

# **Concept Note: The Role of Business in Development Cooperation**

Fifth meeting of the Global Partnership Steering Committee  
13-14 February 2014, Abuja, Nigeria

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“The Role of Business in Development Cooperation” with major focus on Business partnerships for development.

## **The Context**

The role of private investment in economic growth process is well recognised in the growth literature. It is widely accepted that private domestic and foreign investment have increased in those countries that complemented economic liberalization with institutional reforms aimed at improving the investment climate. For example, public investment in infrastructure is fundamental to increasing private sector investment and increases the economy’s productive capacity. Private investment contributes directly to economic growth by driving greater efficiency in the utilisation of available resources.

Given the level of capital flights experienced by developing countries in Sub-Saharan Africa (SSA) over the past two decades, as well as the small size of the private economy relative to the public sector, there is need for an enhanced dialogue and innovative approaches to scale up partnerships between the public and the private sector. These partnerships can consider ways to address the constraints holding back investment in developing and emerging economies. In the case of countries like Nigeria for example, although growth is averaging 7% annually, the challenges of power, poor infrastructure, bureaucracy, etc, still act as binding constraints on the economy.

## **Business Partnerships for Development**

The focus of this event is on how to facilitate more effective partnerships between businesses, governments and civil society; to encourage increased private sector investment for sustainable development; and to deliver “shared value”, aligning development and business goals. The concept of shared value delivers outcomes for business in terms of profits/increased return on investment (business bottom-line) and purpose (development impact, poverty reduction). Shared value seeks to demonstrate that there is no conflict between achieving development impact and making a profit.

The event considers models for partnership between the public and private sectors to improve the business environment: Government supplies reforms, Business demands reforms; how do we make this equation work better, drawing on the values, norms and skills of both the private and public sectors?

The possible questions for the panel discussions include the following:

- In Nigeria, which are the areas in which business and government collaboration could result in the greatest development (and business) benefit?
- What would success look like – what is the vision for a collaborative society?
- What are the challenges and obstacles to stronger collaboration?
- What needs to be done to mainstream collaboration?
- What sort of platforms might be necessary to drive partnership more systematically?
- How can we build trust between business and government?
- What should be the role of development agencies? Etc.

The Global Partnership private sector core team is working on a draft “roadmap” for partnerships with business, to be launched in Mexico, and looks to a strong consultative process in Abuja that would feed into this. Key deliverables could be:

- a) *Consulting on the roadmap and agreeing to some principles/points to include.*
- b) *Consulting on proposals for new “business hubs” or multi-stakeholder platforms, bringing together companies, governments and civil society at country level to partner more effectively.*
- c) *Identifying best practice in terms of monitoring & evaluation mechanisms for business partnerships and tools for assessing their value for money and long-term economic impact.*
- d) *Agreeing on strategies for strengthening business partnerships in the areas of capacity development, employment generation, distribution and value chain management.*
- e) *Showcasing innovative financing models for business development to increase ODA leverage and efficiency in times of tight public spending.*

### **Possible Format for the Event**

The Global Partnership Co-Chairs, Ngozi Okonjo-Iweala, Armida Alisjahbana and Justine Greening will make some opening remarks followed by short comments from the panel and then round table discussions with panelists and the audience. Twitter feed will provide live online comments.

**Moderator: Frank Nweke Junior or Akin Sawyerr (TBC)**

### **List of panelists**

- Alhaji Aliko Dangote, Chairman & CEO, Dangote Group
- Tony Elumelu, Chairman of Heirs Holdings
- Jim Ovia, Chairman, Visafone Communications Limited
- Frank Nweke II, Director-General, Nigerian Economic Summit Group (NESG)
- Alhaji Bature Umar Masari, Director General/CEO, SMEDAN
- Darian Stibbe, Executive Director, Partnering Initiative
- Thomas de Man, Chair of the BIAC Development Task Force, Heineken

### **Time Table of Side Event and Dinner Reception**

<b>Time</b>	<b>Event</b>	<b>Participants</b>
3:30-3:50pm	Co-Chairs Opening Remarks	Co-Chairs
3:50-4:50pm	Panel Discussions	Panelists
4:50-5:15pm	Break out session and round table discussions	Panelists and Steering Committee members and observers
5:15-5:30pm	Key Recommendations	Co-Chairs
7:00-10:00pm	Dinner Reception by the Nigerian Co-chair	Co-Chairs, Steering Committee members and observers, Joint Support Team, the panelists and other invitees to the event