

In a Public Private Development Partnership, the public and private sectors make a joint investment in a project implemented by a third party. The objective is to create conditions that will enable people living in poverty to improve their lives.

WHAT IS A PPDP?

Public Private Development Partnerships (PPDP) is a key modality for concrete cooperation between Sida and private sector actors. PPDPs encourage the private sector to pro-actively create business ventures that also improve conditions for people in poverty. This form of collaboration is particularly suitable for larger companies.

The overarching objective of the PPDP is to increase opportunities for people living in poverty, both economically and by inclusion along value chains as producers, distributors, innovators, consumers and owners. A PPDP can for example help solve problems regarding lack of access to sustainable energy, food supply, or poor agricultural practices. A PPDP can for example include education and vocational training.

Expected outcomes of PPDPs are the inclusion of poor people, along value chains related to the company's core business; in gainful employment and production as producers, distributors and



entrepreneurs. This will lead to better lives for people living in poverty and to increased integration of low-income countries in the global economy. Partnerships are not tied to Swedish interests or to certain sectors and do not subsidise business ventures as such. Rather, they aim at maximizing the development value of private investments. The development results are always in focus.

COLLABORATION WITH SIDA

Private sector partners and Sida finance a project jointly. The driver of the project

is the partnering company, or a cluster/consortium of companies. The project is generally implemented by a third non-profit party, such as a local ministry, agency or a locally established civil society organisation.

The private partner will normally be expected to cover at least 50 % of the total cost of a project, with Sida's contribution being complementary. Sida also supports with expertise concerning development cooperation related issues. The risk is shared between Sida and the partners.



Examples of initiatives that Sida can support through a PPDP are:

- pilot projects
- technical assistance
- training and capacity building
- community development
- studies and evaluations
- other forms of problem-solving efforts



PPDP ELIGIBILITY

Successful PPDP project proposals meet the following criteria:

- **Clear and substantial benefit for people living in poverty.**
- **Implementation in Sida's partner countries¹.**
- **Alignment with existing national policies**, e.g. Poverty Reduction Strategies, and ideally inclusion of key sectors as identified in Sida's bilateral cooperation strategies.
- **Scaling-up potential.** Projects with potential for greater impact through scale effects, e.g. through replication elsewhere, are given priority.
- **Projects should trigger market creation.** Partnerships should not result in subsidies to individual enterprises or create market distortion.
- **Close cooperation with relevant local bodies.** The commitment and participation of local partners such as national authorities, ministries, civil society organisations or trade unions will be needed in developing the projects.
- **Transparency.** Participating companies should be willing to share information, results and outcomes from the projects.
- **Partnerships should be catalytic and stimulate pro-poor development impact of business activities** which would not have emerged to the same extent without Sida's support.

- Projects as well as partners are expected to operate according to high global standards of social and environmental responsibility (CSR).

CONTACT

Sida is interested in collaboration with partners from the private sector who see the win-win potential in long-term sustainable development.

For further information or queries please contact a Swedish embassy through www.swedenabroad.com, or Sida at www.sida.se/privatesector

¹ See www.sida.se for a list of countries to which Sweden provides development assistance and for the about 40 countries which the government has decided should be target for the Swedish Development Cooperation.