WINTER 2018

AGENDA 2030 & PUBLIC PRIVATE PARTNERSHIP

DISCUSSION PAPER

friends of europe

This event is part of our Development Policy Forum (DPF), which brings together a number of important development actors, including the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Agence Française de Développement (AFD), the Japan International Cooperation Agency (JICA), the European Investment Bank (EIB), the United Nations and the World Bank. Reflecting the growing role of the private sector in development, the DPF has now welcomed Coca-Cola and Eni to the forum. The DPF contributes to the global and European conversation on inclusive development. Through its activities and publications, the DPF reflects the rapidly-changing global debate on growth and development and seeks to encourage a multi-stakeholdered, fresh, up-to-date thinking on the multiple challenges facing the development community.

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FOREWORD

Friends of Europe published its first policy paper on "The Private Sector and Development" in November 2011. In it, we recognised the key role of public-private partnerships in development cooperation but warned that more information and research was required to make sure such cooperation really worked.

"Private development actors must find a way to make their efforts sustainable and ensure the involvement of local actors," we said. "Strong country ownership must be ensured."

Seven years on, it is clear that, slowly but surely, governments, international organisations, the private sector and civil society are beginning to work together to achieve the Sustainable Development Goals (SDGs). Working out the nuts and bolts of such Agenda 2030 coalitions is still not always easy, however.

Most governments and NGOs recognise that the private sector can contribute to long-term sustainable development. Many governments have started consulting the private sector in reviewing their national strategies and progress on the SDGs and are establishing public-private partnerships on SDG implementation.

Yet, walking the talk by actually working with business is still relatively new for many development actors. One challenge is the legacy of the negative social and environmental conduct of some private enterprises.

As such, going forward, business needs to demonstrate that its engagement in Agenda 2030 is real and enduring and that it can contribute effectively to solving social and economic problems.

The private sector must also be ready to work with civil society actors who may still have misgivings about such cooperation.

Business-led initiatives such as research and development partnerships, knowledge-sharing platforms, skills transfer and infrastructure investment have the potential to kick-start development, enable productivity gains, generate better quality jobs, strengthen skills and promote technological advancement.

As the European Consensus on Development underlines, however, mobilising private resources for development also requires promoting private sector accountability. Such partnerships can be challenging especially in countries where the access to justice is difficult and judicial reviews, legal uncertainty, international standards and financial regulations are not guaranteed.

On top of bureaucracy and corruption, cultural traditions and norms can also often hinder the implementation of development projects.

Governments must therefore create a positive, enabling environment for business by creating the right collaborative frameworks for business, government and civil society to work productively together.

This discussion paper brings together the voices of multilateral development agencies, development banks, private business and civil society as they seek to reinforce their cooperation to achieve Agenda 2030.

Our selection is not comprehensive. Rather we looked for key players in a restricted number of SDGs including health, water, energy, trade and agriculture. Our focus was on identifying ways in which the different development actors work together in practice, the challenges they encounter and ways in which they find common ground.

We have included recommendations for the future and a report on an event on "The Private Sector and Development: The Devil is in the Detail" we held in Brussels in November 2018.

With the focus on SDG implementation expected to increase in the months ahead, we hope this discussion paper is a useful tool to push for even further collaboration between all development actors.

Happy reading,

Shada Islam
Director for Europe & Geopolitics at Friends of Europe

RECOMMENDATIONS FOR SUCCESSFUL PPPs

These recommendations draw on the viewpoints and ideas presented by the authors of the articles in this discussion paper.

1. Membership of the UN Global Compact: Businesses should be encouraged to join the United Nations Global Compact on responsible business practices to ensure their strategies and operations are aligned with principles on human rights, labour and anti-corruption and take actions that advance societal goals.

2. The European Commission should make membership of the Global Compact compulsory for all businesses which want to engage in Public Private Partnerships at national and EU level.

3. Enhanced communication: Members of Agenda 2030 coalitions should ensure that they communicate with each other regularly with regard to their respective intentions and requirements and also encourage the use of a standard technical vocabulary to avoid misunderstandings and misperceptions.

4. Structural transformation: National governments should adopt horizontal industrial policies and collaborate with the private sector on interventions that directly increase productivity and ensure a new form of structural economic transformation, ensuring competitiveness in a time of ever-changing frontier technologies.

5. Role of governments: Working with the private sector can help national governments to draw up more realistic, long-term and sustainable development strategies and national development plans.

6. Conducive environment for investment: Governments and international institutions in development should create a conducive environment for the private sector to incentivise its participation in development projects.

7. Corporate Social Responsibility: Private companies should be able to see the added value of integrating corporate social responsibility measures in their business plans.

8. Cross-cutting project management: Governments and development finance institutions should enhance the design of projects by covering not only their financial aspects, but also technical, environmental and social standards. They should adopt clear, shared guidelines as regards the funding of sustainable assets.

9. Societal role of the private sector: Companies should reshape their strategies and societal interaction to take account of the SDGs and be accountable to local populations.

10. Shared, reduced risks: Governments should reduce risks – real and perceived – for investors and create conditions where risks are shared across governments, finance institutions and the private sector.

11. Gender inclusive measures: PPPs should acknowledge the fundamental role of SDG5 which calls for gender equality and the empowerment of all women and girls" while also recognising the pivotal role of women in achieving Agenda 2010.

12. Shift social norms: More generally, companies should use their power and leadership to help shift harmful social, labour, environmental and other norms to ensure social transformation and development.

Corporations should be more accountable

Companies can be at the vanguard of social transformation

Sean Maguire, Executive Director of Influence and Partnerships at Plan International

There is a need for increased efforts on aligning around Agenda 2030, including the private sector, if we are hit the SDG targets.

There is increased interest in what the sector can bring to the development arena, in terms of innovativeness and agility, ability to scale, and additional finance.

Within civil society there are still considerable reservations about the private sector somehow filling a gap that should be the role of government.

But many acknowledge the private sector has a role to play and want to engage them in a constructive way.

The question is how can the private sector* be a good development partner, and contribute to the sustainability of our planet and achievement of the goals? And if we are to make it work, we need to think about what civil society's role looks like within this partnership.

The base line expectation is that we need to insist that the private sector signs up to the UN Global Compact (GC), and actually reports annually on performance.

The GC's 10 principles cover human rights, labour rights, environmental protection and anti-corruption, so they are a good starting point for the behaviours we want to see.

We should insist no government, international finance institution or donor agency works with any company that is not signed up.

But that does not go far enough. There is also a need for greater accountability and transparency

around the activities of corporations – like paying their fair share of tax and operating with respect towards host governments and communities.

In terms of ensuring the effectiveness of public-private partnerships (PPPs), some-times they are portrayed as a panacea for achieving the Sustainable Development Goals (SDGs) but they are not – they are one tool amongst many.

They are attractive because there's a huge financing gap for the SDG agenda.

But plenty of PPPs over-promise and under-deliver so we want to ensure there is a 'do no harm' principle. There should be accountability from projects to the local populations impacted, as well as proper consultation at the project design stage, and an impact assessment from the perspective of the most vulnerable in the population. We are particularly concerned about the impact on women and girls.

Those are some of the key factors we want to see, particularly with the European Commission designing the projects it is going to implement as part of the European Fund for Sustainable Development (EFSD).

Another important point is that we are not going to achieve the SDGs through infra-structure, regulation, policies and laws alone. In order to achieve real gender equality, for example, you have got tackle the harmful social norms that underpin inequality and discrimination. And achieving gender equality, SDG 5, is critical to realizing other goals.

There is a real challenge and opportunity that we can pose to the private sector on how they demonstrate leadership, particularly around their treatment of women – so how they pay, promote, mentor and train their female workers. This is one way they can really try and shift social norms in an enormously powerful way that arguably goes beyond what governments can achieve, because those new norms will then reach women's homes and communities. They can drive change even more if they come together with other companies and agree, for example, standards and targets for equal pay and women's participation in the workforce.

Companies can be at the vanguard of social transformation. We have seen the best of them realise that it is good for their employees, their brand and their bottom line.

Look at the world through each other's eyes

It is a call for everyone involved to look at things from the perspective of their partners

Wouter Vermeulen, Senior Director of the Public Policy Centre at The Coca-Cola Company

It is important to note that the private sector is not a homogeneous entity. If you want to explore what the barriers are to engaging with the Sustainable Development Goals (SDG) and Agenda 2030, you need to consider that a one-size-fits-all approach simply does not work.

If you define the SDGs as optimising your positive contribution to society while minimising your 'negative' contribution, we have been on this trajectory for quite a while. Before the SDGs, we had the Millennium Development Goals, and other frameworks have existed before them. I think we came from a good starting place.

The key challenge for Coca-Cola and other private sector entities is to look across all 17 SDGs. There are obviously areas that we need to prioritise, but stakeholders and others do sometimes point out that the private sector is cherry-picking.

It is important to have a more holistic view. This requires zooming out from areas where we know we have an important impact, such as packaging or the use of water.

And we are doing that with our work across the whole Agenda 2030. For example, what we are doing on water is not only addressing SDG 6, but also six other related SDGs. We are also investing a lot in women's empowerment; yet it is important to understand how it can be linked to addressing issues related to waste or access to safe water.

The Agenda 2030 and its 17 SDGs are constantly pushing us to move away from single-issue focused approaches.

In terms of the challenges for the different sectors working together, it is important to take time to understand each other's agendas and gain a clear view of overlapping interests, early on.

Another challenge is to understand each other's timelines and language. Our timelines are very different from governments, development banks or NGOs. We work with consumers every day and are, arguably, much more involved in actions requiring immediate attention.

Before you can enter into a partnership, you need to trust each other and know each other. That phase sometimes gets overlooked as people jump in, but realising afterwards they have not done their homework is not a fruitful path forward.

I see a lot of opportunity in aligning 'purpose' with Agenda 2030. Many companies like ours are constantly reflecting on their purpose and evolving to ensure it remains relevant. We should ask 'what is the role of our company in society?' and build out from there into Agenda 2030 rather than pushing that agenda into the business.

A key recommendation would be to help more companies better understand why this ambitious Agenda 2030 is relevant to business.

Whenever someone wants to convince a private sector partner to do more on the SDGs, I would recommend that they challenge the company on what their purpose in society is and how that can be linked to Agenda 2030. Then the private sector needs to highlight to our partners that their agenda is actually linked to ours.

It is a call for everyone involved to look at things from the perspective of their partners, and try to see the world through their eyes.

Governments in fragile states and least developed countries must enable private sector participation in Agenda 2030

The EU institutions have a critical role to play in supporting fragile states and the least developed countries

Patrick Gilabert, UNIDO Representative, at the UNIDO Office to the EU in Brussels, Belgium
Paul Maseli, UNIDO Representative, at the UNIDO Office to the UN in New York, USA

Fragile states and least developed countries are facing enormous challenges and opportunities while trying to drive structural transformation and economic growth to create the right environment for the participation of the private sector in Agenda 2030.

Structural economic transformation is vital – rarely has a country evolved from low-income to high-income, without moving from low-productivity economy to an industrialised one. This transformation ensures wealth creation through increased economic diversification and productivity. Manufacturing is integral to achieving this, and recent figures from UNIDO's quarterly World Manufacturing Production Report are encouraging. However, the industrialised economies continue to dominate with more than half of world industrial output.

Today, some of the fastest growing economies in the world are also the least developed. Strong economic growth since the turn of the century has not led to sufficient job creation, economic diversification and, most importantly, structural economic transformation. There is reason to ask why.

Growth has largely been registered in sectors that are not labour-intensive and fail to

contribute to upgrading productive capacities. The Istanbul Programme of Action was adopted to address this specific issue for the least developed countries (LDCs). Yet, despite some recent successes, there are still many structural impediments that continue to hinder and limit the transformation of these countries.

Exogenous factors continue to impede the LDCs from realising their potential to transform. This includes the lack of policy space in global trade, poor access to markets partly because of non-tariff trade barriers and vulnerability to shocks in commodity prices. This – coupled with a lack of the necessary human capacity, technology and infrastructure – are obstacles to industrialisation.

There are two main economic structural obstacles that are worth highlighting in this context.

The first issue is the lack of competitiveness. Despite improvements in this area, fragile states and the LDCs are struggling to compete with industrial powerhouses in Europe, Asia and North America. Poor transport, energy and ICT infrastructure, along with low institutional capacity and relatively high unit labour costs, all contribute to the disadvantageous position of the LDCs. The challenge is to tackle this combination of obstacles in order to improve the business environment, encourage foreign direct investment and secure technology transfer, while adhering to trade agreements and intellectual property standards.

The second obstacle is shallow participation in global value chains. In the last two decades, the LDCs have managed to capture a growing share of global value chains but due to their economic structures, this is still mostly limited to primary commodities. The aim, therefore, should be to integrate the LDCs into medium- and high-value added value chains like electronics and vehicles.

Given the increasingly interconnected world – with the ever-declining costs in logistics and IT services – we are seeing more and more fragmented production processes that require parts and components manufactured in different locations. This and the pending Fourth Industrial Revolution create new opportunities for the LDCs, but also new challenges. In this context, it is imperative that countries strategically position themselves, with the help of stakeholders, to mitigate the challenges and reap the benefits of Industry 4.0. Strategic positioning and strengthening productive capabilities require an active and strong role for the state.

In this context, industrial policies have to be adapted and updated to ensure that they drive a new form of structural economic transformation, ensuring competitiveness in a time of ever-changing frontier technologies. Governments must adopt horizontal industrial policies and collaborate with the private sector on interventions that directly increase productivity. To complement this, vertical industrial policies that attract and support companies through tax incentives and infrastructure provisions should be implemented. Consequently, such policies will attract more foreign direct investment and create possibilities for technology transfer and capacity building.

The LDCs should consider investing in tradable services and agro-industries, including horticulture, agri-business, tourism and ICT-based services. According to Brookings Institution, a Washington based think tank, service exports from Africa grew more than six times faster than merchandise exports between 1998 and 2015. Manufacturing is being revolutionised with automation and artificial intelligence and, for this reason, the LDCs need to find niches and capitalise on their existing strengths. One way is to maximise the potential of its labour-intensive sectors.

UNIDO's mandate and its ongoing projects in fragile states and the LDCs are aligned with the objectives and priority areas of the UN Istanbul Plan of Action. UNIDO Programme for Country Partnership has been successful in contributing to these efforts by providing an innovative model for accelerating inclusive and sustainable industrial development in member states. UNIDO takes a leading role during the entire cycle, bringing together the highest levels of governments, development partners and private finance. Such programmes are currently in place in Cambodia, Senegal, Ethiopia and Peru. The programme in Senegal, for example, has identified three priority areas, with particular focus on industrial capacity, value addition and job creation, and supports the operationalisation of existing industrial parks. By 2030, the target is to create 40,000 new jobs, with $1bn in export revenues and $900m in new foreign direct investment. In Cambodia, Ethiopia and Peru, UNIDO supports value chain development, including inclusive market linkages.

The EU institutions have a critical role to play in supporting fragile states and the LDCs, and to move forward, the UN system should strengthen its support to countries who are about to move from the LDC category to Middle Income Country.

Strengthening partnerships and collaboration with all stakeholders is key to achieve all SDGs

The SDGs aim to transform our world by integrating the three dimensions of sustainable development

Ken Kobukura, Senior Deputy Director, Office for Global Issues and Development Partnership, Operations Strategy Department at the Japanese International Cooperation Agency

Over three years have passed since the adoption of the Sustainable Development Goals (SDGs), and actions in Japan toward achieving the SDGs have gained momentum especially among the private sector. In 2017, Japan Business Federation (Keidanren) revised the "Charter of Corporate Behavior" delivering on the SDGs. Japan's Government Pension Investment Fund (GPIF), the world's largest pension fund, started to allocate its fund to Environmental, Social and Governance (ESG) investment for the purpose of the long-term sound asset management that leads to building a sustainable society. Furthermore, the Government of Japan established the "Japan SDGs Award" to recognise private companies and other organisations that carry out good practices contributing to the SDGs.

In September 2016, Japan International Cooperation Agency (JICA) issued its position paper on the SDGs. Based on this paper, JICA committed itself to make use of Japan's own knowledge, introduce innovations and collaborate with local and international partners, including the private sector, in order to accelerate the achievement of the SDGs. Amidst the recent environmental improvements to boost the SDGs-related business activities in Japan, JICA provides wide-ranging support schemes

for promoting Public-Private Partnerships (PPP), such as Private-Sector Investment Finance, Preparatory Survey for PPP Infrastructure Projects, Feasibility Survey for SDGs Business, and so on. Regarding the Feasibility Survey for SDGs Business, JICA has adopted a total of 15 proposals submitted by Japanese private companies since its launch in February 2017.

While there is an increasing number of companies that address the SDGs under top management, incorporating the SDGs into corporate management and business activities is still a challenge for many of them. According to the report "SDGs and Business for the Future: Actions by Private Companies in Japan", while top management has a relatively high level of understanding on the role and importance of the SDGs, this remains extremely low at middle management level. The situation should be improved to increase business actions toward achieving the SDGs within the private sector.

While the Millennium Development Goals (MDGs) had a narrow focus on poverty reduction in developing countries, the SDGs cover a broad range of issues and demonstrate that society, economy and environment are integrated systems around the world and that they require the input of various stakeholders, including the private sector. To this end, the differences between the SDGs and the MDGs should be further highlighted at government level as well as within international and civil society organisations.

It should be noted that the SDGs aim to transform our world by integrating the three dimensions of sustainable development: the economic, social and environmental, while focusing on inclusiveness and ensuring that "no one is left behind". Because the 17 goals and 169 targets are set with the "outside-in" perspective (to consider and set the targets from external or social points of view on what is necessary to execute the ideal), they are all ambitious which makes it difficult to achieve them by only reinforcing the "business as usual" mindset. How to secure development finance for achieving these ambitious SDGs in developing countries – according to the estimate by UNCTAD, there is a financial gap as large as $2.5tn a year – is a real challenge and therefore, it is necessary to mobilise financial resources even more effectively and create innovation to maximise the development impact with limited funds.

Meanwhile, in Japan, the necessary link between the private sector and the SDGs has been understood at all key levels, including government, civil society and international organisations. The steps by the private sector to tackle the SDGs have also been frequently highlighted at relevant events, media and so on. In recent years, ESG investment has gained much attention in the private sector. The rising recognition of ESG issues enables private companies to better engage in sustainable business that responds to the environment, social and governance factors and that contributes to the promotion of the SDGs, too.

As JICA's "Feasibility Survey for SDGs Business" demonstrates, most of the surveys are related to the SDG Goal 2, Zero Hunger. Food and nutrition might indeed be one of the best-suited sectors for

public-private partnerships. One good example is the provision of a nutritional supplement added to Ghana's traditional baby food, called "KOKO Plus", developed and distributed by Japanese food product manufacturer, Ajinomoto Co. in collaboration with UN organisations, bilateral donor agencies such as JICA, international and local NGOs, among others.

JICA, as Japan's ODA implementing agency, explores how to ensure the impact of cooperation on the SDGs by mobilising more resources from the private sector. The private companies are keen to identify which of their products and services are needed and where they should invest in. For this reason, it might prove effective to set up a mechanism that would help match the needs between public and private sectors in accelerating activities related to the SDGs.

In Japan, to localise the SDGs in the Kansai region, the Kansai SDGs Platform was established as a body designed to bring together various actors, including the private sector, civil society and local administration and government agencies. JICA took the lead in launching this unique platform in December 2017. The platform aims to highlight and make better known the concept of the SDGs and the importance of the private sector engagement and involvement. It also fosters networking and collaboration between all stakeholders to encourage activities that contribute to building a sustainable society in the region. Currently, more than 430 organisations are taking part in the platform to promote the SDGs in a collaborative manner.

CASE STUDY

TRANSFORMING RISKS INTO OPPORTUNITIES: HOW TO DO SUSTAINABLE BUSINESS IN AN UNCERTAINTY ERA

The Mitsui & Co example

Today, problems with the potential to threaten the sustainability of both the global environment and society are occurring on a global scale, causing heightened unpredictability and uncertainty in every field of activity. We are now in an era in which we must use various options to search for paths to the future. Corporations are expected to enhance corporate value and maintain a strong focus on long-term perspectives and social sustainability.

Corporations operating across countries and regions around the world increasingly recognise that impact on the global environment has the potential to risk the sustainable growth of society as well as that of their own companies. In relation to climate change mainly caused by greenhouse gas emissions, corporate response plays a particularly crucial role in efforts to build a sustainable society. At the same time, responding to climate change also brings new business opportunities, including low-carbon energy, environmentally-friendly infrastructure and products, and innovative services that utilise digital technology.

MAIN ENVIRONMENT– RELATED RISKS IDENTIFIED BY MITSUI

Legal: risks arising from policies and legal systems related to the transition to a low-carbon economy, and risks to supply and demand in existing business resulting from the creation of new technologies and new markets.

Costs: higher environmental costs resulting from ecosystem destruction, degradation, etc., as a consequence of business activities.

Environmental: risks to companies' operations from cyclones and hurricanes caused by the physical effects of climate change, and risks to production volumes of agriculture, forestry, and fishery products caused by abnormal weather (high temperatures/drought).

MAIN ENVIRONMENT– RELATED OPPORTUNITIES

Expansion of environment-related markets due to increased environmental awareness and the tightening of regulations.

Demand for high-efficiency power plants; creation of new business models through the circular economy and sharing; expansion of business domains as a result of energy diversification, such as sustainable energy.

Handling of products and services that **contribute to a low-carbon society** by controlling energy consumption and greenhouse gas emissions.

A SUSTAINABLE APPROACH TO DOING BUSINESS

Mitsui & Co signed the UN Global Compact in 2004 and to this date, on top of complying with environment-related laws, regulations, and treaties, the company actively seeks cooperation with partners within the framework of their Corporate Social Responsibility policy, to achieve long-term industrial solutions. Grants, such as the Mitsui & Co Environment Fund for university research and NPO/NGO activities also contribute to the solution of environmental problems, efficient resource utilisation, protection of ecosystems and harmonious coexistence between ecosystems and human beings.

Companies can only be sustainable if the societies they operate in are sustainable, and unsustainable companies cannot fulfil their social responsibilities.

Dialogue with various stakeholders has helped Mitsui to identify societal expectations and issues as well as enable them to enhance their capabilities and functions to meet the expectations of society.

THE CASE: CONSERVING THE PREY LANG FOREST IN CAMBODIA (REDD+)*

Prey Lang, located in the northeast of Cambodia along the west bank of the Mekong River, is the largest tropical lowland evergreen forest in Indochina. It is inhabited by many wild animals, including endangered species, and it is also an important source of water for Cambodia. However, illegal logging, along with reclamation of land for farming by local communities, has resulted in progressive deforestation, loss of wildlife habitats, and an increase in greenhouse gas emissions that would normally be concentrated in the forests.

In partnership with Conservation International, an international NGO, Mitsui aims to use the REDD+ mechanism established under the Paris Agreement to contribute to forest and biodiversity conservation in the Prey Lang Forest, in cooperation with the Cambodian Ministry of Environment. These activities include reinforcing forest patrols to prevent illegal logging and providing local communities with alternative sources of livelihood to avoid reliance on logging.

*REDD+ stands for countries' efforts to reduce emissions from deforestation and forest degradation, and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks. It is a scheme which provides economic incentives such as carbon credits through the mitigation of deforestation and degradation of forest in developing countries.


PHARMACIE
COLOMBE
LYMANYA
GARDE

Cooperating with the private sector is key to a sustainable future

To fully enable private sector companies to align their business strategies with the SDGs, they need to have recourse to reliable support structures

Dr. Katharina Braig, EZ-Scout at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ)
Dr Bernhard von der Haar, Director EZ-Scout Programme at GIZ
Peter Wunsch, Senior Manager EZ-Scout Programme at GIZ

One of the most important elements of the 2030 Agenda for Sustainable Development is the joint responsibility it calls for in the implementation of the 17 Sustainable Development Goals (SDGs). The private sector is a particularly important partner when it comes to leading the world towards a more sustainable future. While politics can start initiatives and pave the way, it is businesses that must carry their weight to get sustainable leverage.

Private investments and entrepreneurial commitments made with the SDGs in mind can stimulate the growth of local businesses and help them integrate into the global economy. This way, they can also contribute to the implementation of higher social and environmental standards at the level of local economy. A thriving, local private sector will provide new jobs, generate additional income and counter emigration trends. Today, private sector cooperation has been mainstreamed – and not only in the economy but also in education, health, agriculture and other relevant sectors.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) supports its partners in their efforts to achieve the SDGs that are most relevant to them. A recent example of successful cooperation with the private sector

is the ground-breaking digital health-sector initiative from South Africa that focuses on developing automated pharmacies and aims to radically reduce waiting times for patients needing medication for chronic illnesses.

To make these digital dispensaries a reality, GIZ entered into a development partnership with MACH4, a provider of robotic pharmacy automation solutions based in Germany, and Right ePharmacy, a subsidiary of the South African NGO Right to Care. The partnership was formed under the develoPPP.de programme, which, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), provides financial and technical support to companies investing in developing and emerging countries. The 'ATM pharmacy', as its users now call it, is proving popular because it enables patients to get their medications quickly, simply and without stigmatisation. In three densely populated districts of Johannesburg, patients can collect their medication from 16 pharmacy dispensing units located in four shopping centres. Since spring 2017 alone, some 15,000 people have benefitted from this service.

To scale up the potential of companies to contribute to the SDGs, GIZ, working on behalf of the BMZ, offers a suite of specific support instruments. One of the first instruments to be launched involved placing development cooperation scouts in different German business associations and chambers. These so-called 'EZ-Scouts' serve as the go-to resource for companies that are interested in investing in developing countries and that would like to engage in development-oriented projects and initiatives. The support they offer to companies includes specific information and advisory services as well as assistance on how to get involved in development cooperation activities.

To fully enable private sector companies to align their business strategies with the SDGs, these companies also need to have recourse to reliable support structures in the partner countries where they are operating. This is why, in collaboration with the network of German Chambers of Commerce Abroad (AHK), GIZ set up the ExperTS Programme. Its eponymous experts are local contacts based in around 30 countries who advise businesses on development policy issues, such as renewable energies and vocational education. To ensure these programmes are comprehensive, their work is complemented by the recently launched Global Business Network (GBN), which, working closely with the AHK regional coordinators, covers selected countries where the AHK does not yet have a presence.

In addition to working with companies, all these experts feed information on private sector needs and requests to European decision-makers. Exchanging information in this way helps to ensure that instruments for private sector cooperation are continually updated.

Through its work with the private sector, GIZ has learned that while politics and businesses have different ways of thinking and while they use a different kind of discourse, they can also benefit from one another. It is therefore worth continuing to build partnerships on equal terms.

There has been a profound shift in the dynamics around the business and sustainability debate, moving from deep polarisation to a common understanding of the enormous challenges that lie ahead. Private sector cooperation is therefore key if we are to achieve the SDGs at global level. To make this cooperation sustainable and to ensure and magnify its long-term success, it is paramount, both at home and in the partner countries, that the voice of businesses be heard and that their experiences are integrated into the planning and implementation of joint strategies or national development plans.

Agenda 2030 can be a bonus for business

Private companies should be able to see the added value of integrating corporate social responsibility measures into their business plans

Eric de Deckere, CSR Manager at the Port Authority of Antwerp

The United Nations' Agenda 2030 is not just good for the planet, it's good for business. Rather than treating the Agenda as a cost burden, the private sector should be viewing the implementation of its 17 Sustainable Development Goals as a clear economic benefit.

Within the Antwerp Port Community, we started a stakeholder dialogue on the SDGs back in September 2015, even before they were officially launched in New York.

To begin with, we were looking at the goals that could make a difference at local level. Later, after intensive discussions between the Port Authority, companies located in the port and people from the surrounding communities, we realised that the 17 goals are a complete package, and we are now doing our best to achieve them all.

Naturally, there are some SDGs on which we can have more direct influence. At local level, our impact on goals focused on employment and development can clearly be much bigger than the one with a focus on 'zero hunger'. Yet they are all linked: in striving to reach the 'no poverty' goal, for example, we should be creating sustainable jobs for people with all types of educational backgrounds as well as for immigrants and people coming from outside local communities. It is important to utilise a multi-stakeholder approach that focuses on key questions, such as which areas should be targeted. Thinking at both local and global levels is key.

Based on our stakeholder discussions, the Port of Antwerp has developed a long-term vision for the port community. The 17 SDGs serve as a thread that runs through our vision programme, from start to finish. The programme is built around what we call the 'five Ps': people, planet, prosperity, peace and partnerships. All this is integrated in our 2018-2020 business plan.

Our plan for addressing Agenda 2030 is manifold. At the Port Authority level, we walk the talk, so that progress can be made through collaborating with our 900 private partners. If it is time for change, it is time to act, and at the level of the global supply chain, we are convinced that more can be achieved through cooperation. For this reason, we have joined forces with International Association of Ports and Harbors, American Association of Port Authorities, AIVP, European Seaports Organisation and World Association for Waterborne Transport Infrastructure so as to effectively address SDGs in the global port community, as outlined in the World Ports Sustainability Programme. IADC, International Cargo Handling Coordination Association and Port Australia have since joined the programme. The partners represent more than 200 ports and the major port-related businesses They are responsible for well over 60% of the world's sea-borne trade and nearly 80% of all container traffic.

While it can be complicated for sectorial organisations and private companies to see the links between the different SDGs of the Agenda 2030, from our point of view, it is important to treat the goals as one entity. For instance, we have witnessed issues related to the export of high-sulphur oil to Africa or the import of tropical-forest products to Europe. While this type of trade is perfectly legal, it raises questions about if we are willing to go above and beyond the existing legislation in order to achieve the SDGs. Public, private and civil society sectors often have a different vision on this, but we should work together to agree on the limits of how far we can – and need to – go.

Private companies should be able to see the added value of integrating corporate social responsibility measures into their business plans. It is not easy but, in the case of many, the measures they can take to help reach the goals of Agenda 2030 will bring long-term benefits.

Big or small: when it comes to private sector projects, the size doesn't matter

The growth and the private sector trajectory in Asia are truly astounding

Michael Barrow, Director-General of the Private Sector Operations Department at The Asian Development Bank (ADB)

Once at a conference focused on Asian infrastructure, I was asked whether I believed there is any role for a publicly-funded institution like the Asian Development Bank (ADB) to play in the private infrastructure financing space. My answer was simple: "The private sector money is there in spades; the problem is that it doesn't always like what it sees." Adding to that I continued, "facing that wall of money is a wall of real and perceived risks".

The key question here is what ADB can do. And there are many things: we can be the mediator, the match-maker, and we can directly absorb some of the real risks and help dispel risk perceptions.

I joined ADB in 2003, and just a week into the job I volunteered into covering a new opening in Afghanistan. A few weeks later, I flew to Kabul and was seated at an investor gathering. The presidential helicopter came down and lifted the skirts of the conference tent, covering us in dust.

The person sitting next to me and I shook hands and chatted: the first private sector deal in Afghanistan was born. Over the course of five years, we did three rounds of financing for the then nascent but now leading cellphone company, Roshan. For the first round of deals, we brought in partners with a background in

public financing friends, such as Proparco owned by the French government. For the second round, when Roshan went countrywide, we used our lender-of-record B-loan product plus our political risk guarantee to bring in commercial banks from Pakistan and South Africa.

It was first-of-a-kind when it came to cross-border commercial financing. ADB helped the commercial banks – often burdened by the feeling of "we love the company, the business and the technology but we just can't quite get our minds (or credit departments) around the very real risks we know of and the many risks we can't even begin to fathom" – to focus on what they could get their heads around and took care of the rest.

I took the next steps in my career and took on an even bigger responsibility on the Asian market. Many deals were born out of my efforts, and they always had the same theme: mitigating risks and crowding in the private sector.

Some deals we achieved really stood out, whether big or small.

One of our biggest achievements was helping to launch a new wind power platform in India. Our primary partner, a Goldman Sachs-owned fund, needed our experience in the renewables industry in Asia and was interested in our profile in India in particular. Under our management and supervision the company grew, went solar and expanded to become one of the leading renewable platforms of the country. As the company grew bigger, we increased the share of our long-term debt and brought in more from our partner, the Japan International Cooperation Agency.

More debt followed from the market. We sold our equity stake, very profitably, earlier this year. But the funding relationship continues and so does our work with many other renewable platforms in India and around Asia. They are a part of ADB's commitment to mobilise the private sector to help address climate change.

The smaller achievements are equally important. A key deal was recently made in Australia where a local project developer had just won a deal to construct and operate a solar facility. Nothing unusual at a first glance, as we have a lot of experience in financing many such projects, from big to small across Asia.

But it was the geographical location which made this project unique: it was located in the Pacific Island of Samoa, a first-of-a-kind. To make this deal happen, we worked with the local project developer and with the government and reached out to our shareholders for support. Given the small size of the project, the cost of developing it in the remote Pacific and issues related to consumer affordability, project costs and the associated risks needed to be mitigated.

Canada turned out to have the solution we needed: ADB manages a facility provided by Canada to make marginal private sector climate change projects happen. Thanks to 'blended finance', i.e. by combining $1 million of risk-taking and lower cost financing from Canada and $2 million of our own funding, we turned the project into a reality. The solar facility is beginning to supply power to Samoan homes.

ADB has released its new corporate strategy, Strategy 2030, in July 2018. One of the identified goals is to significantly expand ADB's private sector financing and, even more importantly, speed up the mobilisation of financing from the real private sector ($2.50 from the market for every dollar of our own).

We have recommitted ourselves to support the climate change agenda and have increased the gender focus of our operations. We will also help prepare projects and incubate businesses, sharpen our focus on private financing for social sectors and agriculture, undertaken to help reduce gaps in trade and supply chain finance, and work to ensure financial inclusion across Asia.

The growth and the private sector trajectory in Asia are truly astounding. But the risks are real and still abound. As long as this is the case, we at ADB hope that the private sector will come to us for support.

From lab to patient: partnerships are the key to global health

The challenges to address diseases impacting the world's poorest are too complex for us to tackle alone

Rogerio Ribeiro, Senior Vice President at GlaxoSmithKline (GSK) and Leader of GSK's newly established Global Health Unit

Each year around six million children under the age of five die from preventable causes, nearly all in the developing world and the majority from preventable infectious diseases. This is a harrowing statistic. But on a trip to Manaus, in my native Brazil, I was recently reminded of the opportunity we have to change patients' lives with the work we are doing to potentially make tafenoquine, the first new medicine in over 60 years for the radical cure of P. vivax malaria, available in Brazil as well as in other malaria endemic countries.

Operating across 150 countries, GSK has the opportunity to share its experience and expertise as a partner to make an impact at scale. The role of the private sector is intrinsically built into the framework of the Sustainable Development Goals (SDGs) and, without private sector input, these ambitious goals will likely not be fully realised. The biggest opportunity for GSK to contribute is to "ensure healthy lives and promote well-being for all ages" (SDG3) through our science and innovation which can and will have far-reaching implications for economies and the achievement of several other SDGs.

Over the past decades, GSK has had a profound impact on health in the developing world and gained valuable experience in understanding its strengths, challenges and how to best focus its expertise to gain the greatest impact. And the next chapter of its commitment must focus on ensuring that what is done is science-led, sustainable for business and prioritised for impact.

I believe that the best contribution GSK can make is to apply its expertise in science and form strong partnerships, aligned to SDG17, with organisations that have complementary expertise in different fields. This will help us deliver our innovations to patients. For example, our research and work has allowed us to extract a simple ingredient from a mouthwash and re-engineer it into our chlorhexidine gel which helps prevent umbilical

infections. Through a GSK programme executed in collaboration with Save the Children in Bungoma County, the product has reached over 30,000 babies in Kenya.

I am proud of this and the fact that we have integrated our commitment to fight infectious diseases that impact children and adolescents in the developing world into our company strategy via our Trust framework, along with quantitative access targets. We are focused on malaria, TB and HIV/AIDs in particular: they are diseases in which we have strong experience and which are highlighted under SDG3.

But the challenges to address diseases impacting the world's poorest are too complex for us to tackle alone. As we have seen when we were developing the malaria vaccine and the chlorhexidine gel, getting innovations to patients in developing countries is extremely challenging. There are complexities in getting new products registered and distributed in settings with limited or no healthcare infrastructure. We must strengthen and increase collaboration to build a clear path for innovations – from lab to patient – so that they can have the positive impact they were destined to have.

I am inspired by what we have already achieved in partnerships with the Bill and Melinda Gates Foundation, Save the Children, PATH, MMV, and many others. Now, a new sustainable model must be crafted so that companies, funders, governments, development NGOs and others can all bring their unique expertise to the table and ensure that global health discoveries can be incentivised, developed and brought to patients. This also ensures risk-sharing between partners.

GSK calls on existing and new partners to be a part of finding new solutions to advance global health. That way, the next wave of scientific discovery for global health can be built on the huge strides already made.

Development is an investment

There are multiple examples of private sector investments successfully supporting growth and the Agenda 2030

Catherine Collin, Head of Regional Representation East Africa at the European Investment Bank (EIB)

The main reason some governments, international organisations and civil society are not fully convinced of the private sector's role in achieving Agenda 2030 is that there is an enduring perception that the private sector is primarily and essentially about profit-making, not about supporting economic development.

There is a fear that when investing in developing countries, private sector companies are doing it more for reasons of 'corporate responsibility' or PR, rather than a genuine willingness to contribute to the Agenda.

It is probably a wrong perception, because things are evolving. There are multiple examples of private sector investments successfully supporting growth and the Agenda, whilst achieving a decent return. The private sector need to adjust its communication and be more convincing, so these fears can be allayed.

The role of the public sector is to put in place the policies and regulatory environment that will attract the private sector and mitigate some of the risks they are taking. I think statistics show there are not so many successful public-private partnership (PPPs) in Sub-Saharan Africa and there is work to do, but we are starting to see good examples. Lake Turkana Wind Power is an example in Kenya. It has been a long journey but finally made it and is now connected to the grid. There are certainly a number of lessons to learn from it, which will usefully guide future PPPs. It is not only financial issues that form practical obstacles for PPPs, but other elements such as the regulatory but also environmental and social standards which are essential for IFIs and DFIs, as for instance availability of land and buy-in by the communities.

Kenya has relevant examples of that – a number of projects are or have been delayed because

of environmental and social standards issues. Both the public and private sector have a role to play – there is a need for early engagement with the local communities to seek their buy-in and show them that they will also benefit.

If I had to choose one thing that is needed to enhance and foster PPPs within Agenda 2030, it would be project preparation, but also the need to find a common language that all actors and stakeholders (including donors and lenders), coming from different horizons / with different backgrounds are able to understand.

The public sector may have to "let go" occasionally and accept the fact that they cannot do it all, whilst the private sector needs to acknowledge that they cannot just do their own thing – it is all about partnership. I think that the Lake Turkana wind farm project in Kenya is such a good example of how critical the close partnership between the private investor and the Government was and remains.

Last but not least, I feel strongly that one can invest in development, achieve a decent return whilst bringing benefits such as job creation and living standards improvement. To be a serious player in Agenda 2030, the private sector needs to be convinced of that.

For years people said 'we shouldn't work with the private sector because they'll only run away with the profit'. But nobody should deny the fact that they want to get a decent return. That does not mean they are not contributing to an important agenda.

CASE STUDY

EIB'S SOLAR PROJECT IN ZAMBIA

In June 2018, the EIB signed a loan agreement of 11.75m USD in support of the Ngonye photovoltaic solar plant in Zambia. The facility, which is expected to produce around 70 GWh per year, is set to help Zambia reduce shortages and diversify its energy generation mix. With results exceeding the expectations to this date, Zambia is the first country to adopt the Scaling Solar programme, and it is expected to be followed by Senegal, Ethiopia and Madagascar.

Scaling Solar is a World Bank Group solution that makes it easier for governments to quickly procure and develop large-scale solar projects with private financing. It includes a "one-stop shop" package of technical assistance, template documents, pre-approved financing, insurance products, and guarantees. Scaling Solar is designed to allow governments to get fast, affordable, utility-scale power up and running within two years of engagement. It has financing support of USAID's Power Africa, the Ministry of Foreign Affairs of the Netherlands, the Ministry of Foreign Affairs of Denmark, and the Infrastructure Development Collaboration Partnership Fund (DevCo).

THE PROJECT

The construction and operation of an independent 34MW solar photovoltaic (PV) plant under the World Bank Group's Scaling Solar programme located in the Lusaka industrial zone, Zambia. The project is promoted by Enel Group and Zambia's Industrial Development Corporation (IDC).

THE FUNDING

EIB provided a loan of up to 11.75m USD alongside loans of up to 10m USD from the International Financing Corporation (IFC), a member of the World Bank Group, and a concessional loan of up to 12m USD from the IFC-Canada Climate Change Program.

THE AIM

Investment in solar energy will help reduce power outages and meet the rapid demand growth with lower greenhouse gas (GHG) emissions than fossil-fuel-based alternatives, thereby supporting the sustainable economic development of Zambia. The project contributes to EU renewable energy and environmental policies (particularly climate change policies) and several Sustainable Development Goals, especially SDG 7, affordable and clean energy.

THE RESULT

The results of the first auction, which took place in May 2018, have surpassed even the most optimistic expectations, with seven of the world's leading renewables developers competing for the opportunity to build Zambia's first large-scale solar plants. The winning bids were for just 6.02 cents per kilowatt hour and 7.84 cents (this is Scaling Solar Zambia) per kilowatt hour—the lowest prices for solar power to date in Africa, and among the lowest recorded anywhere in the world.

To finance energy access in Africa, private and public sectors must come together

There are shortcomings that must be tackled, if the private sector is to be on board

Lapo Pistelli, Executive Vice-President for International Affairs at Eni

In Africa, just under 600 million people have no access to electricity. While electrification is expected to improve around the world in the coming years, according to the International Energy Agency's 2017 World Energy Outlook, this figure will remain unchanged by 2030.

From an investment perspective, the situation does not look rosy either. Providing electricity to all by 2030 would require annual investments worth $52bn, which is more than twice the current input. Of that, 95% would need to be spent in sub-Saharan Africa. Yet the region has failed to attract private capital and according to the World Bank, it is the only area that saw private investment decline in 2017, reaching its second-lowest level in the past decade. This is a glaring indication of how big a challenge fulfilling the United Nations Sustainable Development Goals (SDGs) is.

Against this background, there are three factors that can marshal the role of the private sector in achieving access to affordable, reliable, sustainable and modern energy for all – which translates into SDG7 – in Africa and inform the European debate on how to reach the Agenda 2030.

First, success in achieving SDG7 depends on effective collaboration between governments, development finance institutions and businesses. Often raised – and dismissed – as a general principle with no teeth, this point

has specific consequences in terms of mutual commitments. From a business perspective, the shift from an aid-based approach to development goals and to the investment-driven one that the European Union has embraced is a major positive development. A policy approach that expands the use of financial instruments to tackle risk and channel investments into fragile countries is key to support broader public policy goals such as access to energy.

There are nonetheless shortcomings that must be tackled, if the private sector is to be on board.

Big international oil and gas companies can already autonomously pursue opportunities in fragile markets, often backing investment with traditional high-margin operations, where and if this is a viable option. Eni has traditionally done this, committing to supply the domestic markets of our host countries as much as possible, to foster local economic development and value chains. In 2017, we sold 56 billion cubic metres of natural gas to local markets, which account for 100% of production in countries like Congo, Egypt, Algeria and Tunisia.

While we continue to pursue this, we know it alone is not enough to achieve SDG7. To do that, investment should flow in countries where we cannot cover our backs. There, we need support from the development finance institutions to expand our portfolio to operations that have lower margins upfront and entail higher risks but that come with a major impact in terms of access to sustainable energy in countries where investment conditions are dramatically poor. In order for this option to become concrete, the political willingness to commit public resources to risky projects needs to be passed on to the bottom of the transaction, thus creating conditions where risks are shared across governments, finance institutions and, finally, private sector businesses.

Our deep offshore non-associated gas project OCTP is a successful example, thanks to an innovative World Bank guarantee scheme, of securing payments by state-owned Ghana National Petroleum Corporation (GNPC) and attracting other players to invest. Since June 2018, we are able to supply enough fuel to convert half of Ghana's power generation capacity into gas. If EU development instruments like the External Investment Plan (EIP) mainstreamed similar securitisation schemes, the private sector could support the EU efforts to help Africa achieve SDG7 extensively.

Second, we need a common strategic understanding of how to achieve full-scale access to energy. Currently, development finance institutions and other international organisations apply different definitions to concepts such as sustainable energy, which is often used as a synonym for renewables. Africa is the perfect example of why this is an obstacle to achieving SDG7: the continent is immensely rich in natural gas reserves and could leapfrog to an energy system where highly polluting coal has no role to play. Yet we still need to streamline processes and adopt clear, shared guidelines across governments and development finance institutions regarding what to fund as sustainable assets.

We strongly believe in Africa's renewables potential and have bet high on it, earmarking €1.2bn for renewables projects that are planned to take place mostly in sub-Saharan Africa. But the best way to achieve SDG7 is favouring a faster and more sustainable transition by combining natural gas and renewables according to specific needs, such as rural vs. urban or household vs. industrial consumption.

Third, if the EU is serious about rebuilding its strategic partnership with Africa, it must scale up its efforts on the continent. Increasing the use of guarantee schemes to €60bn, as the European Commission proposed in the 2021-2027 budget, may consolidate the approach spearheaded by the EIP. Yet these numbers must grow considerably, and financial instruments need to be available to sustain large-scale investments rather than piecemeal pilot projects, which are unlikely to be sustainable once the support infrastructure is gone.

The current SDG investment gap is estimated at $2.5tn on an annual average for 2015-2030. The political stakes are high for the two continents, as pressing challenges such as increased inequality, security and illegal immigration loom large. We know that official development assistance alone cannot make it, and there are high expectations for business to take the lead. We stand ready to do our share, provided these basic conditions apply, allowing for a new model of cooperation between governments, the financial sectors and the business to deliver on long-term sustainable investment strategies for Africa.

ANNEX
PRIVATE SECTOR AND AGENDA 2030

Friends of Europe event report

Harnessing PPPs for the action plan on people, planet and prosperity

When the United Nations announced its 17 Global Goals for Sustainable Development (SDGs) in 2015, nobody said it was going to be easy to achieve them by 2030. Three years after the goals' adoption, given an estimated investment gap of $6 trillion a year, it's clear that Official Development Assistance (ODA) alone is insufficient.

As such governments are increasingly turning to the private sector – through Public Private Partnerships (PPPs) – in order to channel more money into sustainable development efforts. These partnerships have proved very useful, notably in new infrastructure projects in Africa. But they are not a universal panacea and must be set up carefully and guided by international standards on procurement, the environment and society. This was the main conclusion of a Friends of Europe debate in Brussels on 20 November 2018, assessing how the private sector can facilitate the United Nations' Agenda 2030.

"PPPs are one solution to ramping up investment in sustainable development," said Paloma Perez de Vega, of the European Investment Bank. For instance, the EIB has backed PPPs behind two new solar energy plants – one in Zambia and the other in Senegal – which are expected to dramatically cut electricity costs for the local populations.

She added that in PPPs, it is for the private sector to build, finance and operate infrastructure such as roads, schools and solar energy plants; the public sector pays for the services and outputs during the operational period. The banking partner also takes finance risks, after checking out a project's legal, technical and regulatory aspects. "This project discipline is vital, especially for high-cost projects. PPPs only

work when they are well-structured, bankable, competitively tendered, and risk is shared among all partners," said Ms Perez de Vega.

Shada Islam, Director for Europe and Geopolitics at Friends of Europe and debate moderator, wondered if there were times when PPPs don't work. In reply, Ms Perez de Vega said that 90% of the EIB's focus is on projects in the EU, with the remainder spread around the world. She acknowledged that it's sometimes hard selling the strict EU procurement standards for ethics as well as social and environmental protection. "The EIB and its public/private partners have sometimes failed to win contracts for African projects, for this very reason. But we've noticed that more and more countries are willing to embrace our high procurement standards, because of their sustainability benefits."

CIVIL SOCIETY BRINGS ETHICAL OVERSIGHT

The private sector is often a major partner for our development and humanitarian projects, noted Sean Maguire, an executive director at Plan International, which focuses on children's' rights and gender equality in over 70 countries. "As a development accelerant, the private sector can deliver growth, jobs and innovation which will raise income levels and help us all to achieve the UN's sustainable goals," he said. Yet despite these upsides, he cautioned that PPPs are not always benign. For instance, whereas governments were traditionally responsible for social provision, the private sector is increasingly taking a slice of the action. This can raise questions about companies' performance, accountability and monitoring.

"We use a firm ethical lens as part of our due diligence," said Mr Maguire. "Before we link up with any private partners in a PPP, we insist they sign up to the UN Global Compact's 10 universal sustainability principles." In his view, there is one fundamental flaw with PPPs: voluntary reporting by the companies involved. "In these partnerships, big funders like us want to see rigorous monitoring of companies' compliance with sustainability standards. That is hard to do today."

Mr Maguire also highlighted some NGOs' concerns about the European Fund for Sustainable Development Plus (EFSD+). He said there is a danger that its reporting will focus more on the fund's financial dimension than its development impact, compared to the existing EFSD regulation (2017). "We understand the EU wants to get more money out of the door with this development cooperation instrument, using the private sector to drive the development agenda. But we worry about significantly weaker social, economic and environmental criteria in the EFSD+," he added.

Lastly, Mr Maguire lamented the slow progress worldwide on SDG5 (gender equality and women's empowerment). He said this goal is an area where the private sector – whether in PPPs or not – can play a major role and help women through their policies on hiring, mentoring and wages, in order to create a fairer and more just society.

CHOOSING GROWTH AND SUSTAINABILITY

Picking up on the theme of women's rights, the moderator concluded that the UN SDGs need business while business needs the SDGs. That's

a good assessment, said Wouter Vermeulen, from The Coca-Cola Company, which has been in Africa since 1928 and today has 70,000 employees across the continent. He reckoned that much of Coca-Cola's success stems from its willingness to listen to society and changing expectations.

"We want to grow the right way, not the easy way, so our long-term growth strategy includes sustainability goals for water, waste, and women's empowerment," he said. This framework aids the company to deal with risk and financial uncertainty, such as when buying agricultural produce and planning for climate change.

Trust is an essential ingredient for our Africa PPPs, but this takes time to build, admitted Mr Vermeulen. He called this time an investment rather than a cost, because of the way it strengthens partnerships. Coca-Cola is also willing to incorporate risk upfront. For example, it is working with 120 delivery partners in southern Africa through the Replenish Africa Initiative (RAIN), which aims to provide six million Africans with access to safe water by the end of 2020. Before forming any partnership, the company also does due diligence on its own supply chain, for instance by better integrating local fruit companies in Kenya and Tanzania.

Asked how Coca-Cola is trying to improve corporate sustainability, Mr Vermeulen pointed to a 2017 report and case studies in 15 countries on human rights. It is also tackling gender inequality, for example through a women-in-leadership programme: 36% of senior positions at Coca-Cola are now held by women, up from 28%.

An audience member called for more smaller companies and groups, including farmers and youth, to be involved in PPPs. By employing more young people and the unemployed in these partnerships, everyone can win. However, to help the end-beneficiaries, this will require far more local skills transfer and further investment in youth.

That's a great idea, said Mr Maguire. He said PPPs are becoming more common in urban development projects – although it's difficult to measure, incentivise and fund the necessary soft skills. "Plan International does lots of work to protect girls in cities, whether walking on the streets or taking public transport. There are many kinds of PPPs available for projects like this, but any partnership involving education and soft skills will be hard to scale up," he said.

LEAPING OVER FURTHER ROADBLOCKS TO PPPS

During the Q&A session, it was pointed out that Africa's fast-growing population will make urban development public-private partnerships even more crucial in future. Risk-wary investors, including banks, are another obstacle to new PPPs: an audience member pointed to her own problems launching a PPP for women entrepreneurs in agriculture.

Surely the SDGs are just "reinventing the wheel", commented one audience member, who said he knew of many good projects and partnerships under the former UN Millennium Development

Goals. Ms Perez de Vega answered that new and "bankable" PPPs should definitely call on valuable sustainability experience gathered in the past. She also highlighted the EIB's European PPP Expertise Centre (EPEC), a knowledge-sharing platform formed in 2008 to foster PPPs.

To a question on how Antwerp Port should build new partnerships with African ports, Ms Perez de Vega had several recommendations. The authority should focus on developing a PPP centred on sustainable procurement, looking for example at traffic risks. It should also work with local partners to ensure that any new port will meet its home nation's needs as a whole.

Governments increasingly turn to private companies and civil society for development projects, concluded Shada Islam. Although PPPs are becoming more popular in this sector, she acknowledged these partnerships can be tricky to form and run, hence the need for a sustainability focus at every stage.


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