

PRIVATE SECTOR PEER LEARNING: MECHANISM PROFILES

develoPPP.de, German Federal Ministry for Economic Cooperation and Development (BMZ)

Description: The [develoPPP.de](#) programme was established by the German Federal Ministry for Economic Cooperation and Development (BMZ) as a way to support and foster the involvement of the private sector in developing countries and emerging economies. develoPPP.de aims to operate at the point where business opportunities and development policy initiatives intersect. Implemented by three partners, German Investment and Development Corporation (DEG), Gesellschaft für Internationale Zusammenarbeit (GIZ) and sequa, Germany's three public implementing partners, develoPPP.de supports companies in the planning, financing and implementation of innovative projects in developing and emerging countries. With over 1 700 private sector partnerships formed, the programme has become Germany's primary instrument for the establishment of development partnerships.

Development Assistance Committee member: Germany

Duration: Ongoing since 1999

Budget 2015: EUR 33 million

Geographic focus: Global

Sectoral focus: All

Offered: Grants (EUR 200 000), advisory services and technical co-operation

Objectives: develoPPP.de seeks to establish partnerships with companies in countries that are eligible for official development assistance to enhance development outcomes, including creating jobs, safeguarding local income, sharing knowledge and technical know-how and introducing sustainable technologies. By providing grants and access to expertise, the programme helps companies tap into new markets and minimise financial risks while simultaneously generating long-term benefits for local populations in partner countries.

Partners: develoPPP.de partners range from smaller companies to strategic global alliances that bring together two or more private partners. Eligibility for the programme is open to German companies, companies registered in the European Union (or a European Free Trade Association country) and their subsidiaries, as well as companies in developing and emerging countries (as listed on the Development Assistance Committee list) in which a European Union-registered (or European Free Trade Association-registered) company or European national own at least a 25% share. The company must have a EUR 1 million annual turnover, have more than 10 employees, have been in the market for at least three years and have some kind of connection to the country which demonstrates that it will be there on a long-term basis. Foundations, non-governmental organisations, foreign chambers of commerce, and registered associations are not eligible to apply, but can participate in develoPPP.de as project partners of the applicant company.

How it works: BMZ appointed DEG, GIZ and sequa to implement develoPPP.de on its behalf. Companies interested in develoPPP.de have four opportunities each year to submit a declaration of interest to one of the three implementing partners, which have different priorities and areas of expertise. The partners receive more than 300 applications per year and fund roughly 100 new projects annually. Companies must decide and select which implementing partner would best support their proposed project. A successful company is responsible for covering at least half of its overall costs. BMZ contributes up to a maximum of EUR 200 000 in the form of a grant. DEG, GIZ and sequa provide companies with professional and managerial support if needed. They will also help facilitate global networks with key stakeholders such as governments, other private actors and non-governmental organisations.

Partnerships can last up to a maximum of three years and projects can cover a wide range of topics. Proposals must meet specific selection criteria as outlined by the implementing partner, which can include technical and regional experience, long-term commitment to the partner country and project plausibility. Additionally, companies must adhere to BMZ development policy guidelines, such as projects having to demonstrate a clear development outcome that is both environmentally and socially responsible. Emphasis is also placed on including projects that target least developed countries and improving the living conditions of traditionally disadvantaged groups such as women, informal workers and minorities.

develoPPP.de also supports strategic partnerships, which include more than one private sector partner with total budgets of at least EUR 750 000. With GIZ, funding is channelled through the implementing partner, whereas with DEG, funding is disbursed to companies (DEG always conducts a review of subsidy rules). Strategic partnerships occur when GIZ or DEG detect a high level of reliability and innovation, above average structural impact, broad and positive impact and requires a multi-stakeholder approach.

Monitoring and evaluation: No monitoring and evaluation documents were found. The DeveloPPP.de website and brochure provide project examples, including project descriptions and successes. develoPPP.de is currently undergoing an external evaluation.

Results: develoPPP.de has implemented more than 1 700 projects. Through the programme BMZ has contributed more than EUR 330 million to partnerships with the private sector, matched by EUR 558 million in private contributions, over the 1999-2015 period. The develoPPP.de website provides specific project examples that can be narrowed by region, branch and partner. General results are reported for each project. Additionally, the develoPPP.de brochure outlines project successes.

Insights: By providing both financing and professional support to companies, develoPPP.de is able to help companies enter new markets where risks are high. The grants mitigate risk and encourage investment in partner countries. Moreover, linking projects to broader development objectives ensures that projects are compatible and sustainable and will improve local conditions in partner countries.

SOURCES:

BMZ (2015), “develoPPP.de: Development partnerships with the private sector” (brochure), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Bonn and Eschborn, www.developpp.de/en/download/developppde-booklet-development-partnerships-private-sector.

BMZ (n.d.), develoPPP.de website, www.developpp.de/en (accessed 1 July 2016).