

PRIVATE AND BLENDED DEVELOPMENT COOPERATION ASSESSING THEIR EFFECTIVENESS AND IMPACT FOR ACHIEVING THE SDGs

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AIMS OF PRESENTATION

- Present key findings of draft DCF policy brief
 - definitions and characteristics of private and blended development cooperation
 - concrete practical suggestions (building on existing efforts) to assess its effectiveness and impact for the post-2015 agenda
- OBJECTIVE – get comments and inputs to finalise this brief, suggest next steps and design forthcoming second brief on monitoring effectiveness and impact

DEFINITION AND CHARACTERISTICS OF PRIVATE DEVELOPMENT COOPERATION

WHAT IS “PRIVATE DEVELOPMENT COOPERATION”

- Suggested definition:

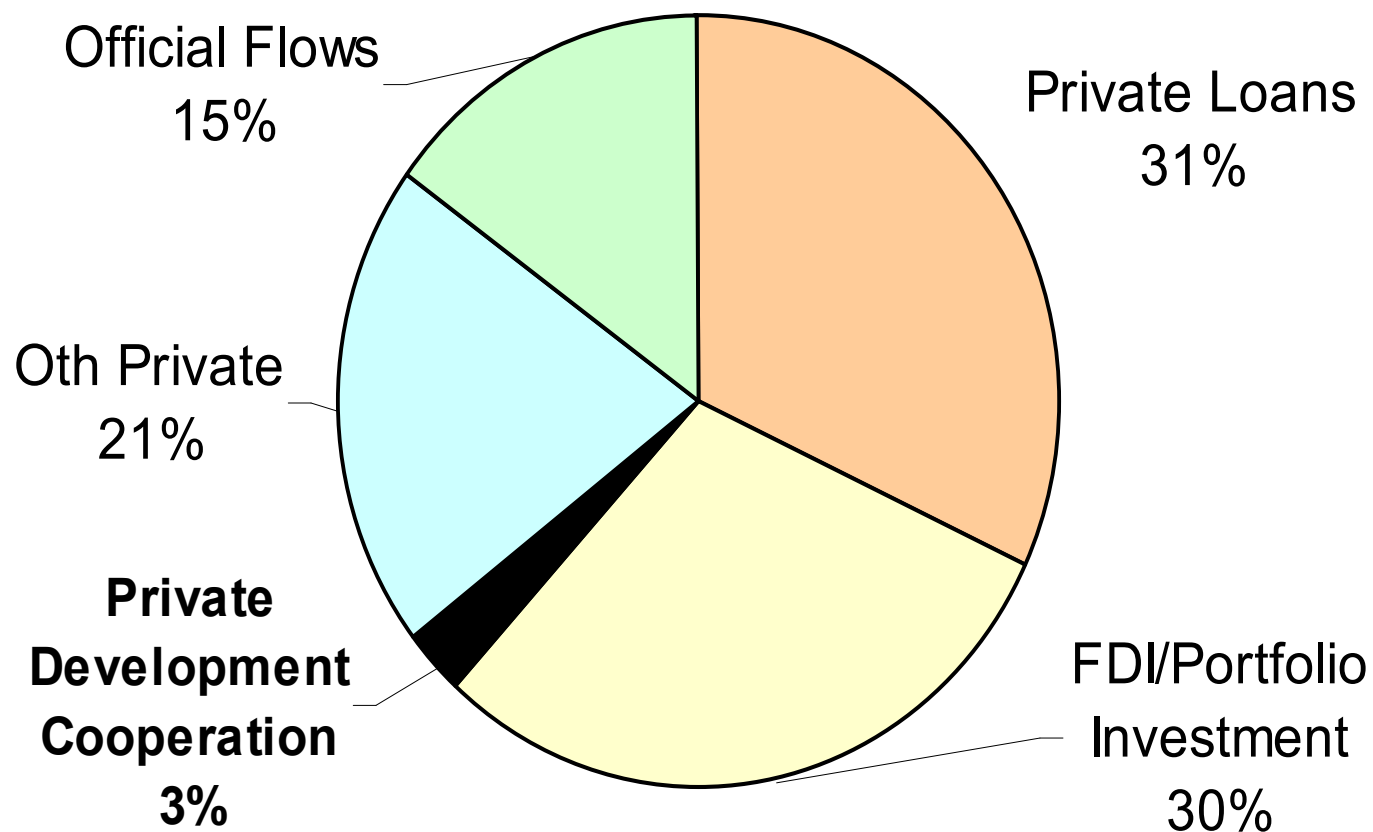
“activities by the private sector which aim primarily to support development, do not have profit as their primary aim (and are therefore in grant form), and involve a transfer of resources to developing countries”

WHAT DOES THIS MEAN ?

- includes financial and nonfinancial activities
- mainly provided by nongovernmental organizations and philanthropic and grant-making organizations and individuals
- excludes all private flows which have other primary motives (eg profit), such as FDI

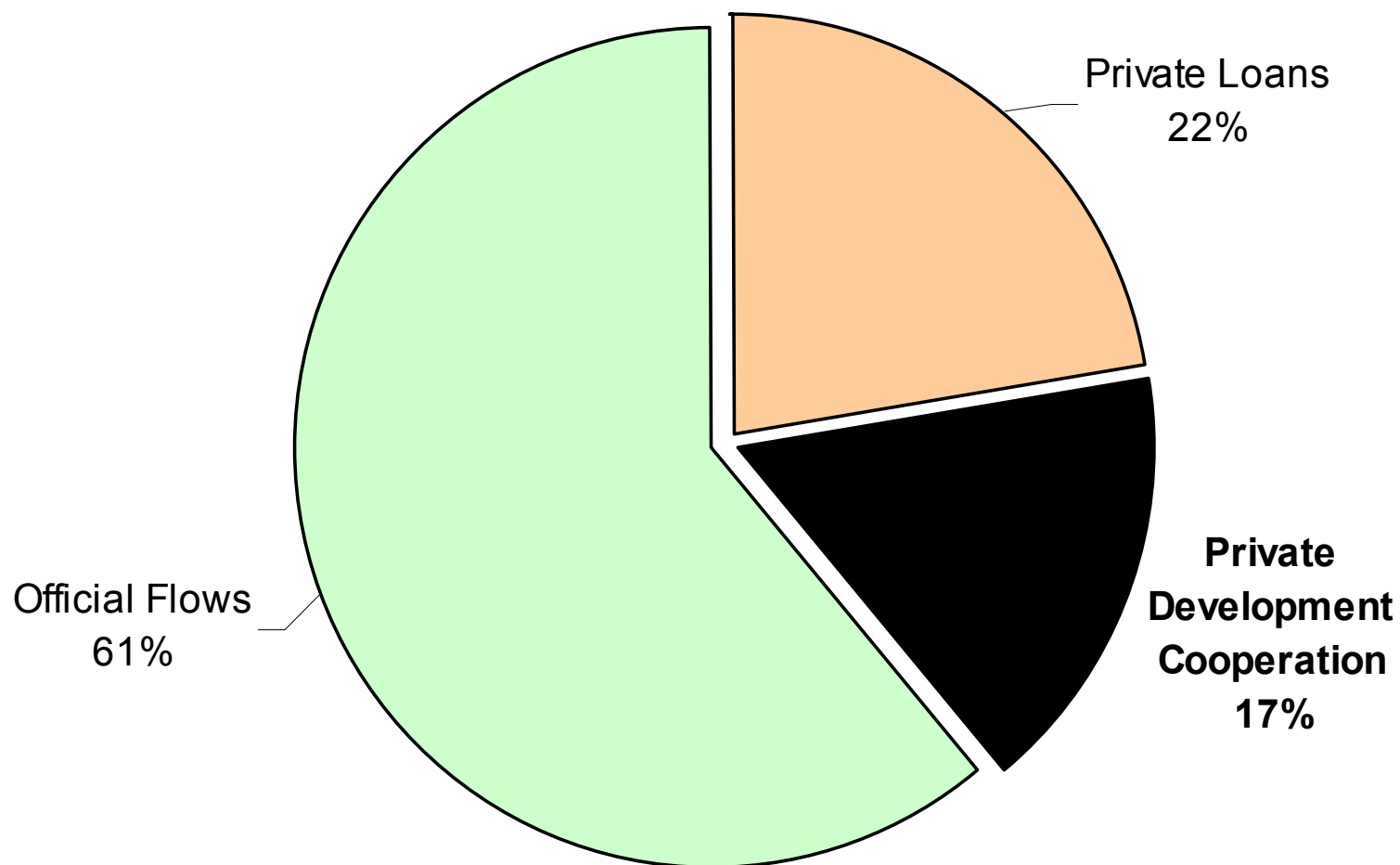
GROSS PDC FLOWS ARE RELATIVELY SMALL

GROSS FINANCIAL FLOWS



BUT AS A OF NET FLOWS, PDC
IS MUCH MORE IMPORTANT

NET POSITIVE FLOWS



RECOMMENDATIONS

- Data on PDC are outdated (2011) and partly missing (eg Southern foundations)
- *Enhance efforts to collect, covering South-South as well as North-South, by CSOs, foundations, and philanthropy*
- *Screen data carefully to ensure primary aim is welfare of developing countries, not other (corporate/religious) goals*

DEFINITION AND CHARACTERISTICS OF BLENDED DEVELOPMENT COOPERATION

WHAT IS “BLENDED DEVELOPMENT COOPERATION” ?

- Suggested definition:

“concessional public finance which aims to attract private DC or non-DC flows, including official grants, loans or equity contributions blended with private flows to co-finance programmes or projects; and guarantees or risk sharing/mitigation instruments.”

DEFINITION AND DATA ISSUES

- Preferable to use word “blending”, unless quantified evidence based on agreed definition that official DC has “leveraged” or “catalysed” additional private funds.
- Data on blended DC are very imprecise. Large amounts often cited use multiple definitions, even including all official flows to support private sector development
- Scale unknown – estimates for blending with private non-DC range up to \$150 billion, blending with non-DC >\$20 billion

RECOMMENDATIONS

- *Vital to track blended DC systematically*
- *Put more emphasis on tracking official DC which is blended with private DC (ie with private contributions to INGOs and foundations) – because they share primary goal of contributing to the achievement of the Sustainable Development Goals.*
- *Once tracking fully establishes, need far more analysis of characteristics and trends*

ANALYSING EFFECTIVENESS AND IMPACT OF PRIVATE AND BLENDED DC

EXISTING ASSESSMENT EFFORTS

- Paper analyses wide representative selection of the many efforts currently used as well as selections, designed by multi-stakeholders, and including UN agreements/SDG results
- **Key characteristics are:**
 - Varying detail and transparency.
 - Most focus on effectiveness, fewer on results.
 - Only some use effectiveness criteria like ODC
 - Some focus only on profitability.
 - Stronger for CSOs and some foundations, weaker for corporate giving and private non-DC.

RECOMMENDATIONS

- *All providers of private and blended DC should publish information on its effectiveness and results, and how they assess these*
- *Improving efforts could dramatically enhance the contribution of PBDC (and private flows) to post-2015 results*
- *International community should engage with CSO/foundation coordination groups, more advanced CSOs/foundations, Development Finance Institutions, business groupings and individual businesses, to define clearer criteria and indicators*

CONCLUSIONS

- Brief suggests principles for criteria to assess effectiveness and impact in future. Key lessons are:
- Need to ***tailor criteria to different characteristics and goals of private and blended DC***. Could use a set of core criteria comparable to official DC – plus additional criteria tailored to:
 - different types of private and blended DC;
 - levels at which work (local, national, regional, global);
 - degrees to which they contribute to “universality” (ie achieving SDGs in all countries); and
 - indicators of the SDG framework they target.
- **Effectiveness criteria** should be able to be similar across the range of private and blended DC flows, but **impact criteria** need to vary more

NEXT STEPS

- Brief recommends next steps:
 1. ***gathering multi-stakeholder perspectives*** from all providers, clients/recipients (especially CSO and private sector partners in the South) and other stakeholders (eg labour, suppliers and consumers); and
 2. ***launching intergovernmental discussions in a multi-stakeholder setting*** to reach common understanding on how to assess PBDC effectiveness and results for the post-2015 development agenda.
- A ***second DCF policy brief*** will make detailed proposals for indicators and how they can be reviewed in a post-2015 context. It will be driven by multi-stakeholder inputs, including through the preparations for the 2016 DCF.