue	22	3	15
Showcasing member activities	21	0	13

<sup>1</sup> Referred to as platforms throughout for ease in reading.

<sup>2</sup> In one instance, the sectoral platform was newly established and information on activities unavailable.

Research	16	2	10
Capacity development	16	2	9
Promotion of principles	7	1	11
Matchmaking	8	1	6
Technical assistance	7	1	6
Financing member activities	3	0	6

Table 2.1 shows that the most prominent activity among platforms is knowledge sharing followed by policy dialogue and showcasing member activities. Given that most platforms aim to convene stakeholders across sectors to address challenges that require a multi-stakeholder response, it is unsurprising that knowledge sharing on best practice and lessons learned is a common feature of platforms. Platforms also seek to promote their own lessons learned. Working across sectors to address sustainable development challenges also typically requires policy dialogue to build trust between participants and consensus on key issues and how they should be addressed. It is also fairly unsurprising that over half of the platforms examined (34) showcase the activities of their members. This is important for demonstrating best practice, providing examples for others to follow and likely an important incentive for private sector partners that are afforded an opportunity to showcase their good work, and therefore contribute to reputational gains with peers, governments and civil society. Research is also an important component of the work of platforms. While some platforms collate research conducted by others, many (28) also conduct their own research, building the evidence based to support their goals, activities and success narrative. Over a third of the platforms examined (27) engage in capacity development while 14 provide technical assistance. Typically these services are provided to the beneficiaries of platform efforts (e.g. many of the platforms working in agriculture support smallholder farmers); private sector members in the form of tools, publications and webinars to improve business practices; support for developing partnerships; or partner country governments, particularly regional platforms for Asia and Europe. While 14 platforms support the formation of cross-sector partnerships and collaborations, only 9 provide financing to member activities, 6 of which are sectoral platforms. Here, the sectoral platforms typically provide grant-based co-financing for multi-stakeholder partnerships and pilot projects.

Just under half of the global and regional platforms carry out activities at the country level, typically through localised platforms. These include knowledge sharing (13), capacity development (10), policy dialogue (8), showcasing member activities (8), research (7), promoting principles (5), matchmaking (5), technical assistance (3) and financing member activities (1). Only five of the global and regional platforms however, provide financial modalities and engage in PSE programmes. Financing member activities is not a key role for global and regional platforms. Rather, they tend to focus on creating a space for collaboration to occur.

At the sectoral level, the majority of platforms carry out country level activities (18 out of 24 platforms), the bulk of which engage in policy dialogue (9), capacity development (9), technical assistance (7) and knowledge sharing (7). Showcasing member activities, promoting principles, and financing member activities is carried out by a minority (4 platforms each). Two platforms carry out research at the national level while one platform supports matchmaking. Three platforms also provide financing for beneficiaries – smallholder farmers – rather than to members. As such, 8 platforms provide financial modalities in the form of grants (7) and guarantees (2). The main PSE programmes supported in this context include business support programs (5), capacity development (6), technical assistance (6) and multi-stakeholder partnerships (3).

### **Findings: Membership**

The platform review suggests a participation deficit exists in terms of participation by partner country governments in global, regional and sectoral platforms (Table 2.2). Of the 66 platforms examined, 17 included representation by partner country governments (7 global, 3 regional and 7 sectoral). Private sector partners based in developing countries and OECD countries were almost equally represented across the global and regional platforms with 21 including OECD domiciled companies and 20 including companies from partner countries. For sectoral platforms, only 16 included the domestic private sector while 20 included OECD-based companies. Though the review did not examine the size of the companies involved, where descriptions of companies were available, they tended to be larger domestic or transnational firms. SMEs tended to be represented in sectoral initiative, particularly those that take a supply chain approach, and as such, engage smallholder farmers, SMEs, producers and their associations, traders and retailers, for e.g. International and domestic

business associations and labour associations have limited representation across the platforms examined.

Providers of ODA participate in 13 of the global platforms, 1 regional platform and 13 of the sectoral platforms, including in a funding capacity. UN agencies host a number of global (7) and regional platforms (2) and two sectoral platforms, and participate in an additional six. IFIs are similarly represented through nine global platforms, one regional platform and 8 sectoral platforms. DFIs have more limited participation, and tend to engage in the platforms that provide financial modalities or carry out matchmaking functions.

The review shows that domestic and international non-governmental organisations are more likely to participate in sectoral platforms than global and regional while the inverse is true for private and philanthropic foundations. Research institutions are more engaged in global platforms than sectoral, but have limited representation overall. Finally, a small number of the platforms examined also participate in other platforms, 7 at the global level and 8 at the sectoral level.

<b>Member type</b>	<b>Global (total = 39)</b>	<b>Regional (total = 3)</b>	<b>Sectoral (total = 24)</b>
Private sector, OECD	21	1	21
Private sector, partner country	20	1	16
Partner country government	7	3	7
ODA provider	13	1	13
United Nations	9	2	6
International finance institution	9	1	8
Bilateral development finance institution	5		6
Private foundation, not independent from company	11		6
Philanthropic foundation, independent	8		5
Research institution	8		5
International NGO	13		16
Domestic NGO	5		11
International labour association	2		2
Domestic labour association	1		2
International business association	5		3
Domestic business association	2		4
Other platform, partnership or initiative	7		8
Membership unclear	7		3

### **Findings: Results, monitoring and accountability**

The majority of platforms (28 global, 2 regional, and 22 sectoral) provide information on their results in terms of the activities they carry out such as research, events, and growth in their membership. Global and regional platforms are the least likely to provide results in terms of development outputs, outcomes or impacts. Twenty-six global platforms and two regional platforms provide no information on development results while 12 provide case studies of success (11 global, 1 regional), some of which include results indicators. The sectoral platforms fare better with eight providing aggregate

<sup>3</sup> Sometimes referred to as partners or supporters by platforms.

development results figures and eight providing case studies. Given that sectoral platforms are more focussed in nature, it is not surprising that they are more likely to provide consolidated development results. Where available, indicators tend to be directly related to the goals of the platform and can be more consistently applied across activities, such as reduction in water use or number of smallholder farmers reached.

With respect to monitoring and accountability, most platforms, 32 global and 3 regional and 10 sectoral, do not monitor the activities of their members nor do they have accountability systems in place. Four global platforms require members to report on their activities and development progress, three have voluntary reporting initiatives and nine provide support to members to improve their monitoring and reporting systems. Sectoral platforms are more likely to require monitoring on progress with 11 requiring monitoring. Members that fail to report or meet the objectives of reporting can lose their status within the platform. Three sectoral platforms are relatively new and as such do not provide information on monitoring and accountability functions.

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Category	Definition
Name	Name of the partnership. Include acronym / abbreviation in brackets where relevant.
Establishment	Year partnership established.
Website	Hyperlink.
Strategic document(s)	References to strategic documents such as strategic plan, operational plans, etc. (documents that clearly outline the mandate of the organisation and forward plans).
About	Overview description of the partnership. Use direct quote where possible.
Mandate	Mandate as articulated by the partnership. Use direct quote where possible.
Geographic focus	Options include: global, Latin America and the Caribbean, Middle East and North Africa, sub-Saharan Africa, Asia, OECD countries. When focus is on a few specific countries, list countries.
Sectoral focus	Options include: all sectors, specific sectors as stated by the partnership.
Activities - global	Specific activities carried out for and by the membership. Options include: policy dialogue, knowledge sharing, research, showcasing member activities, capacity development, technical assistance, financing member activities, promotion of principles, matchmaking.
Activities - country level	Specific activities carried out in partner countries by the partnership. Options include: policy dialogue, knowledge sharing, research, showcasing member activities, capacity development, technical assistance, financing member activities, promotion of principles, matchmaking.
Instruments	Specific private sector instruments offered by the platform including grants, debt financing, mezzanine finance instruments, equity and shares in collective investment vehicles, guarantees and other unfunded liabilities. See description for each attached.
PSE Programmes	Specific programmes offered:., business support, business-to-business, capacity development, challenge funds, multi-stakeholder partnerships, non-profit private sector partnerships, output-based aid, PPPs, technical assistance, mezzanine finance, asset-backed securities, reimbursable grants, loans, bonds, credit lines, impact investing, equity finance, guarantees. See description for each attached.
Principles	Does the organisation have principles members are expected to follow? Can also include standards or codes of conduct. Options: Yes or No
Principles - detailed	List the principles members to which members are expected to adhere.
Results	Results obtained through the partnership. If broad, list. If many specific, provide reference to where results can be found.
Membership - general	Options include: ODA agencies, bilateral DFIs, IFIs, UN, partner country governments, research institution, private foundations, philanthropic foundations, private sector - transnational (based in OECD country, operating in partner countries), private sector domestic (i.e. domiciled in partner countries), international NGO, domestic NGO, international labour association, domestic labour association, international business association, domestic business association, other partnership platform. List all that apply.

Membership - specific	List member names. If many, provide link to member list.
Monitoring and accountability	Specific monitoring, review and accountability efforts carried out by the partnership.
Engagement opportunities for GPEDC	Future events and activities (e.g. meetings, medium-term research activities) at global, regional or country level that may be relevant for the GPEDC's work stream.
Contact information	Include key individual, title, phone, email and address.
Additional notes	Any other information that may be relevant to the study but is not captured by the framework.

### Description of instruments

The five broad types of ODA financing captured by private sector instruments are defined as follows:<sup>4</sup>

- *Grants*: Standard grants include transfers in cash or in kind for which no legal debt is incurred by recipients. They are provided directly to companies (serving as a subsidy in this instance) as well as other implementing partners, such as CSOs and multilateral organisations, to carry out activities in partnership with private sector partners. Grants in the form of interest subsidies are payments to soften the terms of private export credits, or loans or credits by the banking sector. Capital subscriptions on deposit basis and encashment basis counted as grants are payments to multilateral agencies in the form of notes and similar instruments, unconditionally encashable at sight by the recipient institutions.
- *Debt instruments*: These include transfers in cash or in kind for which recipients incur legal debt. Debt instruments include various types of loans and loan structures (including credit lines), bonds, asset-backed securities, and reimbursable grants. Standard loans are defined as transfers in cash or in kind for which the recipient incurs legal debt (and the resulting claim is not intended to be traded). Since payment obligations on standard loans are senior obligations, i.e. creditors are entitled to receive payments against their claims before anyone else, they are also referred to as senior loans. Bonds are fixed-interest debt instruments issued by governments, public utilities, banks or companies, tradable on financial markets. Asset-based securities are securities whose value and income payments are derived from and backed by a specific pool of underlying assets. Reimbursable grants include contributions provided to recipients for investment purposes, with the expectation of long-term reflows at conditions specified in financing agreements. A provider assumes the risk of total or partial failure of an investment. It can also decide if and when to reclaim its investment.
- *Mezzanine finance instruments*: These include subordinated loans, preferred equity and other hybrid instruments. A subordinated loan is only repaid after all senior obligations have been satisfied in the event of a default. Given the higher risk, mezzanine debt holders require a higher level of return than more senior debt holders. Preferred equity is equity that will be repaid after all senior obligations and subordinated loans have been satisfied and will be paid before common equity holders in the event of a default. Other hybrid instruments refer to convertible debt or equity.
- *Equity and shares in collective investment vehicles*: This includes common equity, shares in collective investment vehicles and reinvested earnings. Common equity is a share in the ownership of a corporation that gives the owner claims on the residual value of the corporation after creditors' claims have been met. Shares in collective investment vehicles are collective undertakings through which investors pool funds for investment in financial or nonfinancial assets or both. These vehicles issue shares or units. Reinvested earnings are only applicable to foreign direct investment (FDI). Reinvested earnings on FDI consist of the

<sup>4</sup> Definitions directly from the OECD-DAC 2016 CRS Directives. The new directives will apply from 2017 reporting on 2016 flows. See DCD-DAC (2016). Aside from grants, not all private sector instruments will be counted as ODA going forward. Some will be reported as other official flows, which will depend on the terms they offered to the private sector.

retained earnings of a direct foreign investment enterprise which are treated as if they were distributed and remitted to foreign direct investors in proportion to their ownership of the equity of the enterprise and then reinvested by them in the enterprise.

- *Guarantees and other unfunded liabilities:* A guarantee refers to a risk-sharing agreement under which the guarantor agrees to pay part or the entire amount due on a loan, equity or other instrument to the lender/investor in the event of non-payment by the borrower or loss of value in case of investment. Other unfunded contingent liabilities refer to other instruments that do not constitute a flow as such but may be also collected in future.<sup>5</sup>

### Description of PSE programmes

Private sector programmes are a subset of private sector instruments and refer to the specific mechanisms through which PSE is pursued.<sup>6</sup>

- *Blended finance:* DAC members define blended finance as “the strategic use of official funds including concessional tools to mobilise additional capital flows (public and/or private) to emerging and frontier markets” (OECD, 2016a, 3). In their work on blended finance, 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. DAC members use a range of private sector instruments in the context of blended finance. Blended finance comes in two forms: public finance blended with private finance; and public finance blended with public finance, or pooled finance (Eurodad, 2016). In the former case, public finance is used to as a subsidy (which can be in the form of grants or loans, for example) to incentivise private investments while in the latter case, public finance from more than one public institution is pooled to jointly direct financing towards development.
- *Business-to-business programmes:* These programmes typically aim to foster investments in partner countries and include two or more partner companies. Initiatives supported by such programmes tend to involve a joint venture or cooperation between a foreign company that assumes the role of the co-funder and typically also buyer of a product, and a local company, which typically sells the product to the partner company (Heinrich, 2013). Such programmes can be part of aid for trade programming and typically offer grants, loans and/or technical assistance to potential partners.
- *Business support programmes:* These programmes typically aim to foster investments in partner countries and include one partner company. Funding is typically provided on a cost-sharing basis in the form of loans, grants and/or technical assistance.
- *Capacity development programmes:* These programmes typically aim to improve the capacity of private sector partners to contribute to sustainable development by improving operations and management practices over the long term. In comparison, technical assistance programmes tend to be more *ad hoc* in nature and geared at addressing a specific constraint at moment in time (such as proposal development or market feasibility studies for a particular project). Capacity development programmes are typically funded through grants.
- *Challenge funds:* Challenge funds are a competitive financing mechanism that channels public funds for specific development purposes. They seek to share private risk through grants and/or loans to the private sector for projects and initiatives that are likely to have a high social return and be commercially viable (Pompa, 2013). Applicants submit proposals that aim to realise the specific objectives set out for the challenge fund (ILO, 2012).

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<sup>5</sup>Guarantees and other unfunded liabilities are listed as a liability for donors and do not entail a resource flow unless called. It is not yet clear how this private sector instrument will be counted as ODA under the new rules though it is likely that the cost of the guarantee will be counted as ODA and the full amount will only be counted as ODA when a guarantee is called.

<sup>6</sup> All definitions from Oxfam International, forthcoming 2017.

- *Impact investing*: According to the Global Impact Investing Network (GIIN, n.d.), impact investments are investments made into companies, organisations and funds with the intention of generating social and environmental impacts alongside financial returns. Core characteristics include: intentionality (i.e. an investor intends to have a positive impact); return expectation on capital, or at a minimum, a return of capital; a range of return expectations and asset classes; and measurement of social and environmental impacts. Impact investing makes use of a range of private sector instruments. Unlike blended finance, impact investing does not explicitly seek to mobilise additional private flows, as is the case with blended finance. Impact investing is sometimes referred to as social investing.
- *Multi-stakeholder partnership programmes*: These programmes offer support for stakeholders from civil society, the private sector, multilateral organisations, research institutions and government to jointly address shared development challenges. Typically such initiatives are grant funded on a cost-sharing basis with the partners involved.
- *Output-based aid programmes*: Output-based aid programmes are a form of results-based financing. They seek to enhance access to and delivery of services, including infrastructure and social services) for poor populations through performance-based incentives, rewards or subsidies (GPOBA, 2016). Aid payments are linked to specific outputs or performance-based measures with service delivery provided by a public or private organisation. Under these programmes, the aid payment operates as a subsidy that complements or replaces user contributions and the service provider is responsible for pre-financing the project with reimbursement only occurring once outputs are realised.
- *Programmes for partnerships between non-profits and the private sector*: These programmes offer grant financing to CSOs, research institutions and multilateral organisations to partner with the private sector in development and/or engage the private sector on development issues, such as through policy dialogue, advocacy and research activities. Some of these programmes include a cost-sharing element in which the non-profit partner is expected to provide a minimum contribution towards the project budget, with the expectation often being that such funds will be raised from the private sector.
- *Public-private partnerships (PPPs)*: A specific type of partnership with the private sector; they are a subset of private sector partnerships. According to the OECD Glossary of Statistical Terms, PPPs are arrangements whereby the private sector provides infrastructure assets and services that traditionally have been provided by government, such as hospitals, schools, prisons, roads, bridges, tunnels, railways, and water and sanitation plants. A range of financing instruments are used to facilitate PPPs, including grants, debt instruments, mezzanine finance and guarantees.
- *Technical assistance programmes*: These programmes offer support to potential private sector partners to facilitate their engagement in development cooperation. Typically financed by grant funding on a cost-sharing basis, these programmes can include business advisory services and support for feasibility studies and proposal development.
- *Other programmes and ad hoc support*: In some cases, DAC members are working with the private sector through a programme that is not represented by those listed above, or on an ad hoc basis for which there is no discernible programme being used.

In addition to the programmes outlined above, programmes also include debt instruments, mezzanine finance, equity and contributions to shared investment vehicles, guarantees and other unfunded liabilities, such as insurance, through their development finance institutions (DFIs) and in some cases, aid ministries and agencies. These instruments are typically provided through programmes offered on specific terms that vary according to the institution involved and associated development objectives.

## Annex. Platforms, initiatives and partnerships examined

### United Nations

- Business Call to Action (BCtA)
- Partnerships Forum
- Partnerships for SDGs
- UN-Business Action Hub
- UNIDO Programme for Country Partnership
- UNDP Responsible Business Forum on Sustainable Development
- United Nations Global Compact (UNGC)
- Women's Empowerment Principles

### Other Global

- Alliance for Integrity (AfIn)
- Aspen Network of Development Entrepreneurs (ANDE)
- Association of European Development Finance Institutions (EDFI)
- B20 Collective Action Hub
- Bteam
- Business and Industry Advisory Committee (BIAC, OECD)
- Business Commission on Sustainable Development (BSDC)
- Business Fights Poverty
- Business for 2030
- Business for Social Responsibility
- Convergence: Blending global finance
- Donor Committee for Enterprise Development (DCED)
- Inclusive Business Action Network
- International Business Leaders Forum
- International Chamber of Commerce
- MDB Principles to Support Sustainable Private Sector Operations
- Global Deal for Decent Work and Inclusive Growth
- Global Partnerships Forum
- Global Impact Investing Network (GIIN)
- Global Social Impact Investing Steering Group (GSG)
- Global Social Entrepreneurship Network (GSEN)
- Guidelines for Effective Philanthropic Engagement
- Organisation for Economic Co-operation and Development, Blended Finance
- Organisation for Economic Co-operation and Development, Directorate for Financial and Enterprise Affairs (OECD/DAF)
- Organisation for Economic Co-operation and Development – World Economic Forum Redesigning Development Finance Initiative (RDFI)
- Principles of MDBs' strategy for crowding-in Private Sector Finance for growth and sustainable development
- Principles for Responsible Investment (PRI)
- SDG Philanthropy Platform
- Sustainable Development Investment Partnership (SDIP)
- World Business Council for Sustainable Development (WBCSD)
- World Economic Forum (WEF)

### Regional

- Continental Business Network (CBN), New Partnership for Africa's Development (NEPAD)
- United Nations Economic Commission and Social Commission for Asia and the Pacific (ESCAP), Financing and Private Sector Participation
- United Nations Economic Commission for Europe (UNECE) Committee on Innovation, Competitiveness and Public- Private Partnerships (CICPPP)



## Sectoral

- Accord on Fire and Building Safety in Bangladesh
- African Cashew Alliance
- Alliance for a Green Revolution in Africa (AGRA)
- Better Cotton Initiative (BCI)
- Better than Cash Alliance (based at the UN)
- Business Platform for Nutrition Research
- Construction Sector Transparency Initiative (CoST)
- Cotton Made in Africa (CMiA)
- Ethical Trade Initiative
- Extractive Industries Transparency Initiative (EITI)
- Farming First
- Food and Land Use Coalition (FOLU)
- Global Alliance for Trade Facilitation
- Global Business Network for Social Protection Floors
- Global Green Growth Forum (3GF)
- Global Partnership for Sustainable Development Data
- Global Pulse
- Markets Institute
- Public-Private Alliance for Responsible Minerals Trade (PPA)
- Roundtable on Sustainable Palm Oil (RSPO)
- Roundtable on Responsible Soy (RTRS)
- SUN Business Network
- Sustainable Energy for All (SEforALL)
- Sustainable Trade Initiative (IDH)