



Engaging with the Private Sector in Development Cooperation

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AGENDA

- Increasing recognition of the private sector as partner in development cooperation
- Forms of engaging with the private sector
- Examples of Private-Public Collaboration programmes by EU Member States
- Proposed actions for the next financial perspective to support development partnerships with the PS

Increasing recognition of the private sector as partner in development cooperation

- Objective of working with the private sector to meet MDGs has been previously outlined in the **8th MDG** – *Develop a Global Partnership for Development*.
- The “**Agenda for Change**” calls for making the private sector a main partner in development.
- The recognition of the central role of the private sector in development has been reinforced in the outcome document of the **Busan HLF** on Aid Effectiveness.

Forms of engaging with private sector in development

- At the **policy level**:
Active participation of PS stakeholders in policy dialogue and advocacy around reforms to improve the business environment.
- At the level of **development financing**:
Mobilize private finance for shared development goals through innovative financial and risk mitigation mechanisms (blending).
- At the level of **companies' core business operations**:
Promote development partnerships in areas that advance both development and business outcomes in mutually reinforcing ways
 - ⇒ support to scaling up of inclusive business models;
 - ⇒ promotion of responsible business practices in areas such as human rights, labour, environment and anti-corruption;
 - ⇒ working with PS in the framework of Private-Public Partnerships (PPP) for the delivery of basic public goods and infrastructure services.

Examples of Private-Public Collaboration programmes by EU Member States

- *GIZ/DEG develoPPP Programme (Germany):*
Co-funds private projects with high development impact based on regular ideas competitions. Also supports the integration of private partners in GIZ technical cooperation projects with partner countries.
- *DFID challenge funds (UK):*
Offers grants to businesses on a competitive basis to help cover start-up costs.
- *Finpartnership (Finland):*
Offers financial seed money and advisory services for Finnish companies to start and implement their business operations in developing countries.

Possible actions for the next financial perspective to support development partnerships with the PS

- To enhance outcomes of our PSD support activities at the meso and macro levels, we are exploring ways to support private-public collaboration, for instance through:
 - Promoting closer cooperation among development partnership programs of MSs and increase their scope through EU funding.
 - Supporting knowledge sharing platforms and private-public dialogue mechanisms (e.g. CIIP, DCED, UNCDF FIRE, FIAS)
 - Mainstreaming private sector collaboration across relevant sectors (health, energy, agriculture, infrastructure, environment etc.).
 - Engaging the private sector in structured policy dialogue.
 - Promoting responsible business practices through national and regional programmes

Proposed actions for the next financial perspective to support development partnerships with the PS (cont'd)

- We will explore new ways of using grants for the mobilization of private sector resources for development through:
 - Extending the scope and scale of regional blending facilities.
 - Establishing risk-sharing mechanisms and guarantee schemes for private investors in partnership with European development financing institutions.



Thank you!

Link to websites:

<http://capacity4dev.ec.europa.eu/topic/private-sector-trade-regional-integration>

http://ec.europa.eu/europeaid/what/economic-support/private-sector/private_sector_en.htm