



## Building Block on Public-Private Cooperation for Broad-based, Inclusive, and Sustainable Growth

### *I. Objectives*

The plenary session consisted of reporting the Building Block on Public-Private Co-operation for Broad-based, Inclusive and Sustainable Growth. The objectives were to endorse the joint public-private statement to the HLF-4 which proposes a set of high-level shared principles for increasing development effectiveness, identify the potential of public-private co-operation and discuss the way forward on how to strengthen results-oriented public-private dialogue and co-operation and to promote more progress towards effective global partnerships in the light of achieving the MDGs and other development objectives.

### *II. Panellists*

*Moderator:* Gunilla Carlsson, Minister for International Development Cooperation, Sweden.

*Panellists:*

Ben Knapen, Minister for Development Co-operation, Netherlands

Cesar Purisima, Secretary of Finance, Philippines

Esther Mkwizu, Chairperson of Tanzania

Lars Thunell, CEO, IFC

Clare Merlford, CEO, IBLF

Tadahiro Asami, Secretary General, BIAC

Wolfgang Waldner, State Secretary for European and International Affairs, Austria

Anthony Bouthelier, président délégué du Conseil français des investisseurs en Afrique (CIAN)

Luis Neves Brites Pereira, Secretary of State for foreign and Cooperation Affairs, Vice Minister, Portugal

Thomas Dub, Deputy Foreign Minister, Czech Republic

Daniel Gad, CEO and Founder of Omega Farms, Ethiopia

### *III. Main discussion points*

Minister Knapen discussed the Dutch sustainable initiative and underlined the complexity and fragmentation among different donors. In the era of the development effectiveness, aid is not less relevant and needs to adapt to the new landscape with an emphasis on the leveraging role of aid.

From the partner country perspective it was also recognised that the role of the private sector is pivotal in accelerating economic development. The Philippines stated that the involvement of private sector is a key pillar to the President's agenda. They explained that aid is a vital tool to accelerate inclusive development and private capital allows minimising corruption. The importance of enhancing the role of SMEs in global value chains was also raised. On the same note, the Tanzanian private foundation stressed that engaging the private sector in national planning is crucial for sustainable development and achieving MDGs by 2015 and publicly endorsed the five principles of the joint statement.



While the joint statement on “Expanding and enhancing public private partnership for broad-based, inclusive and sustainable growth” was endorsed by 40 entities from both the public and the private sector and multilateral organisations, the IFC emphasised that this statement is a footstep towards a systematic inclusion of private sector in development co-operation. Mr. Thunell reiterated the Importance of momentum building and agreed to focus on a proposal by June 2012 to enhance dialogue and extend partnerships at both country and global levels.

As a representative of the private sector, Ms. Melford from IBLF made the point that that the inter-donor discussions and process around aid effectiveness is bewildering for business and asserted that to get the most out of the business community, action at the country level is needed. She also stressed that donors must be much more co-ordinated and create a “one-stop shop” in which business can engage more easily.

Lively interventions continued from the floor. Mr. Asami from BIAC emphasised the importance of an enabling business environment, rule of law, effective public government, tax systems, open markets and fair competition. He underlined that when right conditions are put in place, private investments contribute as innovative engine for development, creating jobs and growth.

Particular attention was given to promoting business practices and compliance with human rights standards. The State Secretary of Austria also mentioned three challenges that remain to be confronted. More efforts should be made to provide service know-how, promote sustainable business which goes beyond CSR, and better coordinate donor programs with a more strategic and common approach.

CIAN recognised that without the private sector, there is no development and the business partners need to engage in development strategies. Both Portugal and the Czech Republic shared their respective experiences of public-private dialogues and platforms and are ready to provide support to the building block.

While identifying areas where public-private co-operation would have the biggest impact is not so obvious, Mr. Gad from the Ethiopian Omega Farms sees the private sector as already being in motion and potential sectors for collaborative action can be easily identified to implement the existing specific development goals and targets.

In sum, the private sector is an equal, complementary partner in development was the clear message from the development community at the plenary session. So far, efforts to create synergies between public and private sectors for more effective and sustainable development have proved insufficient. While it is clear that the joint statement provided a footstep in expanding public-private co-operation, another clear message from the session was that the post-Busan work would need to focus in action and make easy for companies to engage in the broader development effectiveness agenda.