Principles for Effective Private Sector Engagement
Global Partnership

Effective Private Sector Engagement Through Development Cooperation

The HLM2 in Nairobi mandated the Global Partnership:
“to maximize the effectiveness of all forms of co-operation for development for the shared benefits of people, planet, prosperity, and peace”

2016 Nairobi Outcome Document

The Global Partnership can:

• **promote the effectiveness** of PSE through development cooperation;

• **maximize the developmental impact** of partnerships between the private sector and development community

• Contribute to the **2030 Agenda and the SDGs** through more effective partnerships
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The private sector contributes to sustainable development in its own right.

Development Co-operation can help maximise this contribution.

**HOW?**
By amplifying the development benefits of private sector initiatives.

**Issue area 1:** Leveraging the contributions of the development co-operation community.

**Issue area 2:** Making PSE through development co-operation work in programmes at the country level.

**Issue area 3:** Achieving sustainable results, impact and accountability to scale up successful PSE efforts.

**Principles and Guidelines for Effective Private Sector Engagement through Development Co-operation**

**But how do we deliver our support to the private sector and target those furthest behind?**

Let's use the many opportunities to create shared value.

**Through 4 country studies on 920 projects, workshops and multiple interviews, GPEDC identified 3 issue areas to enhance effectiveness of PSE efforts.**
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Developing PSE principles: Generating evidence and inclusive consultation and dialogue

2017
- Initial mapping of over 70 global, regional, and sectoral PSE platforms

2018
- Established PSE working group to guide work
- Workshops in all four case study countries
  - Four case studies: Bangladesh, Egypt, El Salvador, and Uganda
  - Structured review of over 900 PSE projects

2019
- Established PSE working group to guide work
- Online survey
- Meetings of the Business Leaders Caucus
- BAPA+40 Event
- Steering Committee Meeting Uganda
- Principles and guidelines launched at GPEDC SLM
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Consultations: Moving from issues to principles

BUSINESS LEADER CAUCUS

| Building trust |
| Identifying and Sharing Risks |
| Promoting National Goals |
| Demonstrating Results |
| Ensuring relevance to PS audiences |

ONLINE SURVEY

| Almost 100 respondents revealed importance of: |
| Building relationships and trust |
| Raising awareness of PSE opportunities |
| Monitoring results |

SPECIALISED POLICY DIALOGUE

| Identification of practical steps to accelerate progress towards more effective PSE through development co-operation |
| Generated political buy-in around the idea of principles |
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Principles for Effective Private Sector Engagement

Principle 1: Inclusive country ownership
Strengthening coordination, alignment and capacity at the country level

Principle 2: Results and targeted impacts
Realising sustainable development outcomes through mutual benefits

Principle 3: Inclusive partnership
Foster trust through inclusive dialogue and consultation

Principle 4: Transparency and accountability
Measuring and disseminating sustainable development results for learning and scaling up of successes

Principle 5: Leave no-one behind
Recognising, sharing and mitigating investment risks for all partners
**Global Partnership**

**From Principles to Guidelines to Action**

- **Principles**
  - Fundamental assumptions to guide behaviour
  - Based upon established standards
  - Have numerous and diverse applications
  - Apply to all stakeholders

- **Guidelines**
  - Give life to principles by providing direction to actions
  - Non-specific rules that require further interpretation
  - Apply to all stakeholders

- **Operationalisation**
  - Stakeholder-specific recommendations to operationalise the principles and guidelines in practice
  - Could include recommendations, toolkits, checklists and proposed actions to consider and pitfalls to avoid.

[Steering Committee Meeting in Uganda] [Finalised for GPEDC Senior Level Meeting] [Next work programme]
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Preview of Draft Principles Brochure

PRINCIPLE 1

1. INCLUSIVE COUNTRY OWNERSHIP AND CAPACITY: COMMITMENT AND CAPACITY AT THE COUNTRY LEVEL TO SCALE EFFECTIVE PRIVATE SECTOR ENGAGEMENT

Local leadership and capacity impacts the sustainability and effectiveness of PSE Development cooperation can support the creation and implementation of policy and regulatory frameworks for PSEDC at country level and help efforts to facilitate PSEDC in ways that maximize participation by local businesses and build the capacity of all stakeholders to contribute to PSE.

PROPOSED AIDS FOR AS REGULATED GUIDELINES

At the policy level

- Define broader PSE goals, through an inclusive process that includes all stakeholders, with explicit indication of contributions of PSE to national development priorities and how success will be measured.
- Align PSE efforts with local priorities identified in the plans and policies of national and sub-national governments, as well as through inclusive consultation.
- Co-coordinate efforts across stakeholder groups, ensuring synergies among the work of different actors and alignment with broader priorities.

At the policy and project levels

- Invest in the development institutions capacities to effective partner across sectors.
- Support institutional efforts to strengthen their capacity to engage effectively in PSEDC, particularly at the local level.

PRINCIPLE 2

2. RESULTS AND TARGETED IMPACTS: FOCUS ON SUSTAINABLE DEVELOPMENT OUTCOMES AND IM-PACTS BY TARGETING PS-DCC EFFORTS AND ESTABLISHING PARTNERSHIPS THAT MAKE GOOD BUSINESS SENSE

At its heart, PSEDC is about harnessing shared values between businesses and development stakeholders to realize better outcomes for people and planet through partnerships, generated in sustainable business models. Development cooperation has a role to play in ensuring that private sector maintains sustainable development results, avoid undesirable negative impacts and focus on long-term sustainability of development and commercial results generated in a sound business case.

PROPOSED AIDS FOR AS REGULATED GUIDELINES

At the policy and project level

- Identify key sectors, markets, and populations where PSEDC is needed to support national and international sustainability development priorities and efforts to leave no one behind as part of inclusive dialogue processes and in the development of specific partnerships.

At the project level

- Agree on objectives linked to the 2030 Agenda and national development priorities, and rooted in a sound business case.
- Identify opportunities for maximizing results for partners with specific needs, for example women or young entrepreneurs, or small businesses in the informal sector.
- Avoid unintended negative consequences, including by developing skills to grant interventions in an assessment of market dynamics and adhering to ESG standards.
- Reduce and agree on exit strategies for long-term sustainability of sustainable development results and long-term planning.