Partnering for Global Development

THE EVOLVING LINKS BETWEEN BUSINESS AND INTERNATIONAL DEVELOPMENT AGENCIES

THE SPIRIT OF ENTERPRISE
U.S. CHAMBER OF COMMERCE

BCLC
BUSINESS
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CENTER

FINAL DRAFT

About BCLC

The Business Civic Leadership Center (BCLC) is a 501(c) 3 affiliate of the U.S. Chamber of Commerce, the world's largest business federation. BCLC is the U.S. Chamber's resource and voice for businesses and their social and philanthropic interests.

BCLC's mission is to promote better business and society relations and improve long-term social and economic conditions by:

- Communicating the U.S. private sector's unique and valuable contributions
- Cultivating strategies and practices that achieve positive results
- Coordinating public-private partnerships (PPPs) and coalitions

BCLC works with leaders from the business, government, and nonprofit sectors to address and act on shared goals. Our overarching goal is to help build good will, good relations, and good markets by focusing on issues that affect businesses from a social and economic standpoint.

About Corporate Citizenship

Corporate Citizenship is a management consulting firm, with offices in the US and the UK. Corporate Citizenship offers clients around the world unrivalled breadth and depth of experience in corporate responsibility. Since 1997, it has advised leading multi-national corporations on how to enhance and align their citizenship and mainstream business activities to create strategic business value on the ground in more than 40 developing countries, and has advised over 100 leading multi-national corporations from many industries, clients include Unilever, Cadbury, Abbott Laboratories, Citigroup, Vodafone Foundation, and Molson Coors. Additionally, Corporate Citizenship manages LBG, a corporate community involvement management tool and a network of companies working together to assess what they invest into the communities where they operate, to evaluate what this achieves, both for the causes they support and for the company, and to report more effectively.

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Glossary of terms

AFD	Groupe Agence Française de Développement
BoP	Base of Pyramid
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Organization
DFID	Department for International Development
DMV/HH	Dutch Humanitarian Aid / Ministry of Foreign Affairs
ERR	Economic Rate of Return
GDA	Global Development Alliance (USAID's office for partnerships)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeitz
IDA	International Development Agency
JICA	Japan International Cooperation Agency
MCC	Millennium Challenge Corporations (United States)
MDG	Millennium Development Goals
MNC	Multinational Corporations
PPP	Private Sector Partnerships
SDC	Swiss Agency for Development and Cooperation
SIDA	Swedish International Development Corporation Agency
USAID	United States Agency for International Development

Scope and methodology

This report provides a first ever overview of diverse international development agencies' (IDAs) strategies for partnerships with multi-national corporations (MNC). This report aims to help MNCs understand how IDAs operate and how they work with businesses to create effective partnerships in developing countries. The report highlights key trends, the ways different development agencies partner with the private sector, opportunities for companies to take the initiatives for partnerships, and includes some general advice on how companies can engage with IDAs.

For the purposes of this report, we define businesses as multinational corporations. International development agencies are defined as bilateral government agencies which provide overseas development assistance to developing countries. This report is not meant to be an in-depth review of individual agencies and their strategies. Rather, it focuses on the relationship between IDAs and corporations and how IDAs engage corporations on mutually shared goals to address the development agenda. It is also not meant to be a detailed guide for businesses on how to partner with individual IDAs, although general information about their programs is included. Instead we are seeking to provide a starting point to identify opportunities for partnership between the sectors and identify the role of IDAs seeking to engage with MNCs. The methodology included:

- Benchmarking of the approaches to partnerships for 10 International Development Agencies: AFD, DANIDA, DFID, DMV, GTZ, JICA, MCC, SDC, SIDA, and USAID. We selected a range of development agencies from Europe, the US and Asia as a representative sample of global institutions. Research was based on publicly available information in English. (For the complete names of these agencies please see the Glossary of Terms).
- Interviewing five agencies. We interviewed USAID, MCC, DFID, JICA, and SIDA to further our understanding of the agencies' approaches to working with the private sector. We selected a range of development agencies to interview as a representative sample of global institutions at different stages of engaging corporations.

A special section on China is also included. China does not have an IDA; however, given the country's growing importance in the global economy and in developing and emerging markets, we reviewed the Chinese government's engagement with businesses in developing countries.

Appendix 1 provides an overview of IDA's, and includes a snapshot of their overall approaches as well as their private sector and corporate strategies. Appendix 2 provides individual agency pages for DFID, JICA, MCC, SIDA and USAID's GDA. These pages are based on interviews held with the agencies and provide more insight into the agencies approaches for working with corporations. Appendix 3 provides the IDA contact information.

Executive summary

74% of all overseas development assistance is provided by the 10 International Development Agencies (IDAs) surveyed for this report[*]; and according to a 2009 Business Civic Leadership Center survey, multinational corporations (MNCs) contribute $3.5 billion in overseas development assistance. In fact, depending on how in-kind contributions are calculated, multinational companies, if they were a country, would rank in the top 20 of the largest overseas aid providers globally.

With the growing importance of providing assistance to developing and emerging markets from both IDAs and MNCs, BCLC wanted to better understand the relationship between the two sectors. The focus of the research is to help corporations understand how IDAs operate and how they work with businesses to develop effective partnerships. Our review of the IDAs produced the following key findings:

IDA sector outreach to MNCs is a relatively new phenomenon.
- Since 1999, all of the ten leading International Development Agencies (IDAs) have embraced some type of private sector initiative, and the majority of them also engage with multinational companies. While historically focused on working with governments, IDAs have increasingly recognized the importance of private, public, and nonprofit sectors in developing and emerging markets' social and economic development. In the late 1990's and early 2000's agencies began to expand their private sector engagement approaches to include MNCs and look to them as a partners in development.

Public-private partnerships are becoming an increasingly important strategy for emerging market development.
- Looking across diverse development agencies (and China) and their engagements with MNCs there is a strongly established consensus that the development agenda cannot go forward unless the two sectors are working together in a systematic way.

IDAs are motivated by both the development and the business agendas.
- While the primary objective of engaging corporations in partnerships is to enlist corporate support for development goals and objectives, development agencies recognize that business can be an important agent for economic development and can address development issues including human rights, and occupational health and safety.
- Many IDAs see a corporation's market driven program as an opportunity to broker partnerships and to help a company understand the local country context.

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[*] Source: OCED Annual Stats for 2009. This figure does not include China because China is not an OCED member.

IDAs still have significant "growing pains" in terms of developing public-private partnerships.

- Many IDAs still have not created accessible information, communication or coordination systems. It is difficult for private companies to determine "who is responsible for what" and appropriate ways to engage.
- The amount of capital available for public-private partnerships is murky, and rules for how capital is leveraged are not standardized or well communicated.
- IDAs struggle between finding the balance between partnering and co-investing with companies to achieve public goods that deliver private sector benefits.

IDAs' approaches to partnership process are evolving.

- There have been two approaches to engaging corporations—top down and bottom up. Agencies such as DFID began engaging MNCs in global partnerships to address specific issues, such as its Extractive Industries Transparency Initiative (EITI), whereas USAID established country-level alliances to address specific country-level development issues and local corporate needs. IDA strategies are now beginning to converge and several have both global initiatives and local programs.
- The two primary means by which IDAs partner with corporations are through public-private partnerships and by acting as a strategic advisors or brokers with other aid agencies.

Partner identification is a key issue.

- IDAs do not state preferences to specific industries. Instead they emphasize finding the right partner to create successful partnerships which help achieve development goals and objectives. However, one of the chief hurdles to fostering collaborations is identifying the right partner – an organization which shares similar goals and objectives.

IDAs' programs often support and build upon existing multilateral initiatives.

- Many of the agencies are building on other multinational initiatives (such as the UN MDGs) and are working with corporations to help them navigate and address these multinational initiatives. However, the challenges facing IDAs whose MNC partnership programs are newer are how to make the strategies operational, build effective partnerships and create sustainable results.

There is often a disconnect between countries with greatest need and where MNCs invest.

- IDAs are open to promoting partnerships wherever they operate. However, Sub-Saharan Africa is a priority region for most agencies. It is also the continent which has the least MNC presence.

There are success stories.

- USAID has leveraged over $9 billion with over 680 alliances to mobilize investments such as water, micro-credit, and agriculture.
- GTZ has had more than 800 projects overall. In Africa GTZ has supported 250 projects, which focused on sustainable economic development, through healthcare and agricultural projects.

IDA approaches to working with the private sector

What is the private sector?

All the IDAs identified for this research have stated the importance of engaging the private sector in development, but *how* the agencies define the private sector influences their policies and programs for engaging with corporations. Many agencies define the private sector as anything that is not the government, including nonprofits, civil society organizations, and trade associations, in addition to private businesses. Furthermore, IDAs may define business to include local micro-enterprises, small and medium enterprises, national corporations and multinational corporations. This broad definition of the private sector can create confusion for corporations seeking to partner with a development agency. It is important to understand each IDA's specific definition of the private sector and their philosophy toward engagement. Not all agencies working with the private sector are partnering with MNCs.

Drivers for engagement with business

International Development Agencies recognize the value of the private sector – including corporations – in achieving development goals. Economic growth and private capital are key instruments for poverty reduction and play an important role in improving peoples' livelihood. Agencies have learned that by engaging the private sector they can improve the local economy through job creation and business expansion. The direct impact of job creation and business expansion can have a positive ripple effect on wider social issues including health and education. According to USAID, since the 1960s "public funding of development, once the driving force for international giving, has diminished…even as the total value of overseas development assistance has increased. In contrast, public-private flows and private capital has exceeded public funding." DFID cites that economic growth accounts for 80% of the poverty reduction globally achieved since 1980.

> **Multilateral initiatives**
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> **Business Call to Action** aims to help achieve the UN's Millennium Development Goals by encouraging companies operating in or trading with developing countries to adapt their business models, competencies and approaches to help improve the lives of people through innovation, investment and the creation of decent jobs while leveraging their core business expertise to realize commercial success.
> www.bcta-initiative.org
>
> **Global Compact** is a UN initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.
> www.unglobalcompact.org

Multilateral institution initiatives

IDAs recognize initiatives being undertaken by other actors, and consider it important to engage with these initiatives. Many multilateral organizations have global initiatives which engage the private sector,

however, the two initiatives with which IDAs most commonly align their corporate initiatives are the UN Business Call to Action and the UN Global Compact (see side bar for information about these initiatives).

What motivates IDAs to outreach to corporations?

IDAs also recognize certain corporate-driven programs as synergistic opportunities to engage with corporations. Key corporate initiatives that attract IDAs include general corporate social responsibility (CSR) and Base of the Pyramid (BoP) or social innovation programs.

CSR programs often address issues such as human rights, health care, the environment, education, and occupational health and safety. These are often areas which concern development agencies, so agencies view these types of programs as potential opportunities to engage with businesses on mutual goals.

Base of the Pyramid and social innovation programs are also natural connections for IDAs and businesses. By definition, these initiatives are commercially motivated but may also address development needs. Social innovation and BoP focus on generating new business opportunities within populations at the lowest income levels. By making products or services affordable to low income people, companies not only capture new markets, but also can address pressing social issues, stimulate economic growth, and provide access to vital goods and services.

> **About the Base of the Pyramid (BoP)**
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> BoP refers to the poorest socio-economic group, and refers to the four billion people who live on less than $2 per day, typically in developing countries.

Where IDAs operate and their priority regions

IDA priority regions and countries of operations vary from agency to agency and are guided by the agency's strategic priorities which are often determined at the highest levels of the IDA's government. Sub-Saharan Africa is the most common top priority region. IDAs often operate in unstable and post-conflict countries which have weak infrastructure, unstable governments, high poverty rates and fragile economies. They are also the places which are least likely for a broad range of MNCs to operate, which can make attracting MNC partners for those regions a challenge.

> **Creating an enabling environment**
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> Many countries where development agencies operate have weak and/or unstable governments and often lack basic infrastructure and resources which would make their country attractive to businesses. As a part of an agency's overall strategy, most IDAs focus on working with governments within the countries to create an environment which is conducive to attracting businesses.

Financial commitment

One of the aims of this research was to identify how much financial commitment is allocated to partnerships with MNCs. However, it is difficult to make comparison amongst development agencies as some agencies do not publicly disclose their budgets for collaborations with the private sector and MNCs. Among those which do publicize their budgets, they often report the information in different formats. For example, USAID reports the total investment on its public-private partnerships, which includes USAID, civil society organizations, and private sector contributions. GTZ provides public-private partnerships figures and breaks out the details about its own contributions. DFID does not report a figure for the overall financial contributions it makes. Rather the activity is spread across a range of separately managed partnership initiatives.

Types of corporate engagement

The review of IDA engagements with corporations revealed that with the exception of AFD all the agencies have programs that specifically focus on engaging corporations. However, the agencies are in different stages of developing their initiatives. Five agencies have well established programs (DAINDA, DFID, GTZ, MCC and USAID), two agencies are currently developing programs (SIDA and JICA), two agencies showed some evidence (albeit it was very limited) of corporate programs (SDC and DMV), and one agency did not have any evidence of corporate programs (AFD).

Established corporate sector programs: Half of the agencies reviewed have established initiatives to engage the corporate sector. DAINDA, DFID, GTZ, MCC and USAID each have well-defined programs for engaging corporations which include guidelines on how to partner with the organizations, resources and tools on developing partnerships, and case studies.

In the mid-late 90s, DFID, GTZ and USAID were the first agencies to establish specific public-private partnership initiatives and/or departments which included collaborations with MNCs. In reviewing their early activities with MNCs there seems to have been two different approaches – top down and bottom up. DFID's collaborations seem to have begun as issue and sector initiatives, which engaged businesses at the headquarters to address global standards for working in developing countries. An example of a DFID initiative is the Ethical Trading Initiative (ETI) which is an alliance of companies, trade unions and voluntary organizations. ETI works to ensure people working at the beginning of a company's supply chain, regardless of industry, are treated fairly and ethically. In contrast USAID took a programmatic, bottom-up, approach and forged alliances at the local (or country) level to address local development and workplace issues. An example of a USAID partnership is the Finance Alliance for Sustainable Trade (FAST) in Latin America which partners with Green Mountain Growers, Starbucks and EcoLogic Finance. The program increases access financing for farmer cooperatives whose products are eco-friendly. The

program links the farmers to buyers such as Green Mountain Coffee Roasters and Starbucks to promote sustainability.

Furthermore, these agencies actively engage corporations. For example, USAID has a paper on working with the private sector and MCC will be releasing information soon. Many of them also hold conferences to engage with corporations to develop partnerships.

Early stages of developing corporate programs: Over the past few years, it has become a strategic priority for JICA and SIDA to engage corporations in development and they are currently developing related policies and programs.

In October 2008, JICA established an office of Office for Private Sector Partnership following the merger of JICA and the Japanese Bank for International Co-operation. In the past few years there have been two important initiatives which have influenced JICA to focus more closely on partnering with corporations. The Keidanran (the Japanese Confederation of Business Associations) issued a policy recommendation for business to increase their involvement in development issues and the ODA Government Panel (the highest panel on development issues in the Japanese government) issued a paper calling for Base of Pyramid businesses and strategic CSR. Prior to this, partnering with corporations was not viewed by JICA as a priority.

SIDA is also developing a formal program for collaborating with corporations. Over the past few years, engaging with corporations has been gaining importance for the agency. SIDA has prioritized collaborations with corporations because Swedish businesses have strong CSR initiatives. Additionally, SIDA recognizes that businesses not only promote economic development and create employment opportunities but they can contribute to development goals when they address issues of corporate responsibility such as labor practices, codes of conduct, and health.

Little or no evidence of corporate programs. SDC and DMV showed little evidence of engaging corporations. A SDC position paper on cooperation with the private sector published in 2004 outlines SDC's strategy for engaging the private sector (which includes corporations from industrial nations, business organizations, and professional associations). However, outside of this document, the SDC provides no further public information on engagement with corporations.

In 2007, the Dutch Ministry of Foreign Affairs released a development policy note, 'Our Common Concern: investing in development in a changing world,' which expressed the ministry of foreign affairs interest in engaging Dutch businesses in development. However, very little information about the programs is provided (in English) about the agency's engagement with businesses. The note focuses on

multi-sector partnerships, with the emphasis on engagement with international organizations, likeminded donors, governments of developing countries, non-governmental organizations and partnership in general. Based on the limited information provided it is difficult to ascertain how the DMV implements engagement with corporations.

AFD showed no public evidence of having established policies for engaging corporations or that they were in the process of developing any. AFD partnerships with the private sector seem to be focused on fostering local private sector development to develop local businesses with the goal to generate economic growth, job creation, and raising incomes. As findings are made on publicly available information, AFD may have partnerships with corporations and/or may be in the process of developing corporate partnership programs and have not yet publicized them.

How IDAs engage the corporate sector

The models of engagement with corporations vary from agency to agency, as each agency aims to align its partnerships with not only the agency goals but the specific goals set by the country where it operates. However, there are two common approaches that IDAs use to engage corporations: developing partnerships and acting as strategic advisors.

Partnerships: Partnerships, often called public-private partnerships or alliances, are primarily focused on creating programs in a specific country to address a development issue. Every agency has different criteria and expectations aligned with their overall agency strategy; however, there are commonalities among them.

Common criteria include:
- Partners are expected to share the risk and opportunities, bring their strengths and share financial or in-kind contributions.
- Partners should use their core competencies to help address development issues.
- Activities must contribute to the development agenda.
- Proposed partnerships should be relevant to the country's development policy and needs.

Three examples of IDA's partnership criteria are:

GTZ "In PPP projects, each partner contributes what it does best: GTZ supplies know-how and contacts, supports concept-development and financing, coordinates the various measures, and networks with other important decision-makers – also supra-regionally. Private companies contribute technology, capital and expertise and are usually responsible for carrying out the projects on site. The partners share the costs and risks equally." Furthermore, "every PPP has to comply with the development-policy

objectives of the German Government, and that private sector partners is not subsidization, and GTZ support is only given if the private partner would not otherwise implement the PPP and if the PPP is not a legal necessity."

USAID's Global Development Alliance "is a market-driven approach to alliances between the public and private sectors to address jointly defined development objectives. Alliances are co-designed, co-funded, and co-managed by partners so that the risks, responsibilities, and rewards of partnership are equally shared." "Alliances must operate in countries where USAID has field missions and must fit within the strategic objectives of these missions and/or the appropriate Washington operating unit (WOU). However, broad, multi-country alliances that are addressing priority development issues may operate in countries where USAID does not have a field mission."

DANIDA's B2B Program: "The B2B Program makes it easier to create long-term business linkages between companies in Denmark and companies in the program countries. The B2B Program funds are available to support a number of elements within the cooperation's own activities. The business-to-business cooperation must be commercially based, and the joint partners take all risks involved. In return, the companies have the prospects of making a blossoming business. The B2B Program acts solely as a facilitator and does not function as the implementer of individual cooperation projects. To qualify for support, the partnership must have a long-term perspective and comply with DANIDA development objectives and take place in one of the countries to which B2B applies."

IDAs which engage in public-private partnerships with businesses	
DANIDA	JICA
DFID	MCC
GTZ	SIDA
DMV	USAID

Strategic Advisor /Broker: Development agencies also play the role of strategic advisor and/or brokers. As strategic advisors, IDAs help companies navigate the development landscape in a developing or emerging market. As a broker, the development agency often looks for ways to help businesses collaborate with other players such as multilateral organizations, public agencies and nonprofit organizations. An example of an agency which acts as a strategic advisor and broker for multilateral initiatives is DFID and the MDGs.

IDA timeline and department which engages corporations

IDA	Separate PPP office or initiatives	PPP approach and/or office established	PPP Budget
GTZ	Not clear if separate office or program/initiative within an existing office	1999	$128 million expenditures (2008)
USAID	Global Development Alliance (GDA)	2001	$9 billion of combined resources are for partnerships, agency does not breakout corporate /private sector budget
MCC	Business engagement is integrated with the overall approach. However there is a Private Sector Initiatives Team	2004	Does not provide breakout specific for private sector or corporations
SDC	Not cited	2004	No information provided
DMV	No separate office, however, the initiative is Development Cooperation Partners in Development	2007	No breakdown provided
JICA	Office for Private Sector Partnership	October 2008	No information provided
DFID	Business for Development	Since the 1990s[†] Private Sector Development Strategy launched 2009	No information provided
SIDA	Department of Development Partnerships	In progress of finalizing Fall 2009/ 2010	$4 to $5 million projected for 2010
AFD	No separate office PPP staff sits within Environmental and Social Support Unit, and focuses on local private sector development	PPP has been apart of their approach since 2004	$17.9 million 2008 expenses (25% of total budget, second largest percentage and for PPP)
DANIDA	Department for Business Cooperation & Technical Assistance	No information provided	$3 million but does not break out corporations within private sector budget 1.6% of total budget (2008)

[†] No specific date provided, information is ascertained by references to programs on DFID's website.

Partnership Case Studies

USAID Global Development Alliance, the Coca-Cola Company and the Global Environment and Technology Foundation
Partnership supports water-related projects through the Global Watersheds Partnership Program. $10 million supports projects across eight countries in Asia, Africa, and Latin America and is now expanding to an additional nine African countries. The alliance has improved hygiene and household water disinfection for 25,000 underserved residents near Jakarta, Indonesia, and increased access to clean water for 21,000 people in Mali. A 12-village project in Ethiopia to supply potable water and improve school sanitation is expected to impact 45,000 people. (Source: USAID Website / Note: The Coca-Cola Company is winner of USAID's 2007 GDA of the Year Award.)

USAID Global Development Alliance and Chevron
This project focused on strengthening the agricultural value chain in Angola. It established "ProAgro Angola" a five-year, $5.5 million program that focuses on four key links: finance, production, processing, and marketing. As a result of the partnership, over 3,000 small agricultural producers have organized into 32 associations. More than 3,000 farmers were trained in plant sanitation and cultivation, and increased their access to wholesalers. Twenty-four producers gained access to loans to promote production in coffee, bananas, and potatoes. Sales generated $1.2 million in revenues for suppliers. (Source USAID website)

GTZ and German Coffee Association (Deutsche Kaffee-Verband – DKV)
GTZ/DKV cooperation established a code of conduct called "the Common Code for the Coffee Community" The code includes social and environmental factors as well as quality improvements within the international coffee sector. The goal is to create high-quality coffee for the companies on a long-term basis. At the same time, the living conditions of suppliers, most of whom are small-scale farmers, are sustainably improved. (Source GTZ website)

DFID[‡] works to maximize the role of business in development, to tackle poverty and achieve the Millennium Development Goals in three principal ways:

- Pushing Boundaries - working with business to push the boundaries of business models, using innovative business practices and new partnerships to support growth and the achievement of the Millennium Development Goals
- Promoting growth - working with governments and business to create the right conditions to let business do what it does best, drive growth
- Responsibility - working with business and others to promote successful corporate responsibility.

[‡] Source: DFID website http://www.dfid.gov.uk/About-DFID/Who-we-work-with1/Business/

An example of an IDA which links its strategy with business drivers including CSR and BoP, and with multilateral initiatives is DANIDA's Innovative Partnerships for Development Programme. DANIDA's mission for the Innovative Partnerships for Development (IPD) Programme is "to contribute to reducing poverty by promoting economic growth and social development in developing countries." The immediate

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DFID's corporate collaborations to promote good governance

In addition to strategic advisors and collaborations on programs, DFID's focus includes multi-sector collaborations to "create new relationships that help economies deliver what the poor need. These include tackling inefficiency, poor governance and corruption." Examples of DFID initiatives:

- The Extractive Industries Transparency Initiative (EITI)
- the Construction Sector Transparency Initiative
- the Medicines Transparency Alliance (MeTA)

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objective is to promote better working and living conditions for employees, their families, the local community and society at large by advancing strategic Corporate Social Responsibility and Socially Responsible Innovation, and targeting the population at the Base of the Pyramid through innovative partnerships in developing countries. These objectives are achieved by establishing partnerships within the framework of the United Nations' Global Compact and the Millennium Development Goals.

IDAs which engage in Strategic Advisor/Broker
DANIDA DFID MCC SIDA

Who agencies work with

One of the most important aspects for IDAs when engaging with business partners towards a common development goal is to identify partners whose objectives and goals are closely aligned with the agencies. IDAs do not mention a preference to a particular sector or industry rather they are focused on the results of the partnership, however, some agencies do limit which corporations with whom they will partner. For example, DANIDA will only work with companies from their home country, and GTZ will only work with companies which are headquartered in Germany or EU countries. In contrast, USAID and MCC encourage all businesses to work with them.

Agency	Restrictions
DANIDA	• Local companies, Danish companies, and organizations and public institutions will be approved on a case-by-case basis. • In order to receive a grant from the Public Private Partnership Program a project must be within the framework of the United Nation's Global Compact. • DANIDA will not partner with alcoholic (including beer), tobacco and arms companies.
GTZ	• German and European companies only
JICA	• Focus being finalized. However, JICA anticipates that the priority will be on Japanese companies, or companies with some kind of presence/affiliation with Japan. The will be open to partnerships with companies from other countries on a case by case basis.

Extent of collaborations

Despite the relatively short time IDAs have focused on private sector partnerships there are a few agencies which stand out with the number of private sector partnerships; these include USAID, DANIDA and GTZ. USAID's GDA has created 680 alliances and worked with 1,700 individual partners; DANIDA has had more than 300 partnerships, and GTZ has had more than 800 projects. While the number of partnerships is impressive, in most cases the information provided includes partnerships with all sectors, including civil society, trade associations, non-profits organizations and businesses. IDAs do not specify the number of collaborations with MNCs and it is therefore difficult to determine the overall importance of collaborating with MNCs based on the number of previous partnerships.

Measuring results

IDAs cite the importance of engaging the private sector in achieving development goals and as a driver for economic development. However, one area which has not effectively been addressed by IDAs is how to measure the results of their partnerships. To date, most of the agencies provide the number of partners, and case studies of successful partnerships which often include simple measurement indicators. IDAs recognize this is an area which needs improvement. For example, USAID knows their evaluations conducted to date have focused on the process of alliance building which includes implementation, governance challenges, perceived value added, differing timelines, and the problem of institutional buy-in. However, USAID has learned through a formal study of its measurement approaches that evaluations have not convincingly established early signs of desired development impact and tend to be more descriptive than analytic. JICA and SIDA, who are at the early stages of developing MNC partnerships, have also expressed a desire to incorporate measurement as part of their collaboration process.

MCC provides an interesting example of an agency which integrates monitoring and evaluation in their approach. MCC has a fundamentally different business model then other IDAs (see MCC Agency Page in Appendix 1 for more information). MCC includes impact evaluations to measure the changes in the well-being of the project beneficiaries. MCC also developed a tool to measure the Economic Rate of Return (ERR) of each investment. ERR compares the costs and benefits of a public investment, and includes the project costs borne by other parties. While neither monitoring and evaluation, nor ERR are specifically

designed to measure the results of MCC's public-private partnerships, it does provide an example of how an agency aims to measure program results.

USAID and MCC provide insight into how IDAs can evaluate partnerships and measure results. However, more research is needed to better understand what makes an effective partnership which leads to sustainable development.

Challenges

IDAs with targeted initiatives to engage corporations articulate their interest and the strategic importance of developing partnerships, offer general information on their websites about their programs, provide resources to help explain their approaches, and outline general criteria for working with companies. GTZ has also held conferences and workshops. However, despite the growing interest in developing partnerships and the increased demand for information on how to partner, there are still many challenges to building effective partnerships. Two of the biggest challenges are reconciling the differences between time horizons and different motivations of the partners. JICA has noted that to keep pace with business the agency has been asked to develop a system to review partnerships proposals quickly, but JICA also has to ensure that proper procedures are carried out, and this is a time-consuming process. USAID cites that the main challenges are understanding and navigating the internal process of a government agency, and addressing the long-held belief that the private sector does not belong in development.

The challenges identified are as follows:
- Difficulty mapping agency priorities to business priorities can discourage business involvement. Agencies mention this obstacle, but do not provide an easy way to understand if agency and business goals are aligned.
- Development agencies' lengthy processes for developing collaborative programs vs. businesses shorter time frames.
- Differing priorities and challenges to finding the right engagement.
- Unclear IDA restrictions. Lack of clarity on limitations to their programs makes it difficult to determine if the agency is willing to work with a specific business.
- A final observation from the research is that there was very little evidence of collaboration between IDAs in their partnership work. This is important particularly at the country level where there are a limited number of IDAs and a limited number of active corporations. At the country level it makes sense for IDAs to share information on each others' interests and activities.

Increasingly, collaboration with corporations is viewed by agencies as important to help achieve development goals. Agencies are open to partnerships if they support the agency's specific development goals and objectives. As collaborations with corporations are relatively new, IDAs are still open to new

ideas to foster partnerships. Aligning business goals with development goals is possible, however, it can take time to build a relationship and establish an effective partnership. The research has shown that the agencies with established corporate engagement initiatives have put considerable effort to communicate to businesses, yet the information is still relatively general. More specific information about an IDA's goals and objectives, and criteria for working with businesses, can help companies map their goals and objectives to the IDAs.

When considering partnering with an international development agency, companies should:

- Research the agency and make sure the company meets the agency's basic geographical and program requirements.
- Identify core business strengths and know what the corporation can bring to the partnerships and what it would like to achieve.
- Engage in conversation with the agency centrally or locally, which ever is most appropriate. While some partnerships will be developed at the country level, as is the case with USAID and MCC, many agencies prefer companies to make the agency headquarters the first stop. This can be most effective in determining if there is a potential for partnerships and identify appropriate local country representatives.
- Give guidance from the center and empower local managers to identify local partnerships with local offices and develop local initiatives.
- Set up reporting systems so you know what is happening around the world.

For further exploration

This report is a first step in brokering partnerships and navigating through various development agencies. There is more to be done to help foster MNC engagement to address development goals.

Some areas which have been identified for further exploration are:
- Research best-in-class partnerships, to identify what makes successful partnerships and what are challenges and lessons learned from both MNC and IDA perspectives.
- Hold a global conference with MNCs, the indigenous private sector and IDAs. Bring together key players to develop an ongoing conversation about mapping needs and interests.
- Host in-country conferences with all local actors to identify local partnership opportunities which collaborate across agencies and MNCs.
- Building on this report, create a comprehensive guide to further help companies identify opportunities to collaborate with IDAs. Include all IDAs from countries including Australia, Canada, and Spain etc. This guide will create a resource which provides specific details on specific development agencies'

objectives and their private sector programs to more easily identify partnership opportunities with the individual development agency.

- Create an open source database which provides information about where IDAs operate and their strategic focus areas (such as health, agriculture, and micro-enterprise) to help companies identify opportunities with IDAs around the globe to link country level needs and interests.

- Focus on four to five of the least developed countries (such as Burkina Faso, and Sudan) to identify the opportunities for specific initiatives about how IDAs can create incentives for business to engage in those countries and research how public-private partnerships lead to increased private sector investment in the future.

- Businesses are performance based. Develop a tool which measures the value-added of partnerships and the effectiveness of their investment towards addressing development issues and creating sustainable results.

Appendix 1:

Individual International Development Agency Case Studies and Review of China and Private Sector Partnerships

Agency Profile: Department for International Development (DFID)
Country: United Kingdom

In July 2009 the UK government's Department for International Development (DFID) published a "White Paper called "Eliminating World Poverty: Building our common Future," endorsed by the Prime Minister. The paper set out its development strategy for the life of the government. It reiterated the government's commitment to raise aid expenditure to 0.7% of national income by 2013. In 2007/08 its expenditures were £4.95 billion pounds or $7.92 billion of which 60% was through bilateral programs and 40% thorough multilateral programs agreed with international agencies such as the EU, World Bank and UN.

The White Paper states clearly and categorically "the private sector is an invaluable part of development". In both its bilateral and multilateral programs DFID funds private sector development as such across the developing world, and has published a separate paper on Private Sector Development Strategy. It also has a range of initiatives to engage private firms in partnership activities that address both business and development issues. Some are of a very high level such as the "Business Call to Action" which challenges companies to develop new core business initiatives in away that that both contributes to the MDGs and contributes to the success of the business. This has been done in conjunction with the UN, and over 60 leading multinationals have signed up for this challenge. DFID has published a paper called "Business for Development" which sets out in full a list of its partnership activities.

Other partnership initiatives outlined in the publication are focused on major issues or industries and they include the Ethical Trading Initiative, the UK Remittances Task Force, the Extractive Industries Transparency Initiative, the Medicines Transparency Alliance and the Food Retail Industry Challenge Fund. These have tended to be centrally conceived and organized initiatives with clear points of contact and companies, often at head quarters have worked directly with DFID and other stakeholders and partners to deliver on them.

With the launch of the Business Call for Action DFID consulted with the corporate signatories and identified that if it wanted to develop partnerships at the country and local level, a new mechanism for brokering partnerships would be necessary to account for the fact that companies are very different in type and have very different business needs in specific markets. It is in the process of setting up a pilot Business Innovation Facility to create a "knowledge hub," offer technical assistance and brokering for companies seeking to extend their core business in ways which will promote development. It will be launched in early 2010 and, focus of five or six countries for three years before being assessed for a major scaling up of activity. The creation of this type of interface is responding to company needs to understand the development community better and more effective means of brokering partnerships on the ground in diverse countries.

Agency Profile: United States Agency for International Development (USAID)
Country: United States

The United States Agency for International Development (USAID) recognizes that U.S. corporations play an important role in American foreign assistance and harnessing businesses for development is an important arm of its strategy. To engage effectively with the private sector and to expand and deepen the impact of development assistance, in 2001 USAID established the Global Development Alliance (GDA). The GDA is USAID's primary facilitating office for private sector engagement. The GDA does not fund projects, rather, as the name suggests the focus is on building alliances. Private sector partners include corporations, foundations, and nongovernmental organizations (NGOs) and provide technical leadership for the agency.

The GDA is the first stop for companies looking to engage with USAID. However, the programs and budgets are executed at the mission level, and all alliances must be executed in conjunction with the USAID's in-country missions. To obtain funding, partners have to first submit a concept paper to the local mission and then proceed with a full application once the concept has been cleared. There are various ways a company can approach the GDA. The most common approach is for the GDA to partner with a company to put together the concept and funding and for a project. The GDA will then issue an RFP for NGOs and other partners to implement and partner on the project. Each partner is expected to bring their strongest assets to address jointly defined challenges to the long-term economic and social development of some of the world's poorest countries. Some of the key private partner requirements are:

- A minimum of one-to-one leverage ratio of resources; partners must clearly specify what each party is contributing and indicate the cash value of in-kind support
- Partners must clearly establish up front the interests and objectives of each party.
- Alliances should not simply be matching grants nor should they be grants to organizations that have expressed an intention to seek third party partnerships that are not yet formed.
- In general, alliances must operate in countries where USAID has field missions and must fit within the strategic objectives of these missions and/or the appropriate Washington operating unit (WOU). However, broad, multi-country alliances that address priority development issues may operate in countries where USAID does not have a field mission.
- Alliance activities at the country level should actively involve local leadership and local beneficiaries.

Since 2001 there have been 680 alliances formed with over 1,700 distinct partners, leveraging more than $9 billion in combined public-private sector resources leveraging on average $2.7 of private sector dollars for every $1 dollar of U.S. taxpayer's money. In general, evaluations conducted to date have successfully assessed: the "process" of alliance building, implementation and governance challenges; perceived value added, issues with limited timelines; and the problem of institutional buy-in. However, it may be noted that these evaluations have not convincingly established early signs of desired development impact and tend to be more descriptive than analytic.

Agency Profile: Japan International Cooperation Agency (JICA)
Country: Japan

Japan International Cooperation Agency (JICA) believes it is important to engage in private sector partnerships. In the past three years, two key initiatives have prompted JICA to engage corporations. The first was in 2007 when the Keidanran (the Japanese Confederation of Business Associations) issued policy recommendation for business to have greater involvement in development issues. This initiative received positive response from government and JICA. The second was in June 2009, when the Overseas Development Assistance (ODA) Government Panel issued policy paper calling for base of pyramid businesses and strategic CSR. The ODA is the highest panel on development issues in the Japanese government and was chaired by Prime Minister Aso. As a result of the growing pressure, on October 1, 2008 JICA officially established its Office for Private Sector Partnership, following the merger of JICA and the Japanese Bank for International Co-operation into one organization.

At the time of this writing, over the past 10 months the office for Private Sector Partnerships has been preparation mode, conducting research on how to engage with the private sector and engage with European agencies like DFID and GTZ to develop JICA's strategy. JICA envisions the department as "cross cutting" and wants the department to have presence across JICA's regional departments (e.g. Asia department, Africa department etc) and "issues" departments (e.g. global environmental dept, human development department, etc. Currently there is nine staff in the department and the head of the Department is a Director General.

JICA has identified three approaches to engaging private sector in development. They are:

- Improving infrastructure and environment for business. JICA believes it is essential to create a foundation for businesses and encourage dialogue with the business community.
- Public private partnership for "hard" infrastructure projects such as sanitation and roads and "soft" infrastructure development such as policy and legal systems.
- "Frontier issues" which will focus on engagement via CSR and BoP. This is a new area for JICA and has not yet official been named. Businesses will be able to submit ideas on BoP businesses that either engage poor in the supply chain or provide services to address social issues. JICA will pay for funding to pilot the idea in the developing world. JICA will have a preference for companies which want to collaborate rather than receive funding to support a trial BoP business in a developing country

JICA is still in the process of finalizing its strategy and, while it is not completely decided whether there will be restrictions about what types of corporations JICA will partner with, it is likely that JICA will focus on partnering with Japanese companies, or companies with some kind of presence/affiliation with Japan. For other kinds of partnerships, they will assess each opportunity on a case by case basis.

Currently JICA has reached out to individual companies that they think will be interested in working with JICA. JICA also participates in quarterly meetings of the Public Private Dialogue Forum which engages business, government and JICA on development issues. Additionally JICA encourages companies to approach them if they are interested in collaborative projects. Partnerships are particularly welcome if funding for collaboration has already been secured and/or the partner has existing program that they want to build on.

Agency Profile: The Millennium Challenge Corporation (MCC)
Country: United States

MCC is a United States Government corporation designed to work with some of the poorest countries in the world. Established in January 2004, MCC's mission is to reduce global poverty through the promotion of sustainable economic growth. MCC is based on the principle that aid is most effective when it reinforces good governance, economic freedom, and investments in people. .

MCC is led by a Chief Executive Officer - currently Darius Mans - and overseen by a Board of Directors, which includes the Secretary of State, the Secretary of Treasury, the U.S. Trade Representative, the Administrator of USAID, the CEO of the MCC and four public members appointed by the President of the United States with the advice and consent of the U.S. Senate. MCC is responsible for the stewardship of the Millennium Challenge Account (MCA), which receives funds appropriated by Congress every year. MCC is a small agency of 300 employees.

MCC's takes the unique approach that before a country can become eligible to receive assistance, it must demonstrate a commitment to policies that promote political and economic freedom, investments in education and health, the sustainable use of natural resources, control of corruption, and respect for civil liberties and the rule of law, as measured by 17 independent and transparent indicators. A country signs a Compact which is a multi-year agreement between the MCC and the country which funds specific programs targeted at reducing poverty and stimulating economic growth.

How MCC engages with the private sector

MCC's Private Sector team sits in the Department of Policy and International Relations. MCC likens the organization to an investment firm which rewards performance and results. Participating countries must achieve certain milestones to become eligible for MCC funding; these milestones relate to characteristics that also make the country more attractive to the private sector. There are three main ways MCC engages the private sector:

▪ Trade and Investment: MCC engage companies which are looking to make commercial investments to establish local businesses. Agribusiness, transport and logistics, and other industrial sectors are featured in MCC information materials, distributed through roundtables, conferences, and other channels.

▪ Public-Private dialogues: MCC has developed a process for a private sector dialogue to provide a forum for the international private sector to identify impediments and potential for their investments. MCC countries have an opportunity to address these constraints through compact programs. This input can be provided in a number of ways, including seminars, roundtables, one-to-one meetings, and in writing, depending on the partner country's preference.

Public-private collaboration: MCC looks for opportunities to develop public-private collaborations and recognizes the potential contributions of a wide range of organizations, including U.S. and non-U.S. private businesses, multinational corporations, small and medium-sized enterprises, business and trade associations, labor unions, foundations, and philanthropic leaders, including venture capitalists

Agency Profile: Swedish International Development Cooperation Agency (SIDA)
Country: Sweden

The Swedish International Development Cooperation Agency (SIDA) recently prioritized partnerships with corporations because they believe businesses can not only promote economic development and create employment opportunities but also they can contribute to development goals through addressing core issues of corporate responsibilities such as labor practices, codes of conduct, and health.

SIDA's collaborations with business is a part of its Department of Development Partnerships, which addresses all of the agency's cross sector partnerships including those with civil society and local authorities. The entire department has 100 people of which one person focuses on partnerships with businesses. However, they expect to add more staff focusing on corporate partnerships in the near future.

SIDA is at the beginning stages of developing a business sector strategy which will focus on two initiatives:

- Business for Development: whereby SIDA will engage in public private partnerships to support businesses actions taken by the different companies to promote sustainable environment, social sustainability.
- Business sector delivering social services in collaboration with the development corporation.

SIDA will establish a process and new mechanisms to respond to proposals from companies. However, in the short term they will review opportunities on a case by case and are open for new ideas. While the agency has not yet established evaluation criteria, they will be looking for companies which offer interventions for people and that are focused on lifting people out of poverty. Additionally they will prioritize companies that are aligned with the Global Compact principles and will focus on collaborations which have a return on investment.

SIDA will be open to working with non-Swedish companies. SIDA will look for partners which are interested in countries where SIDA has a presence and which align with the country's strategic issues. To illustrate the latter, if a collaboration concept focuses on a health program and a country's strategy does not include a health program, then SIDA will not enter into the partnerships. Additionally, SIDA will follow EU regulations for subsidizing programs for a company.

For the moment SIDA recommends companies interested in partnerships with them to engage with the Headquarters in Sweden to determine initial suitability for their program.

China and Private Sector Partnerships

Background and Introduction

China is a special case when it comes to interacting with the private sector on developmental issues. Unlike other countries, it does not yet have an international development agency. This is due to a combination of factors, not least the still-dominant role of the State in all major economic and commercial affairs, and a political legacy that traditionally viewed the private sector as a hindrance, rather than a contributor, to society. So too, its own position, until recent years, as a country preoccupied with its own developmental needs, and at the receiving, rather than giving, end of development assistance.

However, with the ambitious and rapid and expansion of its overseas aid, trade and investment – particularly in Africa – there has been some consideration as to the need for a specific agency to manage overseas development. No consensus has yet emerged, not least because such a move would involve wresting political territory from ministries and departments with existing vested interests. It also owes much to the intrinsic nature of the Chinese bureaucracy – large, complex, hierarchical, rife with turf wars, and as a consequence, very slow moving.

Governance - the current situation

Overseas development in China is channeled in various ways through various 'Supra-Ministries' and other ministries, key of which are:

- The Ministry of Foreign Affairs (MFA)
- The Ministry of Foreign Trade and Commerce (MOFCOM)
- China's leading import-export bank, EXIM
- China's leading development bank, China Development Bank (CDB)

There is no central coordinating body governing development support *per se,* rather, each operating within its own sphere of influence and interests.

Traditionally, the MFA, through its local embassy presence in other countries, has been viewed as the most natural starting point for overseas development work, but at a political level, the MFA lacks clout and resource to drive this agenda, and has less exposure to the private sector. The more powerful 'supra Ministry' MOFCOM, with its responsibility for trade and investment, has traditionally closer links to the private sector, and the two state-owned banks, EXIM and CDB have been at the forefront of all key overseas development, aid and infrastructure projects. This reflects China's own unapologetic approach to aid and development as a tool to support its political and commercial interests overseas.

Some assistance and training is delivered by relevant line ministries – such as the Ministry of Health (MoH), and the Ministry of Agriculture.

Recent developments

At the beginning of this year China established the International Poverty Reduction Office (IPPRO). This office sits directly under the State Council, China's equivalent of the Cabinet, which gives some indication of its importance and access to the highest levels of government. In recent months the IPPRO and the Development Assistance Committee (or DAC – the OECD's interface with developing countries) have initiated a China-DAC study group to look at China's experience on poverty reduction and development, and China's impact on poverty reduction in Africa with a view to shaping future policy on China's developmental role. As part of this study, four broad themes will be covered as follows:

- **The general nature of development partnerships** including general development strategy and policy, and partnerships with bilateral multilateral donors and NGOs

- **The role of agriculture in poverty reduction** and agricultural policies and institutions and research and technology
- **Promoting pro-poor growth** - the contribution of infrastructure, the role of the private sector and harnessing the benefits of trade and investment for poverty reduction
- **The environment for enterprise development** comprising enterprise development, special economic zones and capacity building.

Developmental themes of interest for China

- **Poverty reduction** – China's own experience in lifting its own millions out of poverty positions it well to be involved on wider efforts overseas.
- **Health** – programmes largely led by the MoH.
- **Agriculture and food safety** – China's own tarnished reputation with regard to food safety has to some extent has driven this interest; so too, the legacy and experience of a largely agrarian, rural-based population. The UK-China Food Security Action Plan is one forum through which China has started to engage on these issues.
- **Carbon reduction/climate change** – as the largest contributor to CO_2 emissions, China is keen to be involved at the forefront of debate and initiatives on climate change.
- **Other themes** – the UK and Chinese governments have established the Sustainable Development Dialogues (SDD), a bilateral high-level structured dialogue on sustainable development. Themes for 2007/8 include: urban development, natural resource management, and sustainable consumption and production. It is unclear to what extent the private sector is actively involved in these programs/dialogues.

Geographical focus

Given China's significant interests in Africa, developmental efforts and initiatives with the private sector are likely to focus here first (for example - the World Bank is understood to be currently conducting some research with a few Chinese companies on CSR issues in Africa.) However, China's growing (and similarly contentious) presence in Latin America may be the next frontier from a private sector development perspective.

Appendix 2: International Development Agencies

Overview of IDAs and their collaborations with the private sector and corporations

Agency Overview

Agency	Established	Ministry Level	Overall Agency Mission	ODA Commitment as % of GNI	Separate PPP office	PPP approach established	PPP Budget
AFD	1941	Ministère des Affaires étrangères Cabinet du ministre délégué à la Coopération, au Développement et à la Francophonie	Extension of the Agency's mandate to include protection of global public goods, alongside support to economic growth and the fight against poverty	0.39%	No separate office Staff within Environmental and Social Support Unit	While they do not have a separate office, they have had PPP apart of their approach since 2004	$17.9 million 2008 expenses (25% of total budget, second largest percentage)
DANIDA	1998	Minister for Development Cooperation	Development policy is recognized as a central and integral part of Danish foreign and security policy. The government has enhanced the development effort to prevent and manage violent conflicts, to stabilize and consolidate peace, and to promote reform and modernization in developing countries which appear particularly vulnerable to political radicalism and religious extremism.	0.82%	Department for Business Cooperation & Technical Assistance	No information provided	$3 million but does not break out corporations within private sector budget 1.6% of total budget (2008)
DFID	1997[§]	Led by a cabinet minister part of UK government, but a separate department	Interests of UK to help poor people build a better life for themselves.	0.43%	Business for Development	January 2009	No information provided
DMV	Apart of Ministry of Foreign Affairs	Minister for Development Cooperation	Dedicated to a society in which all people enjoy the freedom to pursue their own sustainable development. We contribute to this by strengthening the capacity of local organizations.	0.41%	Not cited	N/A	No information provided
GTZ	1975	Separate business	GTZ cooperates with businesses and business associations in developing and transition countries.	0.38%	Not clear if separate office or program/ initiative within an existing office	PPP program launched 1999	$128 million expenditures (2008)

[§] Prior to 1997 the United Kingdom's international aid was managed by the Overseas Development Administration (ODA), a wing of the Foreign and Commonwealth Office, and focused on economic development. In 1997, the UK government established DFID, which is headed by a cabinet minister and "it made fighting world poverty its top priority."

Agency	Established	Ministry Level	Overall Agency Mission	ODA Commitment as % of GNI[**]	Separate PPP office	PPP established	PPP Budget
JICA	1974	Dept is Director General level	▪ Addressing the global agenda ▪ Reducing poverty through equitable growth ▪ Improving governance ▪ Achieving human security	0.18%	Office for Private Sector Partnership	October 2008	No information provided
MCC	2004	MCC has Board of Directors which includes Secretary of State, Secretary of Treasury, U.S. Trade Rep., Administrator of USAID, the CEO of the MCC and four public members appointed by the President with advice and consent of the Senate	A U.S. government corporation designed to work with some of the poorest countries in the world. MCC is based on the principle that aid is most effective when it reinforces good governance, economic freedom and investments in people. MCC's mission is to reduce global poverty through the promotion of sustainable economic growth.	0.18%	Business engagement is integrated with the overall approach. However there is a Private Sector Initiatives Team	2004	Does not provide breakout specific for private sector or corporations
SDC	Federal law 1976 Federal decree 1995	not specified	Provides humanitarian aid and longer-term development cooperation in the South and East. Its aim of combating poverty is pursued both through direct cooperation with the individual countries and with international organizations like the United Nations.	0.80%	Not cited	2004	No information not provided
SIDA	1952	Director General Government agency under the Ministry for Foreign Affairs	A government agency under the Ministry for Foreign Affairs. SIDAs goal is to contribute to making it possible for poor people to improve their living conditions	0.98%	Department of Development Partnerships	2009	$4 to $5 million projected for 2010
USAID	1960	Secretary of the State Department a part of U.S. government, under the State Department	Accelerates human progress in developing countries by reducing poverty, advancing democracy, building market economics, promoting security, responding to crises, and improving quality of life. Working with governments, institutions, and civil society, we assist individuals to build their own futures by mobilizing the full range of America's public and private resources through our expert presence overseas	0.18%	Global Development Alliance (GDA)	2001	$9 billion of combined resources are for partnerships, agency does not breakout corporate /private sector budget

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[**] OECD's Development Assistance for 2008, http://www.oecd.org/document/35/0,3343,en_2649_34447_42458595_1_1_1_1,00.html

Engaging the Private Sector

Agency	Private Sector Policy Statement	Private Sector Programs	Where they operate	Restrictions or requirements	What is included in private sector	Resources
AFD	Focus of PPP was on establishing local private sector	The research division of AFD provides advisory services for PPPs between developing country governments and firms	▪ China ▪ Thailand ▪ India ▪ Indonesia ▪ Pakistan ▪ Brazil ▪ Sub-Saharan Africa	None specified	Not specified, Discusses partnerships between itself and others as: national, regional and local governments; local authorities and municipalities; international agencies; non-governmental organizations; foundations; private companies; entrepreneurs; and local banks, microfinance institutions and capital markets	
DANIDA	The private sector must be involved in development cooperation to achieve the development objectives of the international community – not least to eradicate poverty in all its forms. The importance attributed to the private sector reflects a remarkable shift in the perception of its potential. This change in outlook has been largely driven by globalization exposing national differences in labor standards, rights and responsibilities, while drawing attention to the severe social and environmental problems facing developing countries	▪ Business-to-Business Partnerships ▪ Innovative Partnerships for Development (IPD) ▪ DIPP – The Danish Import Promotion Program ▪ Partnership Facility Program	▪ Africa (60% budget) ▪ Afghanistan ▪ Asia/Latin America	Danish companies	None specified	▪ IPD: Program for Innovative Partnerships for Development August 2009 ▪ B2B: Support Facilities in the B2B program

Agency	Private Sector Policy Statement	Private Sector Programs	Where they operate	Restrictions or requirements	What is included in private sector	Resources
DFID	Businesses are growth engine: generates economic opportunities, introduces technology innovation. Can play role solving major global challenges and improve the quality of people's lives	▪ Pushing Boundaries - business practices to support MDG ▪ Promoting growth - governments and business work together to create the right conditions to encourage business ▪ Responsibility - working with business and others to promote successful corporate responsibility ▪ Business Call to Action Multi-lateral initiatives to engage private sector in MDGs ▪ Collaborative: focus on tackling inefficiency, poor governance and corruption. ▪ Private Sector Development Strategy: beyond CSR agenda to identify core business for development. It includes three pillars - Access, Competition and Engagement.	150 countries ▪ Africa ▪ Middle East ▪ Asia ▪ Caribbean ▪ Eastern Europe ▪ Latin America	None specified	None specified	Business Development for The UK Government working with international business to achieve the Millennium Development Goals
DMV	In October 2007, Minister for Development Cooperation Bert Koenders presented his new development policy, 'Our Common Concern: investing in development in a changing world'. The new policy emphasizes more Dutch investment in fragile states and in countries which have the most ground to make up in achieving the Millennium Development Goals.	Development Cooperation Focus on ▪ Security and development ▪ Growth and equity ▪ More rights and opportunities for women and girls ▪ Sustainability, climate and energy	36 partner countries to improve governance, focusing on human rights and a business climate conducive to jobs and good incomes. 50% of budget goes to Africa	None specified	None specified	▪ Partnership dossier ▪ Our common concern: Investing in development

Agency	Private Sector Policy Statement	Private Sector Programs	Where they operate	Restrictions or requirements	What is included in private sector	Resources
GTZ	Public-private partnerships (PPP) are development partnerships with the private sector. The partners share all the risks and contributions. Within such partnerships – also known as development partnerships with the private sector – GTZ cooperates with businesses and business associations in developing and transition countries.	▪ Public-private partnerships (PPP) are development partnerships with the private sector. ▪ Competitions. Strategic alliances: ▪ Facility: a financing instrument for the promotion of development partnerships with Africa-based companies. ▪ Global Compact: coordinates the German Global Compact Network, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) ▪ CSR: advisor to help companies address and implement CSR practices	Offices in 87 countries ▪ Africa ▪ Asia ▪ Latin America ▪ Maghreb Middle East ▪ Eastern Europe ▪ Central Asia ▪ Supra-regional	German and European companies and their subsidiaries	Companies, trade associations (need to check)	▪ The CSR Navigator: Public Policies in Africa, the Americas, Asia and Europe ▪ Public Private Partnerships – PPPIdeas ▪ Competitions Strategic ▪ PPP alliancesInformation Africa Facility ▪ Sustainable Development – GTZ's concept
JICA	Developing countries to grow their national economies by utilizing the vitality of domestic private enterprise.	(1) Trade and investment; (2) tourism; (3) promotion of small and medium-sized businesses and industrial technology; and (4) promotion of peripheral industries.	100 office ▪ Europe ▪ Oceania ▪ Africa ▪ Latin America ▪ Asia ▪ Middle East	Not currently determined but likely to primarily focus on Japanese companies, or companies with some kind of presence/affiliation with Japan.	Focus on businesses	Currently being developed
MCC	MCC likens the organization to an investment firm which rewards performance and results, and because of its focus on having the country achieve certain milestones before it can become eligible for MCC funding	Trade and Investment Public-Private dialogues Public-Private collaboration	39 Countries with Compacts	None specified	businesses, local and multi-national	Private Sector Initiatives Tool Kit

Agency	Private Sector Policy Statement	Private Sector Programs	Where they operate	Restrictions or requirements	What is included in private sector	Resources
SDC	SDC works with a variety of partners carefully manages its network and favors certain forms of partnerships. Private sector engagement can be traced back to 1976 and private sector actors have received support for many years, SDC has about 1,000 contracts annually with private consultants, organizations and enterprises for project implementation and advice.	Supports those countries where government and civil society, at their own initiative, make specific efforts to further their development. Political will exists, but is unable to fulfill certain preconditions, supports the establishment and strengthening of institutional capacities of governments and civil society where the preconditions for cooperation are absent, a federal government edict can suspend or break off existing relations or not establish relations Humanitarian aid activities are exempt from these conditions.	▪ Africa ▪ Latin America ▪ Asia /SEA	None specified	None specified	Position paper cooperation with the private sector April 2004
SIDA	Improve and deepen cooperation with Swedish companies. The aim is improved conditions for poor people and better conditions for Swedish companies and for SIDA to achieve results. SIDA's role is now to help developing countries become better procurers and, in different ways, stop corruption that can lead to unjust procurement.	Focus area financing and cooperation forms, dialogue, business information and competence development	▪ Africa ▪ Asia ▪ Latin America ▪ Europe	Not specifically stated but website eludes to Swedish companies	Businesses	In development

Agency	Private Sector Policy Statement	Private Sector Programs	Where they operate	Restrictions or requirements	What is included in private sector	Resources
USAID	GDA is USAID's commitment to change the way it implements assistance. GDA mobilizes the ideas, efforts and resources of governments, businesses and civil society by forging public-private alliances to stimulate economic growth, develop businesses and workforces, address health and environmental issues, and expand access to education and technology.	Does not fund projects, rather, as the name suggests the focus is about building alliances.	▪ Sub-Saharan ▪ Africa ▪ Asia ▪ LA ▪ Caribbean ▪ Europe & Eurasia ▪ Middle East* *most funding	None, will work with both U.S. and non–U.S. entities	Private sector partners include corporations, foundations, and nongovernmental organizations (NGOs) and provide technical leadership for the agency.	▪ Showcase Alliance Database ▪ The GDA Report: Alliances for Transformational Development ▪ The GDA Brochure: Expanding the Impact of Assistance Through Alliances ▪ GDA Pamphlet Building Alliances Series: Sector Guides Evaluation ▪ Evaluating Global Development Alliances: An Analysis of USAID's Public Private Partnership for Development.

Appendix 3: International Development Agency Contact Information

International Development Agency Contact Information

Agency	Contact Information	
AFD	**General Contact Information** 5, rue Roland Barthes 75598 PARIS Cedex 12 France Tel: 33 1 53 44 31 31 Fax: 33 1 44 87 99 39	
DANIDA	**General Contact Information** 2, Asiatisk Plads DK-1448 Copenhagen K. Demark Tel: 45 33 92 00 00 E-mail um@um.dk **Business-to-Business (B2B) Program** B2B Secretariat E-mail: b2b@um.dk Tel.: 45 33 92 02 55 Fax: 45 33 92 02 89	**IPD Secretariat** Laura Nielsen Head of Section Tel.: 45 3392 0432 E-mail: launie@um.dk Marie Wibe Head of Section Tel.: 45 3392 0249 E-mail: marwib@um.dk
DFID	**General Contact Information** 1 Palace Street London SW1E 5HE United Kingdom Tel: 020 7023 0000 Fax: 020 7023 0019	**Business Call to Action:** enquiries@business-call-to-action.com. **General Business collaborations** business@dfid.gov.uk
DMV	**General Contact Information** PO Box 20061 2500 EB The Hague The Netherlands Tel: 31 70 3486486 Fax: 31 70 3484848	
GTZ	**General Contact Information** Dag-Hammarskjöld-Weg 1-5 65760 Eschborn Germany Tel: 49 6196 79-0 Fax: 49 6196 79-1115 **Public-Private Partnership** Andrea Kolata Tel: 49 6196 79-7377 Fax: 49 6196 79-7378 Email: ppp-buero@gtz.de	**Global Compact and CSR** Constanze Helmchen Tel: 49 30 72614-204 Fax: 49 30 72614-230 Email: globalcompact@gtz.de

Agency	Contact Information	
JICA	**General Information** 6th–13th floors, Shinjuku Maynds Tower 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo 151-8558 Japan Tel: 81 3 5352-5311	
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