



**Special Meeting in preparation for the 2016 Development Cooperation Forum**

**“The impact of private and blended development cooperation: what can we expect in practice?”**

**Organized by UNDESA in the margins of the  
Third International Conference on Financing for Development**

**Radisson Blu Addis Ababa, Room Lalibela**

**Thursday, 16 July 2015 – 1:15 – 2:45 p.m.**

**Concept Note**

**Background**

Public, private, international and domestic actions are all vital to realize a post-2015 development agenda in its entirety and in all countries. The private sector is an increasingly relevant driver and partner in this endeavour, in particular in achieving sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Private “development cooperation” has grown rapidly over the past decade, notably from philanthropic and grant-making organizations and individuals, providing funding and know-how, technology and capacity building, and innovative approaches to development problems. Public sector actors are also increasingly providing new models of finance, including “blended” finance, and risk mitigation instruments, to attract private funds to riskier ventures.

Yet, while the private sector is expected to play an important role in the post-2015 development agenda, little is known about the quality, effectiveness and impact of its contributions.

To assess this trend, and in preparation for the high-level meeting of the DCF in New York in July 2016, UNDESA will organize a special event in the margins of the Third International Conference on Financing for Development in Addis Ababa, Ethiopia on 16 July 2015.

The aim of this special event is to discuss how to assess the quality, effectiveness and impact of private and blended development cooperation and to help identify opportunities and chal-

allenges in this area to support division of labour among all development cooperation actors based on their respective strengths. A policy brief will support this discussion.

The ECOSOC Development Cooperation Forum (DCF) is a global multi-stakeholder policy forum. It reviews trends and progress in international development cooperation, provides analysis on priority issues, engages all relevant actors in candid policy dialogue, and promotes greater coherence in development policy and among the different actors.

### **Private and blended development cooperation: What are they?**

The special event will examine two types of development cooperation:

- (i) Private development cooperation – all private activities in support of development, not driven by profit, geared towards developing countries and enhancing country ownership; and
- (ii) Blended development cooperation – official development cooperation which aims to mobilise private flows by “transforming” private sector development and the enabling environment for investment; market-like instruments such as equity shares and guarantees; and leveraging and blending financing which mobilizes additional private flows, including through public private partnerships and vertical funds.

The landscape of private and blended development cooperation instruments and modalities is driven by diverse agendas and approaches. Member states are challenged to create conditions for different actors and partnerships to incentivize long-term engagement and alignment to public goals, leading to real win-win outcomes.

A renewed global partnership for sustainable development provides the enabling environment to engage the private sector, strengthen shared responsibility and mutual trust and support all stakeholders to improve the effectiveness and impact of their actions.

### **Understanding the development impact of private and blended development cooperation**

Various frameworks currently exist for assessing the development contribution of private and blended development cooperation, and of broader private flows, in terms of quality, effectiveness and impact. However, these are highly diverse, fragmented and have varying degrees of rigour and independence in terms of their monitoring standards.

In addition, various proposals have been made by different stakeholder groups, to improve the methodology and processes for assessing the contribution of private and blended flows, in the context of preparing for the Third International Conference on Financing for Development. Various private sector groupings are also developing their own standards for assessment of their performance in key areas such as labour, climate change and tax. A recent mul-

ti-stakeholder workshop held in the margins of the DCF Republic of Korea High-level Symposium in April 2015 concluded that it should be a major priority to agree on a system for assessing the contribution of private and blended cooperation to the post-2015 goals.

In this context, a DCF policy brief will draw on existing and proposed frameworks to identify criteria which could be used to assess effectiveness and development impact of private and blended cooperation. The special event will present initial findings of this brief.

A second brief, to be prepared after the Third International Conference on Financing for Development, will look more closely at how private and blended development cooperation might be monitored and reviewed; and identify practical steps to actively engage relevant private actors in policy dialogue, knowledge sharing and mutual learning with other development cooperation actors. This brief will serve as input for the DCF High-level Symposium in Kampala (4-6 November 2015).

### **Objective and expected outcome**

This special event among key players in international development cooperation will discuss the recommendations of a policy brief on the contours of the increasingly complex landscape of private and blended development cooperation, identify lessons learned in assessing their quality, effectiveness and impact and formulate policy guidance on how to unlock its potential in the post-2015 setting. It will also identify areas for further research in preparation for the 2016 Development Cooperation Forum.

### **Discussion questions**

- 1) What is the value added of an independent assessment of the impact and effectiveness of private and blended development cooperation, for mobilizing resources and sharing knowledge?
- 2) What could be the challenges and risks of such an effort, and how could they be addressed?
- 3) Do you agree with the definitions, conceptual framework and proposed approach?
- 4) Should the DCF lead such a process, further refining criteria, indicators and a process for review of private and blended development cooperation?

**For more information, please visit: [www.un.org/ecosoc/dcf](http://www.un.org/ecosoc/dcf)**