This paper proposes topics for a specialised policy dialogue, to advance the implementation of agreed activities of strategic priority 5, “Learning from different modalities”, of the 2017-2018 programme of work and the commitments in the Nairobi Outcome Document, which underscores, among others, the Global Partnership’s desire to better reflect and embrace the diversity and scope of the evolving development co-operation landscape. It informs discussion in session 4 at the 15th Steering Committee meeting.

Rationale for GPEDC specialised policy dialogue

Due to its multi-stakeholder nature, the Global Partnership is well placed to support the facilitation of dialogue to support knowledge exchange and mutual learning among all development cooperation partners and contribute to the globally-available store of information and lessons learnt on all forms of effective development co-operation.

A multi-stakeholder meeting, to be held under the aegis of the Global Partnership towards the end of 2018 could provide a unique political opportunity to showcase how innovative approaches and solutions to strengthen the effectiveness of South-South, North-South and triangular/trilateral co-operation and other types of development co-operation can help to achieve the Sustainable Development Goals (SDGs).

With a dedicated angle on development effectiveness, such a dialogue could build on heightened political attention ahead of the Second High-Level United Nations Conference on South-South Co-operation (BAPA+40) in Buenos Aires in March 2019 and serve as a kick-off political event for more structured and inclusive policy dialogue and mutual learning among DAC members, emerging economies, their beneficiaries and non-state actors on topics of common interest.

It could be co-organized by a group of interested GPEDC Steering Committee members (including OECD and UNDP) and hosted in New York. Initial conversations with the UN Office for South-South Co-operation indicate an interest in this event.

Menu of Options: Potential Topics of Common Interest for the Specialised Policy Dialogue

Based on a literature review and informed by preceding discussions at the Global Partnership and at the UN, including an informal exchange with researchers from emerging economies on “Learning from different actors and approaches” (Paris, 24 November 2017) and a series of other past events, the following topic areas are being proposed for consideration. This first meeting could feature 1-2 topics – others could be raised subsequently.

Topic Options for discussion

Option 1: Effective private sector engagement leveraged through development co-operation

The scale and scope of sustainable development challenges addressed in the 2030 Agenda for Sustainable Development have further amplified the private sector’s indispensable role as a partner for...
development co-operation actors. The diversity of modalities used to work with the private sector in development co-operation has evolved, with various underlying objectives.\textsuperscript{4} This shift is driven increasingly by a mind-set change towards harnessing innovation and market-based solutions to create “shared value” – development impact for the people and business profits\textsuperscript{5}.

Despite this, the effectiveness of the diverse efforts under way to work with the private sector - multinationals, large domestic firms and MSMEs – is not comprehensively assessed at global level.\textsuperscript{6} A mapping of 66 global, regional and sectoral private sector engagement (PSE) platforms, partnerships and initiatives mandated to engage the private sector with the intent of achieving the SDGs in 2017 shows that only about 10% of them place some emphasis on the effectiveness of their efforts.\textsuperscript{7} Many PSE efforts are also not inclusive. The same research shows that only 25% of the platforms systematically engage developing countries as members (only about 10% engage civil society).

From a GPEDC mapping of over 900 PSE projects in four countries (Bangladesh, Uganda, Egypt and El Salvador) a similar picture emerges;\textsuperscript{8} while all development partners – from North and South – are eager to work with domestic firms and SMEs, explicit focus is limited on issues such as development additionality (i.e. the expected development results and poverty impact, in addition to financial additionality, i.e. showing that the private investment would not have happened anyway), monitoring and evaluation and results, among other issues. Yet, the potential of increasing the effectiveness of PSE supported by different types of development co-operation is palpable: governments and the private sector see real benefits in working together to harness and scale up innovative solutions for the SDGs.

Emerging economies are using diverse modalities to harness their private sector and work with the private sector in developing countries. The OECD is supporting pioneering research to produce a typology of PSE instruments used by Southern partners and a conceptual framework to explore effectiveness issues is currently being elaborated. Overall, emerging economies distinguish less between public and private development co-operation and take a more integrated and holistic approach to aid, trade and investment\textsuperscript{9}. China is a case in point: 60% of executives in China saw investment opportunities emanating from the Belt and Road Initiative (BRI).\textsuperscript{10} Evidence shows that not only state-owned enterprises, but also the growing presence of China’s private sector – mainly risk-taking SMEs with a strong entrepreneurial spirit – impacts economic development in partner countries substantially. At the same time, China has been engaged in research that points to the need to “develop new cooperation methods with the private sector” and more and better PPPs.\textsuperscript{11}

Researchers have called for evidence-based, bottom-up and inclusive dialogue and peer learning among public and private actors on the issues described above.\textsuperscript{12} One of the Global Partnership’s strategic priorities for the current Work Programme is to facilitate inclusive policy dialogue to discuss and mutually

\textsuperscript{4} Including (i) to support an enabling operating environment for private sector development; (ii) to foster responsible business practices; (iii) to financing private investment and mobilise commercial finance; and (iv) to combine resources, skills and expertise in private sector partnerships to more effectively achieve development outcomes. PSE occurs at various levels of depth, ranging from informal collaboration to more formal partnerships.

\textsuperscript{5} Many private companies are also progressively recognizing that sustainability can foster long-term value (see for example FFD IATF Report Chapter III. B, forthcoming) and shift from a focus on Total Shareholder Return and Corporate Social Responsibility (CSR) to what some call Total Societal Impact (TSI) – a new perspective of the total benefit to society from a company’s products, services, operations, core capabilities and activities. In 2016, nearly 23 trillion US$ have been invested in line with socially responsible criteria, such as thematic investing and full ESG integration. This means a leap forward from the relatively small impact investment market and going beyond traditional measures, such as “negative screening” in public markets (avoiding stock deemed to have negative impact on society).

\textsuperscript{6} GPEDC Private Sector Engagement Concept Note. see here. E.g. the Donor Committee for Enterprise Development finds that there are “few publicly available evaluations of the effectiveness of multi-stakeholder partnerships” in its study on “Engaging with the private sector through multi-stakeholder platforms” (2017), available here.

\textsuperscript{7} GPEDC Concept Note on Promoting effective private sector engagement through development co-operation, available here.

\textsuperscript{8} GPEDC (2018 forthcoming technical note).

\textsuperscript{9} See concept of “development compact”, RIS (2016), available here.


\textsuperscript{11} See page 145 of ‘Mix and Match’ report by UNDP China and CAITEC, available here.

\textsuperscript{12} E.g. https://link.springer.com/article/10.1057%2Fejdr.2009.21
agree on principles for greater effectiveness of private sector partnerships leveraged through development co-operation. Based on the evidence collected so far, issues for consideration are clustered around emerging opportunities and concerns shared by all actors, such as targeting the poor and most vulnerable (in line with the LNOB agenda), providing access to PSE windows to MSMEs, and enhancing the effective use of public resources when implementing the partnerships at country level. The Specialised Policy Dialogue could bring together leading business sector representatives from diverse markets with the development community to discuss:

1) What are good practices and lessons learned from effective private sector partnerships leveraged by North-South, South-South and triangular development co-operation and how can they be scaled up to help reach the SDGs?

2) How can different development partners make use of these lessons to enhance the effectiveness of their development partnerships with both, the domestic private sector at country level and Multinational Companies (MNCs) seeking to engaged on the SDG agenda?

**Option 2: Effective triangular co-operation**

Triangular cooperation supports the goals, objectives and the implementation of the 2030 Agenda for Sustainable Development. According to a 2015 OECD survey, triangular co-operation is on the rise: the number of triangular co-operation projects and budgets allocated to this modality is increasing. It provides comparative advantages by complementing North-South and South-South co-operation. All partners transfer knowledge and expertise, which encourages innovation and co-creation of development activities that lead to additional benefits, including the transfer of solutions that are cost-effective and better adapted to the needs of the beneficiary country, enhanced ownership, or the establishment of a partnership that continues beyond the duration of an activity.

There is no internationally agreed definition of this modality, but recent meetings on triangular co-operation paved the way for a deeper understanding and developed a working description of triangular co-operation as a modality in its own right that requires a facilitator, a pivotal partner and a beneficiary. Partners can take on various aspects of all roles throughout the lifetime of the collaboration.

Triangular co-operation promotes horizontal relationships, based on reciprocity and geared towards overcoming the traditional donor-recipient relationship, recognising the capacity of developing countries to contribute to multi-directional knowledge exchange, not only South-South, but also North-South and South-North. Triangular co-operation allows for flexible financing and working arrangements. It also serves as a key plank in building a more integrated and non-exclusionary landscape of actors, utilising the comparative advantages of all partners. Yet, based on observation from various projects, triangular co-operation is often taking a niche role and it proves difficult to exploit synergies with other existing projects, programmes and partnerships, engaging actors including the private sector.

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16 The three parties are: (1) a facilitator helps to connect countries and organisations to form a triangular partnership and gives financial and/or technical support to the collaboration; (2) a pivotal partner often has proven experience and shares its resources, knowledge and expertise through triangular co-operation. It can sometimes provide a bridge between South-South and North-South; and (3) a beneficiary is the target for the development results to be achieved in line with their national development priorities and needs. It is responsible for ensuring that results are sustainable/ For more details see: Concept note of the Global Partnership Initiative on effective triangular co-operation
As such, there is ongoing work and discussion on the effectiveness of triangular co-operation. Many agree that triangular co-operation projects should be effective, country-led and involve inclusive partnerships for sustainable development. The Ibero-American Programme for the Strengthening of South-South Cooperation (PIF/CSS) has put forward a set of common minimum guiding principles and criteria, closely related to the development effectiveness principles. The Global Partnership Initiative (GPI) on Effective Triangular Co-operation aims to elaborate and agree on a set of voluntary principles for the effectiveness of triangular co-operation. Discussions on effectiveness are also held in the G20 Development Working Group (DWG) on ‘prospects for triangular cooperation in the G20’.

A thematic discussion on effective triangular co-operation could focus on three questions:

1) How can triangular co-operation play a more “mainstream role” in fostering multi-stakeholder partnerships in support of the SDGs?
2) What issues are emerging to inform the development of voluntary principles for effective triangular co-operation? What can be done to generate political buy in to mutually agree on such principles?
3) How can good practices of effective triangular co-operation be better mapped, documented and shared to foster more systematic, multi-directional learning, including through South-South, North-South and South-North exchanges?

**Option 3: Monitoring and evaluation of the results and impact of different forms of development cooperation**

Evaluation evidence is needed to increase the effectiveness of all development programmes. It provides learning opportunities and increases transparency and accountability. Country-led evaluation work in line with the 2030 Agenda and its central promise of leaving no one behind is increasingly critical for all actors engaged in development co-operation.

Over the years, different actors have conceptualized, institutionalized and executed results and impact assessment based on diverse criteria and approaches.

For instance, the Development Assistance Committee’s (DAC) evaluation criteria are widely used in assessing development programmes, far beyond the membership of the DAC. They are based on the conception that evaluation is an assessment to determine the (1) relevance and fulfilment of objectives, (2) development efficiency, (3) effectiveness, (4) impact and (5) sustainability of efforts supported by aid agencies. The Evaluation Network of the DAC is currently progressing dialogue on the revision of these five criteria through a thorough review and consultation process.

Emerging economies are increasingly interested in the establishment of frameworks for self-evaluation of the results and cost-effectiveness of their co-operation. This interest is in line with the increasing institutionalization of South-South co-operation (SSC) and partially also driven by pressure from beneficiary countries. As such, some Southern providers have indicated that they would like to see increased knowledge exchange on evaluation and assessment methodologies. The lack of a common

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20 For more information see summary of the GPI side event at the Global South-South Development Expo in Antalya (29 Nov 2017): http://www.oecd.org/dac/dac_global-relations/Summary_GSSD_Antalya_side%20event_GPI%20on%20effective%20triangular%20co-operation.pdf
22 Esteves, P., 2018. Development Cooperation Forum Policy Brief No. 20, “How Governments of the South assess the results of South-South cooperation: Case studies of South-led approaches”
23 This is an overall trend identified in the 2017 Report of the Secretary General on the state of South-South Cooperation, A/72/297. Southern providers are systematically setting up new agencies (India, Mexico, South Africa and China) or strengthening existing public units (Brazil, Turkey, Thailand)
24 Several UNDP Development Finance Assessments have been lending evidence to increased pressure from beneficiary countries on ensuring cost effectiveness of SSC.
25 DCF 2016 SGR on Trends and Progress in International Development Cooperation
conceptual framework and limited data availability on the modus operandi and results of SSC makes discussions on SSC monitoring and evaluation challenging. However, a number of ongoing efforts could inform knowledge sharing and mutual learning among development partners, including: (1) The Ibero-American General Secretariat’s (SEGIB) efforts around mapping South-South technical co-operation in the LAC region, (2) follow-up and evaluation mechanisms established by the India-Africa Forum Summit and the Forum on China-Africa Cooperation; (3) the UN Office for South-South Cooperation’s (UNOSSC) work on showcasing the positive impact and main effectiveness characteristics of featured initiatives and projects; (4) UNDP and the Centre for Policy Dialogue (CPD)’s quality assessment guidelines for South-South bilateral concessional finance, based on country experience in India and China; (5) UNDP’s compilation of lessons learnt on M&E mechanisms for South-South and Triangular development cooperation in Brazil; (6) the Mexican Agency of International Development Cooperation’s (AMEXCID) work on an evaluation strategy that helps delineate the what, how, when who and why to evaluate, with a view to making evaluation a constant practice that systematically tracks offered SSC initiatives based on homogeneous criteria; and (7) a project by the Network of Southern Think-Tanks (NeST) which is supported by UNDP’s Global Coalition of Think Tank Networks for South-South Cooperation (South-South Global Thinkers) initiative. NeST is working on an innovative framework for impact assessment of SSC in a few sectors, based on a mapping of SSC concepts, trends, impact assessment and evaluation frameworks.

As complementary efforts on M&E of different forms of development cooperation are ongoing, the Global Partnership will continue to support partner countries in strengthening policy and institutional arrangements and building systems to more effectively manage different forms of financial and technical development co-operation – from DAC members, Southern partners and other actors. Building on this mandate, the Global Partnership can contribute to the global discussions by supporting exchange among Southern partners on the lessons they have learned in generating evidence on impact and results from their evaluations, and how these insights can be used to increase the effectiveness of development cooperation programmes with a view to achieving SDG17.

A thematic discussion on the experiences of result and impact assessment could focus on two questions:

1) What are the challenges in conducting robust results and impact assessments in your agency/organisation? What are lessons learned that can inform the creation of agreed results and impact assessment criteria and approaches?

2) How can the evidence from result and impact assessments support greater effectiveness of development cooperation programmes?

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29 First Evaluation Mission of Technical and Scientific Cooperation between Mexico and Honduras, see: http://www.cooperacionesur.org.es/informacion-del-programa/noticias-de-cooperacion-sur-sur/1057-primera-mision-de-evaluacion-de-la-cooperacion-tecnica-y-cientifica-entre-mexico-y-honduras.html

30 NeST Africa and the South African Institute of International Affairs had already presented a first proposal of a SSC evaluation framework at the Second High-level Meeting of the GPEDC, see here: http://www.saiia.org.za/general-publications/1186-a-monitoring-and-evaluation-framework-for-south-south-cooperation/file