

Principles for Effective Private Sector Engagement



**Global
Partnership**
for Effective Development
Co-operation

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



Global Partnership



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



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

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

Effective Private Sector Engagement through Development Co-operation

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

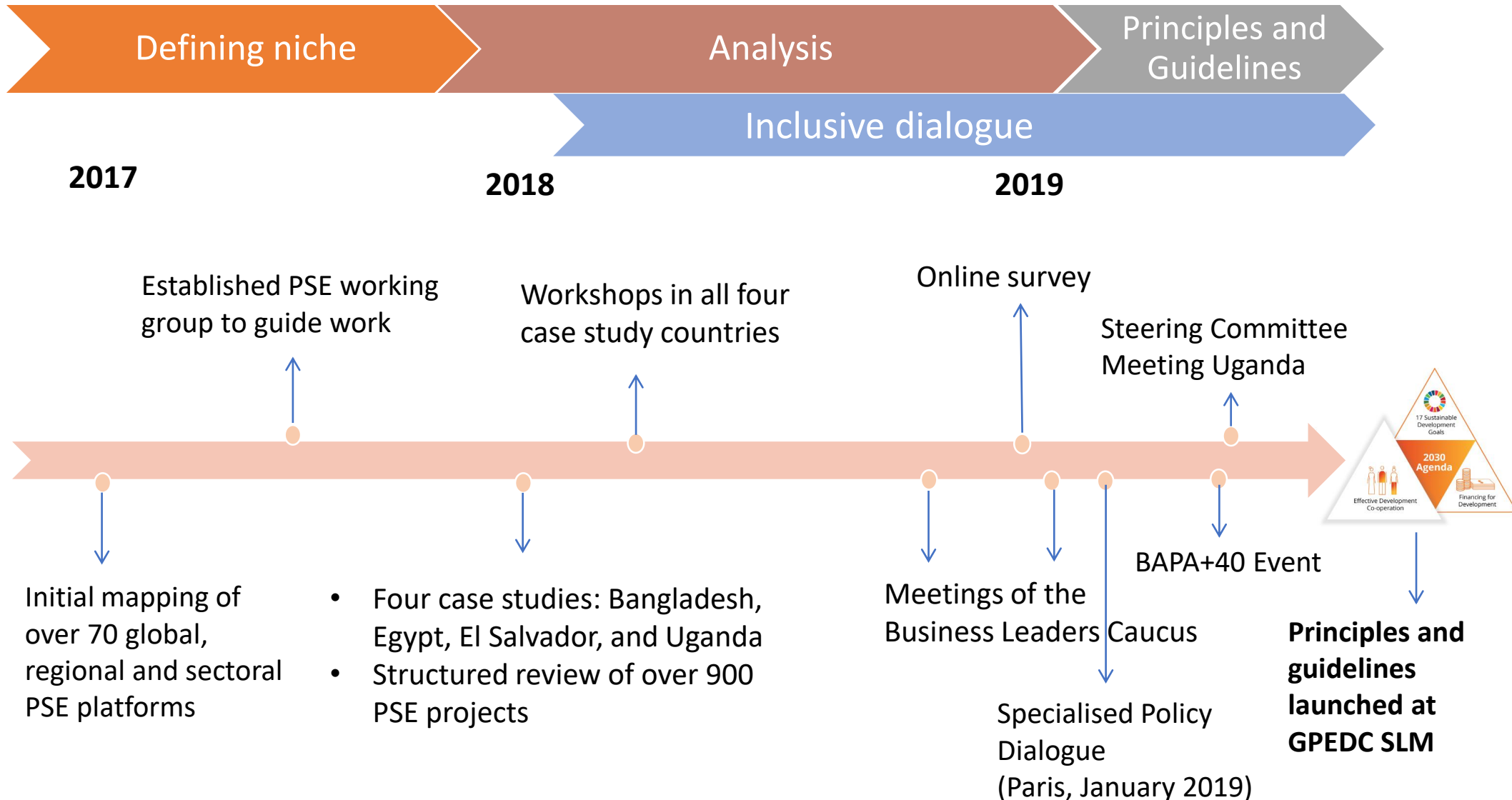
Issue area 3:
Achieving sustainable results, impact and accountability to scale up successful PSE efforts

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

Global Partnership

Developing PSE principles:

Generating evidence and inclusive consultation and dialogue



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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

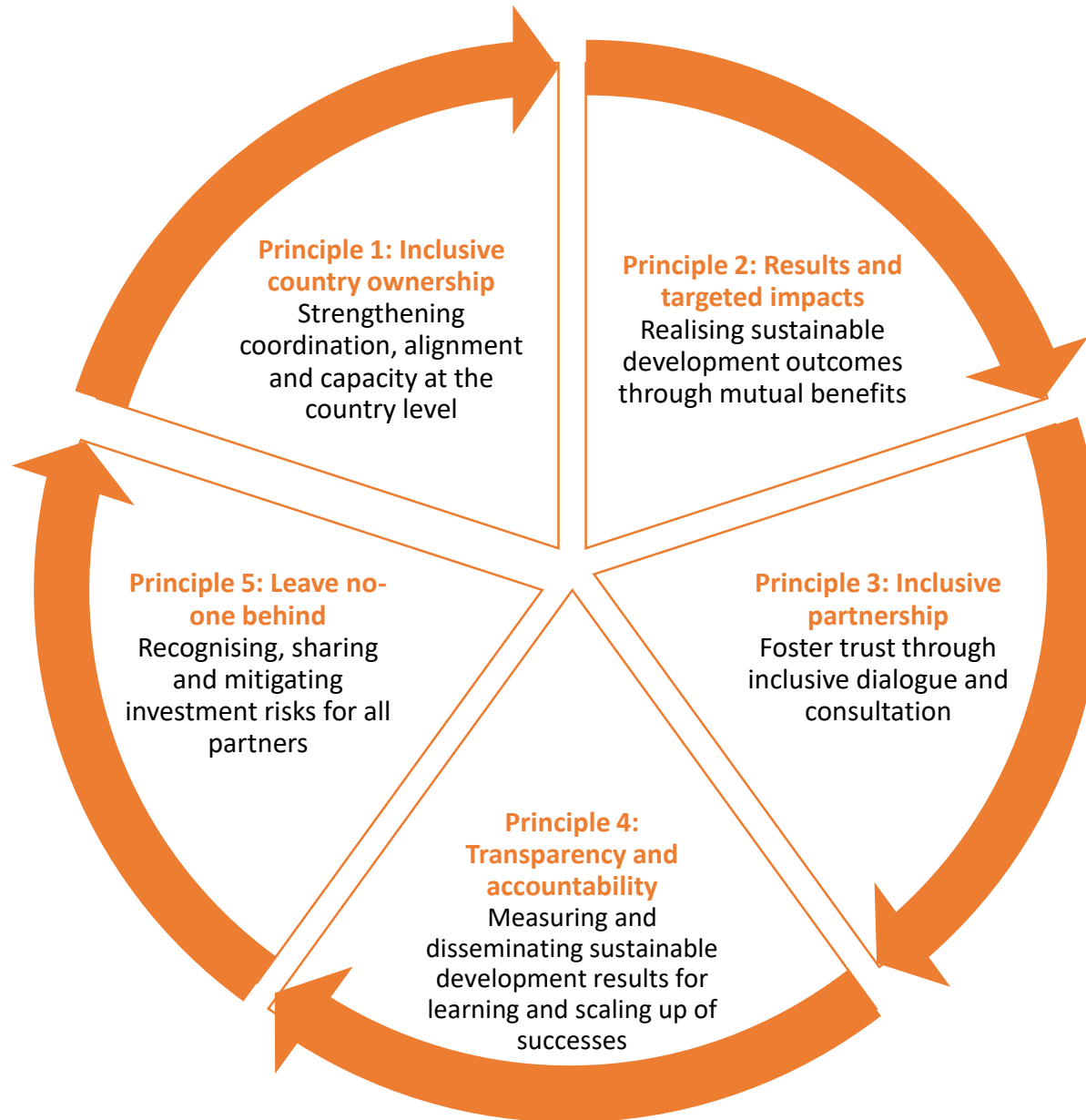


SPECIALISED POLICY DIALOGUE

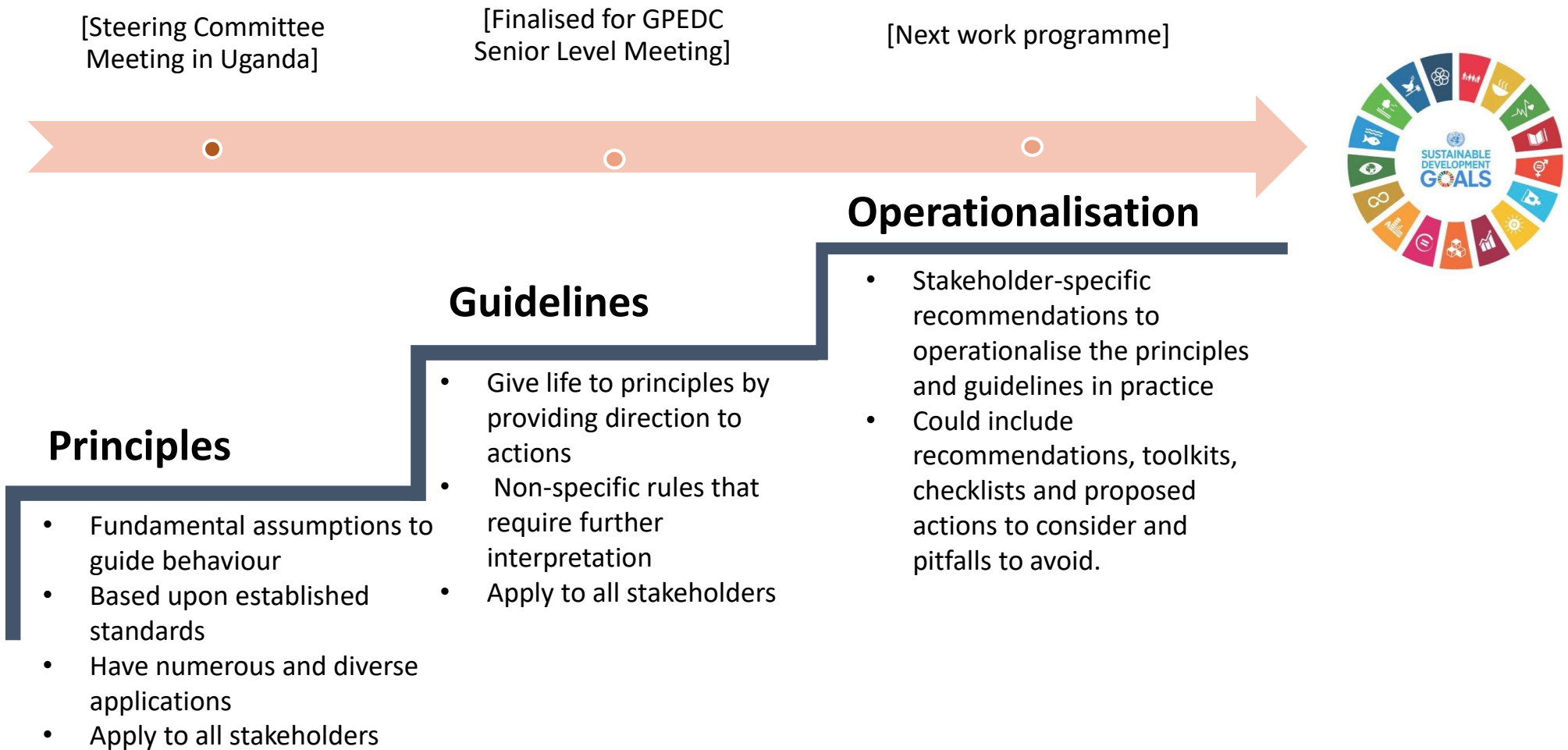
- | Identification of practical steps to accelerate progress towards more effective PSE through development co-operation
- | Generated political buy-in around the idea of principles



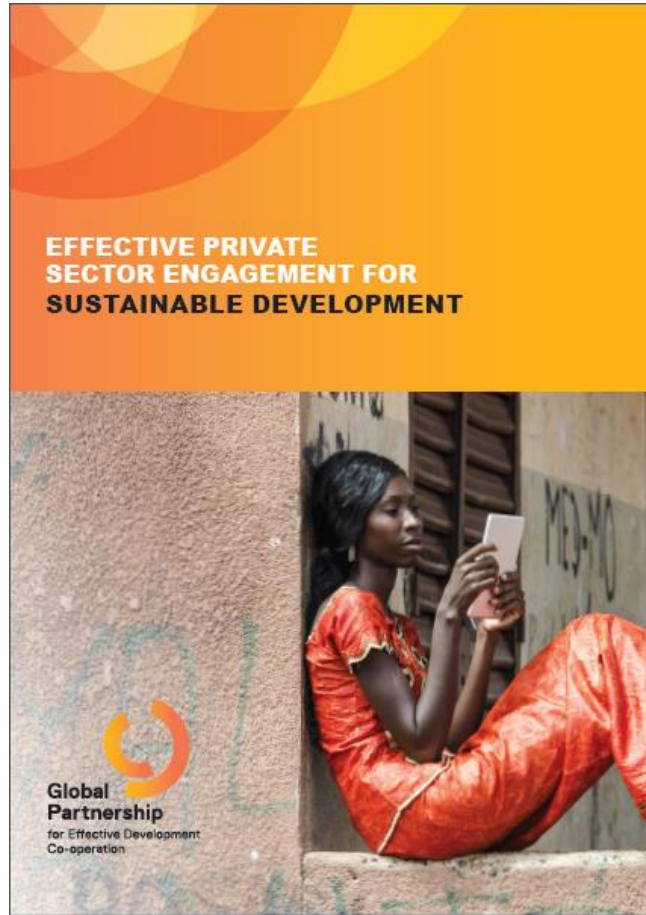
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From Principles to Guidelines to Action



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 co-operation can support the creation and implementation of policy and regulatory frameworks for PSEIDC at country level and take efforts to facilitate PSEIDC in ways that maximise participation by local businesses and build the capacity of all stakeholders to contribute to PSE.

PROPOSED AREAS FOR ASSOCIATED GUIDELINES

At the policy level:

- **Define** national PSE goals, through an inclusive process that includes all stakeholders upfront, is explicit about the contributions of PSE to national development priorities and sets expectations in terms of the roles of individual stakeholder groups 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
- **Coordinate** within and across stakeholder groups, ensuring synergies among the work of different actors and alignment with national PSE priorities

At the policy and project levels:

- **Invest** in the develop institutional capacities to effective partner across sectors
- **Support** stakeholders' efforts to strengthen their capacity to engage effectively in PSEIDC, particularly at the local level

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

At its heart, PSEIDC is about harnessing shared interests between businesses and development stakeholders to realize better outcomes for people and planet through partnerships grounded in sustainable business models. Development co-operation has a role to play in ensuring that partnerships maximise sustainable development results, avoid unintended negative impacts and focus on long-term sustainability of development and commercial results grounded in a solid business case.

PROPOSED AREAS FOR ASSOCIATED GUIDELINES

At the policy and project level:

- **Identify** key sectors, markets, and populations where PSEIDC is needed to support national and international sustainable 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** possibilities for maximising 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 ground interventions in an assessment of market dynamics and adhering to ESG standards
- **Define** and agree on exit strategies for long-term sustainability of sustainable development results and long-term planning



→ PRINCIPLE 2