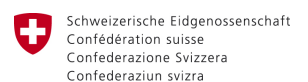


BILATERAL DONORS' STATEMENT IN SUPPORT OF PRIVATE SECTOR PARTNERSHIPS FOR DEVELOPMENT

As members of the international bilateral donor community, we recognize the tremendous impact that private sector actors can have on development and we commit to working together to meet the Millennium Development Goals (MDGs). These objectives have been previously outlined in the Millennium Development Goal– *Develop a Global Partnership for Development*. In the ten years since the MDGs were established, the international community has made great progress in developing partnerships with business and we come together today to renew and give greater meaning to our commitment.

1. We recognize that the private sector is the engine of economic growth and development – creating jobs, goods and services and generating public revenues essential to achieve the Millennium Development Goals. Through our individual institutions we are engaging actively with both local and international businesses on development projects and we have many successes to demonstrate the value of those relationships.
2. We also recognize the important role that multilateral institutions and business organizations, including the UN Global Compact, continue to play in advancing sustainable business models and markets to build an inclusive global economy.
3. Rather than viewing the private sector merely as resource providers, we choose to recognize the private sector as *equal partners around key development issues and will enter into partnerships with local and international companies of various sizes*. We aim to collaborate with companies that focus not only on profit margin, but also on social and environmental impact, and whose work harmonizes with our developmental goals.
4. We recognize there are many different ways to engage with the private sector:
 - a. We work with the private sector to implement **inclusive business models – sustainable, market based solutions** that are commercially viable and can deliver measurable, impactful and scalable development results for those at the base of the pyramid.
 - b. We work with the private sector to promote **responsible business practices** in areas such as human rights, labor, environment and anti-corruption.
 - c. We work with the private sector to address operational and humanitarian challenges through **corporate social responsibility** programs which serve both development interests and long-term business interests, improving not only the quality of life in developing countries, but also the competitive environment for companies, their license to operate and their reputational capital.
 - d. We actively engage the private sector in **public-private policy dialogue** and advocacy around issues of global and national importance, including achieving the MDGs, addressing climate change, improving the investment climate and enhancing aid effectiveness.
5. While there are various ways of engaging with the private sector, we recognize certain common elements exist throughout all our partnerships. In particular, we believe true partnerships must leverage the skills, expertise and resources of all parties, and that all parties must share in the risks and rewards of the partnership.

6. We recognize the important role donors can play to help businesses overcome the challenges they face in contributing to the MDGs, including the culture shift required in balancing development objectives against maximizing return on investment, moving to inclusive business models, managing risk and measuring impact.
7. To foster a more robust private sector role in development, we as donors commit to:
 - a. Share the risk of investment to **spur and leverage the creative investments of private capital** through the use of catalytic and innovative financing, including matching grants, loans, equity and guarantees, and develop new partnership mechanisms which improve our collaboration.
 - b. Work with developing country governments to establish a **supportive enabling environment** through policy and regulatory frameworks that create incentives for stronger private sector participation in development.
 - c. **Facilitate stronger relationships** between private sector actors and other national stakeholders, including governments, civil society and local small and medium enterprises to support country ownership.
 - d. **Promote partnerships** that improve the lives of both men and women in order to secure equal opportunities.
 - e. **Build the capacity** of local private sector partners to develop socially responsible business initiatives by providing targeted technical assistance.
 - f. **Increase awareness** through facilitating dialogue, developing tools, and supporting learning which showcases the powerful and positive role that well-functioning inclusive markets can play in achieving the MDGs.
8. We recognize the important role that science and technology play in spurring creative and effective development solutions. The private sector is a key driver of innovation, and we will work to integrate these innovations into our programs.
9. We recognize that partnerships with the private sector have the greatest impact when they are strategic – programs become scalable and sustainable when they are integrated into broader strategic initiatives.
10. We are committed to working with the least developed countries and countries struggling in conflict and fragility, as well as with middle income countries with thriving private sectors.
11. We are committed to the Principles of Aid Effectiveness as detailed in the Paris Declaration and Accra Agenda for Action and will explore how these principles intersect with the work of these partnership communities.
12. We encourage the private sector to commit to an ever increasing role in and responsibility for international development and invite businesses to further shape our understanding of the roles they can play as development partners, so that jointly we can promote a lasting global partnership for development.



Swiss Agency for Development and Cooperation SDC

