

Sida's collaboration with the private sector engages corporate actors in global development. Through partnerships, the objective is to leverage the contribution of the private sector to global poverty reduction and to promote inclusive and sustainable business models that enable people living in poverty to improve the quality of their lives.

Collaboration between Sida and the private sector is based on risk- and cost-sharing and on the private sector being the driving force of the partnerships. This form of collaboration is open to private sector actors from all over the world provided that it brings clear benefits to people living in poverty. Partnerships can be effective in different areas, such as health, education, agri-culture and forestry, climate, energy, employment and infrastructure. The key focus for Sida is always the development results achieved through the partnerships.

HOW IT WORKS

An important aspect of Sida's collaboration with the private sector is to enable projects and initiatives that otherwise would not have become



reality. Through the catalytic nature of the support and the leveraging of valuable private sector resources (knowledge, innovation, long-term investments, local presence etc.) the development impact of aid funds are multiplied.

INCLUSIVE AND SUSTAINABLE BUSINESS

By partnering with private sector actors, Sida aims to contribute to promoting sustainable and inclusive business

models and practices that:

1. ensure that the needs of future generations are taken into account in business decisions and investments made today.
2. offer opportunities for people living in poverty to improve the quality of their lives.

Inclusive business models include people in poverty as clients and customers, or as employees, producers, distributors, innovators and business owners, at various stages in the value chain.



PRINCIPLES FOR COLLABORATION

- Investments must have a clear objective to support sustainable development and create better conditions for people living in poverty in developing countries.
- Sida is open to collaboration with companies from all countries, provided that there are clear development results to be achieved.
- Partnerships are conducted in line with the collaborating country's priorities.
- Sida funding is catalytic and the idea is to enable development or projects that otherwise would not have become reality.
- By engaging the resources of the private sector (for example knowledge, innovation, long-term investments and local presence) Sida wants to multiply the development impact resulting from its contribution.
- Investments are always based on risk- and cost-sharing between Sida and the partnering companies. Innovative solutions are particularly encouraged.
- Sida's support should contribute to well-functioning markets, but must

not distort markets or competition.

In the interest of transparency and learning, partners should be willing to share information and results from the projects.

- Collaboration is always based on close dialogue with companies, governments and civil society in partner countries, in Sweden and internationally, in order to stimulate continuous communication, local ownership and cooperation.
- All partners must take social and environmental responsibility and strive towards compliance with key CSR and sustainability principles, such as those of the United Nations Global Compact.

FORMS OF COLLABORATION

Every project is different and has its own characteristics. Partnerships are developed in close dialogue between Sida and the partner/s. The two main forms of collaboration are:

Public Private Development Partnerships

Collaboration with mainly large companies, through joint financing of

development projects with a win-win objective. Win for corporate good as well as for development impact. Companies usually contribute at least 50% of the project investment.

Challenge Funds

Collaboration with mainly small and medium sized companies and entrepreneurs, who compete for co-financing of sustainable, innovative and inclusive business-concepts.

CONTACT

Sida wants to collaborate with private sector partners who see the win-win potential in being an active driver of long-term sustainable development.

For more information and examples of collaboration between Sida and the private sector, please visit www.sida.se/privatesector or contact the Swedish embassy in the country that you operate in via www.swedenabroad.com