## BUSINESS AND DEVELOPMENT PARTNERSHIPS

**Below we set out in more detail a wide range of opportunities for partnerships with business, including the role of business, the types of companies, and the benefits they would gain from partnership.**

| | Business role | Impact on the 2030 Agenda | Which companies and why? | Role of development partnerships |
|---|---|---|---|---|
| 1 | **Business doing business**<br>**Business doing business responsibly, inclusively and sustainably**[4] | Creates and sustains livelihoods; reduces poverty; generates taxes; delivers essential products and services efficiently and affordably; catalyses technological innovation; reduces reliance on imports and/or brings in essential foreign currency through exports | All that are operating, or aim to operate, responsibly, inclusively and sustainably.<br>**Why:** To deliver long term business value. | Donors, NGOs, development banks and governments working with business to improve business environment, support economic growth / private sector development, develop new sustainability standards and run responsible business initiatives.<br>Government can additionally regulate to level the playing field and drive out irresponsible / unsustainable business.<br>Partnerships to support the development of the circular economy. |
| 2 | **Standards setting**<br>**Collectively setting standards to raise overall sector practice**<br>**E.g. Marine Stewardship Council setting industry sustainability standards for fishing** | Improved standards should increase the sustainability of business operations and so contribute towards environmental and social goals. | Potentially any industry sector.<br>**Why:** To improve a company's own practice | Standards setting intrinsically requires partnership both to ensure that the standards developed are as informed by experiences on the ground as possible as well as to ensure both legitimacy and buy-in. |
| 3 | **International commercial investment**<br>**Companies investing in building / developing new manufacturing / agriculture / extractive industry infrastructure** | Economic growth leading to improved livelihoods and poverty reduction (where done responsibly and sustainably – as above) | Any company developing their manufacturing or other supply base or extraction business.<br>**Why:** Delivering core business. | De-risking of investment through blended finance with donors providing loan guarantees or underwriting risk; governments creating supportive tax incentives; development banks and donors supporting complementary infrastructure development. |
| 4 | **Inclusive business 1: People**<br>**Companies deliberately targeting the under-privileged as suppliers / employees / distributors**<br>**E.g. Coca-Cola's engage-ment of underprivileged people as distributors through the village entrepreneur model** | Improved human opportunities and livelihoods for the underprivileged | Companies with operations, suppliers or distributors in a country.<br>**Why:** Delivering core business in a shared value approach. | Donors providing funding or technical support to new inclusive business opportunities; NGOs, UN providing technical support and capacity building; government supporting through tax breaks, capacity building etc. |
| 5 | **Inclusive business 2: Products**<br>**Companies / social entrepreneurs providing pro-poor or pro-environment products and services**<br>**E.g. micro-banking, low-cost access to water, solar powered lights** | Technological innovation and market-based approaches that can contribute to any development goal | Companies with existing markets or those wishing to create new markets.<br>**Why:** Building new products / markets. | NGOs providing technical advice, access to communities, support; donors providing funding through challenge funds etc. Governments changing regulations / policy in order to help commercial viability (e.g. taxing non-recycled plastic, thereby making plastic recycling commercially viable). |

* The domains of inclusive business, responsible business and sustainable business are vast. An excellent recent overview in relation to the UN: private sector nexus can be found at the Harvard CSRI website: https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/programs/cri/files/Brussels%202019%20Final.pdf

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| 6 | **Value chain sustainability / market transformation**<br>**Companies investing in making markets efficient or their value chains to be more environmental and/or socially sustainable.**<br>**E.g. SABMiller investing in the sustainability of its value chain to produce beer with locally-sourced sorghum in Uganda** | Improved human, economic and environmental sustainability and prosperity | Companies involved in the specific value chain / market.<br>**Why:** Develop new or make existing markets more efficient; ensure sustainability of value chain. | Requires a range of partners acting collectively, e.g. capacity building from NGOs, technical support from government / development agencies, government tax and regulation, loans from development banks, other companies up and down the supply chain; donors supporting the platform required for implementation. |
| 7 | **Strategic social / infrastructure / environmental investment**<br>**Business supporting business competitiveness and the fabric of the society in which it operates to ensure its own long term sustainability / opportunity**<br>**E.g. Partnerships to build skills in the manufacturing industry in Zambia** | Any societal or environmental issue which also affects business, from availability of skills to anti-corruption, from access to energy to equitable use of natural resources. | Companies that operate in or source from a particular country and have a long-term interest.<br>**Why:** Ensure long term business success; good corporate citizenship. | Most interventions of this kind require partnering with NGOs, communities or government, and often with other companies for collective action on issues affecting multiple businesses. |
| 8 | **Philanthropy**<br>**Building reputation as a good corporate citizen**<br>**E.g. Companies giving money or in-kind contribution to the arts, schools or humanitarian appeals** | Any development issue. Potentially local giving with direct benefits to local communities or global giving distributed more widely. | Any.<br>**Why:** Reputation, employee motivation / skilling, good corporative citizenship. | Philanthropy usually delivered through NGO / UN / community partners |
| 9 | **Innovative finance**<br>**Financing mechanisms to mobilise private sector capital in tackling social / environmental problems**<br>**E.g. impact bonds to reduce Malaria in Mozambique** | Provides funding for development programmes, potentially with the cost borne by government / donors only where there is proven impact | Investors and financial institutions.<br>**Why:** To deliver (ethical) financial returns. | Investors provide investment capital, with NGOs often delivering the social programmes, and governments / donors providing a return on investment where the social programmes are successful. |
| | **NOTE: The final category below is included for completeness. However, these regulated, contract-based PPPs are different to the other forms of development partnership and are more akin to a procurement-based service-delivery relationship than a genuine partnership.** | | | |
| 10 | **Investor in/operator of public infrastructure / services**<br>**Companies make an upfront investment to deliver public infrastructure or services, to be repaid with profit over time by government or user fees.**<br>**E.g. High speed *Gautrain* between Jo'burg and Pretoria, South Africa** | Provision of public infrastructure / services where the public sector does not have the upfront resources to build / deliver. | Limited business sectors: e.g. construction, energy, water supply, health services.<br>**Why:** Delivering core business. | Regulated PPPs are a specific, regulated financial core business arrangement that goes through a full government procurement process.<br>Increasingly they are including civil society partners to advise the projects and try to maximize the development benefit. |