# INTRODUCTION TO PRIVATE SECTOR ENGAGEMENT









## Definition of Private Sector Engagement

An activity in which private sector actors participate to jointly reach development results. Private partners hereby mean organizations that engage in profit-seeking activities and have a majority private ownership. This can be either transnational or substantial domestic companies that are ready to invest in a development undertaking.

(adapted from OECD 2016)





## Rationale for Helvetas to partner with private companies

#### **Enhanced probability**

- to reach impact and scale
- to achieve sustainable results
- to find innovative solutions
- to leverage public funding



### Rationale for private partners to engage with development organisations

- to access new markets
- to comply with preferences of consumers and clients
- to meet growing expectations from the public and investors
- to establish lasting relationships with producers and collaborators
- to gain improved access to thematic and technical competence
- to find innovative solutions



## Kampala Principles



Source: CSO Partnership for Development Effectiveness (2019)



# 10 Insights from the collaboration with private partners

| STEPS                                   | INSIGHTS   |
|---|--|
| Getting partners on board               | <ol> <li>Develop a shared vision</li> <li>Understand each other's motivations</li> </ol>   |
| Due diligence and partnership appraisal | <ul><li>3. Put proper processes and responsibilities in place</li><li>4. Understand due diligence processes as a reciprocal learning opportunity</li></ul> |
| Risk mitigation measures                | <ul><li>5. Foster diverse partnerships</li><li>6. Choose appropriate collaboration modalities</li></ul>  |
| Contracting and partner contributions   | 7. Contract carefully and assess commitments 8. Aim at auditable cash contributions  |
| Implementation                          | 9. Monitor results and contributions 10. Management knowledge to nurture a family feeling  |

