

The Donor Committee for Enterprise Development and the SDGs

30 September 2016



'private business activities, investment and innovation are major drivers of productivity, inclusive economic growth and job creation'¹

The Sustainable Development Goals' recognition of the importance of the private sector reinforces the importance of the work of the Donor Committee for Enterprise Development (DCED).

The DCED is a forum for learning from practical experience about the most effective ways to fulfil the SDGs by creating economic opportunities and jobs for the poor; this enables them to work their way out of poverty with dignity. DCED members share insights and empirical experience, developing guidance on good practice and communicating evidence on results in support of the SDGs. The DCED's website www.Enterprise-Development.org is the leading source of knowledge about private sector development (PSD).

Poverty can only be alleviated sustainably through pro-poor economic growth; that growth in turn can only be achieved through successful and inclusive businesses. At the same time, it is becoming clear that the resources and expertise of government agencies are insufficient to address complex global problems.

These two ideas – generation of income and jobs for the poor through the private sector, and partnering with others such as the private sector, and leveraging their experience, capabilities and resources, to achieve development at scale - feature prominently in Goals 8, 9, 12 and 17 of the [Sustainable Development Goals](#) (SDGs).

The SDGs on which DCED focuses

[Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all of the SDGs](#)

[GOAL 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation](#)

[GOAL 12: Ensure sustainable consumption and production patterns](#)

[GOAL 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development](#)

Political pressure for implementing the ambitious SDGs remains high. DCED members' are implementing programmes to achieve the SDGs as well as monitoring and reporting progress towards their achievement. Members can report their national goals, implementation plans and progress at annual High Level Political Forum meetings.

¹ See SDG Agenda at: <https://sustainabledevelopment.un.org/post2015/transformingourworld>

Inclusiveness

Focusing on growth alone risks creating or worsening inequality. Inclusive businesses are those that directly benefit the poor by involving them in business processes as producers, consumers, employees or owners.

As highlighted in the DCED's [synthesis paper](#) on women's economic empowerment, studies have shown that investing in women has higher returns than investing in men. Discrimination and extra household responsibilities, such as cooking and childcare, often reduce their access to decent work and productive inputs, relative to men. The [DCED Working Group on Women's Economic Empowerment](#) is indexing proven tools, to make them more accessible for practitioners.

The DCED also improves the inclusiveness of businesses through research on the business environment, which can stifle growth if there is inappropriate regulation, lack of fair competition, or a lack of voice. The [DCED Business Environment Working Group](#) is exploring the role of Business Environment Reform in relation to gender, to labour productivity, and to public procurement.



Sustainability

Over the past decade, there has been increasing pressure on businesses to ensure they operate responsibly and in a sustainable manner. Businesses can contribute by reducing their resource use, minimising waste, and developing new environmentally friendly products. Investment in greening our economies is already a source of growth for many. The [DCED Working Group on Green Growth](#) is currently looking at mainstreaming GG knowledge, business environment reform for Green Growth, and green value chain development.

Partnering

Goal 17 of the SDGs – revitalising partnerships for development – recognises that stakeholders need to work together to achieve the SDGs. Partnering is a vital strategy cutting across all SDGs and involving many stakeholders. Yet development agencies have not historically been configured to partner with the private sector; the DCED is exploring what changes are needed, for example in processes, structures, culture and staffing, in order to partner more effectively. Keep an eye on the website [here](#).

Results measurement

The DCED Standard of the [Results Measurement Working Group](#) is the world-leading framework for good monitoring practice; it informs, orients and strengthens interventions under the SDGs. It supports development practitioners to articulate the logic of their actions, and to use that logic to understand what is working and why. In 2016, the DCED also agreed 25 harmonised indicators for private sector development programmes.

The DCED comprises 22 agencies who contribute to private sector development and the SDG Goals 8, 9, 12 and 17 in specific ways. More information on agency-specific private sector development policies and programmes can be found [here](#).