In 2016, 69 of the world’s top 100 economic entities by revenue were companies – up from 64 in 2014.
“By sharing assets, networks and expertise with business we can increase the impact of Australia’s development assistance.”
<table>
<thead>
<tr>
<th>PSE strategy</th>
<th>Objectives</th>
<th>Partners</th>
<th>Mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge and</td>
<td>Advance solutions by sharing new methods, tools and innovative approaches</td>
<td>All, though with a prominent role for knowledge partners in carrying</td>
<td>Multi-stakeholder networks, learning platforms, conferences, seminars,</td>
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<tr>
<td>information sharing</td>
<td>to addressing development challenges. Address information asymmetries to</td>
<td>out research and facilitating learning opportunities</td>
<td>workshops, other events, funding for research</td>
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<td></td>
<td>promote private investment.</td>
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<td>Policy dialogue</td>
<td>Develop policy agendas and frameworks at international, national and local</td>
<td>All</td>
<td>Multi-stakeholder networks and platforms, cross-sector roundtables,</td>
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<td></td>
<td>levels that reflect all parties’ interests. Change behaviour such as</td>
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<td>specialised hubs or institutions, institutionalised dialogues</td>
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<td>through improvements in corporate practices and industry standard-setting.</td>
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<td>Technical assistance</td>
<td>Enable private sector actors to effectively engage in development co-</td>
<td>DAC members, private sector (companies and associations)</td>
<td>Business advisory services, feasibility studies</td>
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<td></td>
<td>operation such as through support for project design. Improve private</td>
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<td>sector actors’ operational capacities and effectiveness.</td>
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<tr>
<td>Capacity development</td>
<td>Objectives: Improve capacities of private sector actors to contribute to</td>
<td>DAC members, private sector (companies and associations), multilateral</td>
<td>Training activities and other forms of capacity development programming,</td>
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<td></td>
<td>development results. Change or modify business operations.</td>
<td>and CSO implementing partners</td>
<td>professional exchanges and secondments</td>
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<td>Finance</td>
<td>Leverage or raise private sector finance and investment promotion. Test</td>
<td>All, with particular emphasis on the private sector (companies)</td>
<td>Private sector instruments including grants, debt instruments, mezzanine</td>
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<tr>
<td></td>
<td>innovation and scale success. Monetise development results (e.g. output-</td>
<td></td>
<td>finance instruments, equity and shares in collective investment vehicles,</td>
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<td>based mechanisms). Support expansion of more and better business including</td>
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<td>guarantees and other unfunded liabilities</td>
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<td>through the promotion of business-to-business partnerships, inclusive</td>
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<td>business, responsible business and corporate social responsibility.</td>
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<td></td>
<td>Harness private sector expertise and market-based solutions to</td>
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<td>development challenges.</td>
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</tbody>
</table>
Advocacy for shared interests
GLOBAL REPORTING INITIATIVE
GRI is an independent international organization that helps businesses and governments understand and communicate their impact on sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone.
Donor Resource Transfers
InfraCo Asia Divests Shareholding in Coc San Hydro Power Project

Exiting the Coc San project on commercial terms supports the success of InfraCo Asia’s unique business model and allows funds to be recycled into future infrastructure projects in south and south east Asia’s frontier markets.
Frontier Innovators
• 1 million farming families have access to new innovative agricultural practices
• Over 500,000 farming families have adopted new practices and improved productivity
• Over 330,000 farming families have increased incomes
• Increased incomes total $166 million
• 167 private and public partners providing $92.2 million in investments
• $63.2 million in additional sales or revenue for intermediaries or SMEs
Institutional Responses: Enabling better private sector engagement
Aim: enable 100 million people to gain access to products and services that improve health, livelihoods, the environment or wellbeing by 2025

Partners: start-ups, social enterprise and research projects that deliver innovative, market-based solutions

Sectors: Water, sanitation, last-mile distribution, health and financial inclusion
We must change the way we do business to end the need for assistance.

- Mobilize private capital for scale
- Seek market-based solutions for greater sustainability
- Make catalytic use of USAID resources
- Increase and deepen collaboration with the private sector across sectors and programming

PRIVATE-SECTOR ENGAGEMENT POLICY

A business owner in Uganda who received business support. Photo credit: Bobby Franscione, USAID
Donor Approaches to Private Sector Engagement

PSE SPANS A SPECTRUM OF DIFFERENT TYPES OF ENGAGEMENT

- **DONOR-LED**
  - USAID is the driver
  - Activities and assistance leverage private-sector resources and expertise
  - Might or might not be aligned with commercial interests or core business operations

- **CO-CREATION**
  - USAID is a co-creator
  - Joint identification of challenges
  - Joint design and programming that address shared interests, including through co-creation of market-based approaches

- **PRIVATE SECTOR-LED**
  - USAID is the facilitator
  - Activities and assistance address private-sector constraints or risks
  - Engagements build on for-profit and market-based approaches to challenges
Increased development impacts and sustainable commercial returns
Donor Approaches to Private Sector Engagement

First Steps

- New approaches to engage private sector in aid planning
- Sustainable business case studies
- Action Plan for Private Sector Engagement
- Senior DFAT Private Sector Advocates
“Business is everybody’s business”
DFAT Secretary Frances Adamson

Jeremy.Stringer@dfat.gov.au