

The need for partnership.

The world's pressing problems are far too complex to be addressed by a single sector. We embrace the notion that the private sector, public sector, academia and civil society need to work together to find solutions to global challenges. These actors have complementary resources and skills and can through joint collaboration be more effective in creating favorable conditions for sustainable development than individual actors working alone.

For example, Sida usually has established cooperation with concerned ministries and authorities, with access to dialogue opportunities at the political level and strong partnerships with the civil society, whereas private companies often have knowledge of the local context. They understand the situation on the ground and how new policies and regulations need to be managed to ensure compliance. They also have strong incentives to maintain or strengthen their social licence to operate.

SHARED VALUE FOR ALL PARTIES

Partnerships between public and private sector are about solving common challenges (i.e. aligning core business interests with development goals) and joining forces where a partnership can add value for all actors. It is about sharing know-how and putting resources together towards a common goal in Sida's partnership countries to create jobs, stimulate growth and fight poverty. The motivations among different actors vary, as well as their roles in the partnerships. Some companies' main interest will be in the sourcing of goods or the use of local resources for their own production. Others are interested in building and developing new markets for their products in various ways. Development partnerships are those in which opportunities to overcome key development challenges overlap with a company's business challenges.

KEY HIGHLIGHTS IN A PARTNERSHIP:

- Both public and private partners contribute with resources and competence to address a challenge.
- The driver of the project is the partnering company/consortium.
- The project is generally implemented by a non-profit third party.
- Priority is given to projects that can be replicated for large scale impact.
- The objective should be in line with core business and the commercial incentives that motivate the company to engage in project development and implementation.
- Should strive for systemic change.
- Should lead to inclusive sustainable development.

CONTRIBUTING TO SYSTEMIC CHANGE AND LARGE OUTREACH

When initiating a partnership: the ambition is to strive for as much systemic

COLLABORATION CREATES VALUE ADDITION



change as possible. For example, improved vocational training in one isolated centre is good, but it is better if the certificate given is valid in the whole country so that the person trained has a wide range of opportunities to seek and find productive employment; if the curriculum developed is used by other centres; if the approach is integrated into the national strategy; if lessons learnt are picked up by the ministry and spread across the country; if it enables more women to participate in productive employment etc.

These types of additional outcomes add relevance and impact on systemic national change that support shifts towards broad-based sustainable growth and pro-poor socioeconomic development.

FINDING SOLUTIONS LEADING TO INCLUSIVE SUSTAINABLE DEVELOPMENT

The ambition is to design Public Private Development Partnerships in a way that they lead to inclusive sustainable development, meaning that positive outcomes will last beyond the partnership project and reach as many as possible. For this to happen, implementation must lead to the necessary systemic national changes, be aligned with relevant policies, programs and reform processes and build on collaboration with relevant authorities and development partners. Exceptions to this approach could be accepted in some cases, for example if the recipient country does not have robust enough systems to allow channelling of funds, if organisational and individual capacity in concerned ministries is too weak, if corruption is high or if the Swedish

government has decided not to have a state-to-state cooperation with this particular country. Implementation must also lead to broad-based and pro-poor socioeconomic development meaning that direct or in-direct positive socioeconomic impact must reach as many as possible in the target groups.

EXAMPLES OF POSITIVE SOCIOECONOMIC IMPACTS

