3 Partner country governments can enable more meaningful engagement to maximise a whole-of-society approach

This chapter examines the ways in which partner country governments are creating enabling environments and actively seeking the engagement of diverse development actors. It focuses on national stakeholder engagement during development planning and implementation; the enabling environment for civil society organisations; and engagement with the private sector through public-private dialogue.

To realise the ambitions of the 2030 Agenda, meaningful participation from all stakeholders is vital. While multi-stakeholder engagement has long been recognised as important to development, the Sustainable Development Goals (SDGs) require that countries move from a whole-of-government to a whole-of-society approach (Cázarez-Grageda, 2018[1]). Governments have a unique responsibility to lead development. But their efforts cannot be successful without the inclusive and equitable participation of all actors. Recognising this, the 2030 Agenda calls for collective action by the whole society to implement long-lasting development solutions. National and subnational governments, parliaments, civil society organisations, the private sector, foundations, trade unions, communities, and individuals each have different and complementary roles to play in the collective pursuit of sustainable development. Inclusive engagement is essential in all aspects of the development process, beginning with planning and continuing through implementing and monitoring national development strategies.

Openness, trust and mutual respect, as well as a recognition of these different and complementary roles of different stakeholders, are equally crucial to ensuring that all stakeholders are willing and able to work together. While Global Partnership monitoring has a focus on the engagement of civil society and the private sector, the full diversity of stakeholders plays a critical role in achieving sustainable development at country level, but they must be engaged in a meaningful way to have impact.

This chapter examines government efforts to create enabling environments and to actively seek the engagement of diverse actors. It is organised in three sections. The first of these looks at how partner country governments engage with national stakeholders during planning and mutual accountability activities. This analysis draws on Global Partnership data that assess the inclusive nature of how development efforts are planned and tracked. The second assesses the enabling environment for civil society organisations (CSOs). The third section discusses how governments are maximising private sector input for development through public-private dialogue (PPD). Analysis for the second and third sections looks at results from Global Partnership indicators that have a dedicated focus on civil society and the private sector respectively.

The key findings from this chapter are:

- National development planning is becoming more inclusive, but more systematic and meaningful engagement of diverse stakeholders throughout development processes is needed. Nearly all partner country governments consult broadly with national stakeholders in the design of national development strategies. However, more must be done to ensure these consultations are conducted in a way that provides the whole of society a real opportunity to shape priorities and track implementation.

- The enabling environments in which CSOs operate have deteriorated since the last monitoring round. There has been a decline in each of the four assessed areas of an enabling environment for CSOs. Governments and civil society have diverging views on the enabling environment for CSOs. One example relates to whether adequate legal and regulatory frameworks exist, with CSOs in only one-fourth of partner countries reporting that expression is free from government control. In addition, fewer partner countries reported on the enabling environment for civil society in 2018 than in the 2016 Monitoring Round, lending weight to warnings that space for civil society is contracting.

- If PPD is to lead to real action and results, partner country governments must ensure it is focused on areas of mutual interest and is inclusive of all relevant stakeholders. While there is strong trust and willingness to engage among public and private sector stakeholders – vital for productive dialogue – limits in capacity and inclusiveness hamper the effectiveness of PPD. Since governments lead development processes, including by setting agendas for dialogue and facilitating the participation of different actors, there is a need for critical reflection on how to improve the relevance and inclusiveness of engagement efforts.

- Redoubled efforts are needed to build and strengthen capacity so that all stakeholders can effectively contribute to sustainable development. While governments are responsible for creating an enabling environment conducive to maximising the contributions to development of all parts of society, civil society and the private sector also must focus on building their capacity and effectiveness – including how they organise among themselves – to ensure they are engaging constructively with the government.

Section 3.1. How effectively do partner country governments engage national stakeholders in development planning and mutual accountability activities?

To strengthen country ownership, governments must do more to ensure meaningful and inclusive participation in planning and tracking of development efforts

In designing national development strategies, partner country governments consult a broad range of national stakeholders. Almost all partner country governments (93%) report they consulted three or more stakeholders when designing their national development strategy. All partner country governments with a national development strategy in place consulted at least one stakeholder group, such as a subnational government, parliament, civil society or the private sector. Box 3.1 describes the roles and contributions to development efforts of parliaments, subnational governments, trade unions and foundations and outlines how Global Partnership monitoring captures their contribution. The role and contribution of civil society and the private sector are addressed in subsequent sections.

Box 3.1. Leveraging the value of each stakeholder

Parliamentarians. Parliamentarians are fundamental to national development efforts. They enact legislation, adopt national budgets, and oversee the effective implementation of national and international commitments, as set out in §44 of the Nairobi Outcome Document (NOD) (GPEDC, 2016[2]). As a consequence, alignment of development policies and budgets to the 2030 Agenda falls under the purview of parliamentarians. Global Partnership monitoring captures the role and contribution of parliamentarians by assessing whether governments have engaged parliamentarians in the preparation of national development strategies, in contributing to public-private dialogue (PPD) and in mutual accountability mechanisms for development co-operation. Monitoring also assesses whether parliamentarians have oversight with respect to the inclusion of development co-operation in the national budget as well as budget allocations for gender equality and women's empowerment.

Subnational governments. Local governments are a crucial link between citizens and the national government, feeding local development priorities, ideas and contributions into national development processes. Local governments also can strengthen development partnerships among citizens and other local actors, including the business sector (NOD §47). Global Partnership monitoring captures the role and contribution of subnational governments through assessing whether local governments are engaged in the preparation of national development strategies; how subnational strategies are aligned to national development strategies; and whether local governments are included in PPD and in mutual accountability mechanisms for development co-operation.

Trade unions. Trade unions are development actors that advocate for and facilitate collective bargaining on behalf of workers. Unions promote decent work and advocate for equitable business practices. Global Partnership monitoring captures the role and contribution of trade unions through

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assessing whether trade union focal points are included in national PPD initiatives and in mutual accountability mechanisms for development co-operation.

Foundations. The knowledge and expertise of philanthropic actors provide valuable contributions to national development efforts. The importance of these actors extends beyond the financial support they provide. Foundations also are catalytic agents of resources and relations that help to strengthen the effectiveness and quality of development co-operation (NOD §69). Global Partnership monitoring captures the role and contribution of foundations through assessing whether foundations are included in national PPDs and in mutual accountability mechanisms for development co-operation.

Engagement with national stakeholders can become a more meaningful, participatory process. In practice, this means engagement should be a process that is adequately planned, appropriately timed and well-communicated; systemically engages diverse stakeholders in a way that builds trust among participants; and achieves a level of coherence between the views of stakeholders and the national development strategy eventually adopted[1] (UNDP, 2016[3]). This type of meaningful, participatory process will ensure strong ownership by all segments of society of the resulting national development strategy and the aspirations it expresses. Although they consult broadly, few partner country governments report they also allowed stakeholders to engage in a participatory process to shape the national development strategy (Figure 3.1). The government submitted the national development strategy to the parliament for a vote in only 30% of partner countries.

Figure 3.1. Partner country governments consult broadly when designing national development strategies, but participatory processes are rarer

Proportion of partner country governments that engaged national stakeholders in the development of the national development strategy
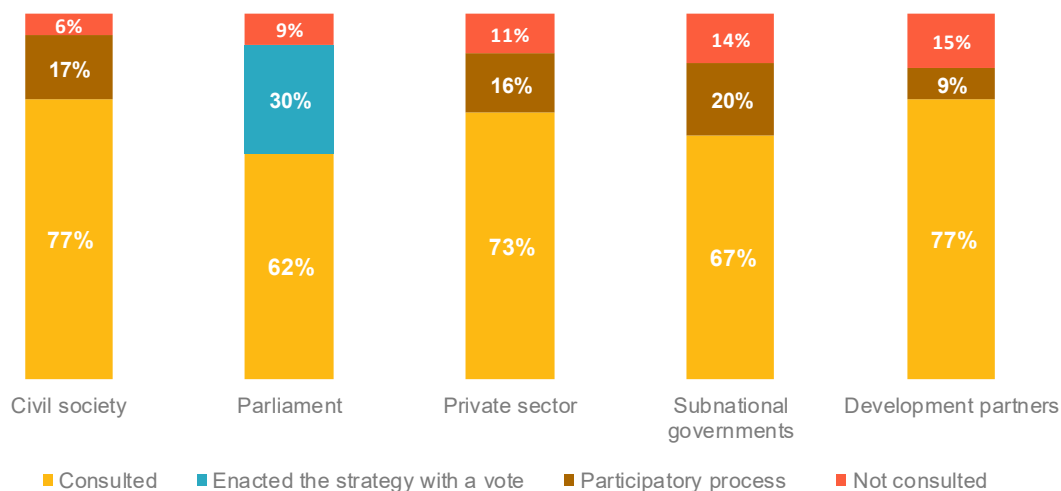
Notes: "Consulted" means the government made proposals to the particular stakeholder group and sought its opinions. "Enacted the strategy with a vote" means the strategy was submitted to a parliament for a vote. "Participatory process" means stakeholders were allowed to make proposals and some of these proposals were used in designing the national development strategy.
Source: Figure draws on assessment of the quality of national development strategies (Indicator 1b). Further information is available in GPEDC (2018, pp. 29-34[4]), *2018 Global Partnership Monitoring Guide for National Co-ordinators,* http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf

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To reinforce country ownership of national development strategies, partner country governments should make progress reports on implementation publicly available, bolstering transparency and accountability through accessible information. Almost all partner country governments (95%, 77 of 81) that have a national development strategy have made the strategy publicly available[2] (Figure 3.2). While the vast majority (89%, 72 of 81) track progress in implementing the national development strategy, only 38% of partner country governments (27 of 72) made their progress report publicly available.

Figure 3.2. Few partner country governments make progress reports on implementation of the national development strategy publicly available

Proportion of partner country governments that make the national development strategy progress reports of the national development strategy available on line

Note: National development strategies and progress reports on their implementation are considered to be publicly available in cases where respondents provide a link to a web page.
Source: Draws on assessment of the quality of national development strategies (Indicator 1b). Further information is available in GPEDC (2018, pp. 29-34[4]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf

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Section 3.2. How are partner country governments faring in creating an enabling environment for civil society?

Constraints on civil society have increased, negatively affecting its ability to participate in and contribute to national development processes[3]

The enabling environments in which civil society organisations operate have deteriorated since the 2016 Monitoring Round. CSOs include all non-market and non-state organisations outside of the family in which people organise themselves to pursue shared interests in the public domain (OECD, 2010[5]). Through their community roots and outreach, CSOs play a fundamental role in development, including by empowering and providing services to people living in poverty and by working to ensure that the voices of all groups of society are heard. Global Partnership monitoring looks at four broad areas in assessing the CSO-enabling environment. These are presented in Box 3.2. Several good practices exist (Ceelen, Wood and Huesken, 2019[6]), but overall, conditions affecting CSOs' contributions to development have deteriorated in each of the four areas in the period between the 2016 and 2018 Global Partnership monitoring rounds (Figure 3.3).

Figure 3.3. Deterioration of enabling environments in which civil society organisations operate

Aggregate results (on a scale of 0 to 100 points) on the four assessed areas of enabling environments in which CSOs operate, by year
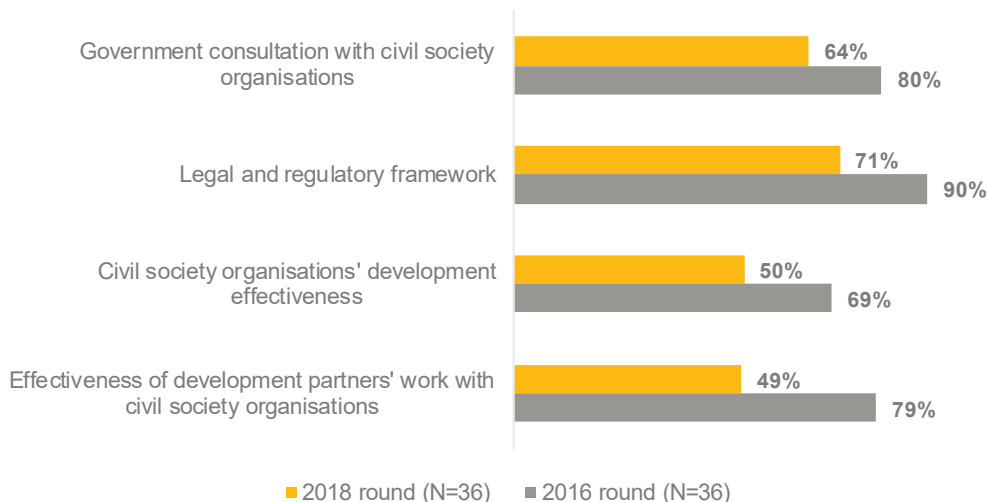
Notes: The data sample illustrated in this figure is limited to the 36 countries that reported on CSO-enabling environments in both the 2016 and the 2018 Global Partnership Monitoring Rounds. For 2018, the figure shows average results of individual responses of governments, civil society and development partners that reported on the CSO-enabling environment. For 2016, the figure shows the responses provided by the government in consultation with civil society and development partners that reported on the CSO-enabling environment.
Source: Draws on assessment of the environment for civil society organisations (Indicator 2). Further information is available in GPEDC (2018, pp. 62-67[4]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

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Box 3.2. Conditions that maximise effective civil society engagement and contribution to development

Global Partnership monitoring looks at four broad areas to evaluate the conditions in which civil society organisations (CSOs) operate and whether these enable them to effectively work and contribute to development efforts.

1. **How do governments consult with CSOs on national development policies?** This area assesses the extent to which governments consult CSOs on national development policies and whether CSOs have access to timely and relevant information to effectively participate in these consultations.

2. **Are adequate legal and regulatory frameworks in place?** This area, grounded in internationally recognised human rights,[1] assesses the extent to which the country's legal and regulatory frameworks enable CSOs to associate, assemble and express themselves; allow them to access resources; and provide effective protection to CSOs that work with marginalised or at-risk populations.

3. **To what extent are CSOs effective?** This area assesses the effectiveness of civil society organisations' own operations in line with the Istanbul CSO Development Effectiveness Principles and the International Framework on CSO Development Effectiveness[2] (CSO Partnership for Development Effectiveness, 2010[7]). It looks at whether CSOs co-ordinate among themselves to facilitate participation in policy dialogue and whether they engage in equitable funding partnerships.[3] It also addresses whether CSOs are implementing their development work guided by international human rights standards and principles and are transparent and accountable in their operations.

4. **How well do international development partners work with CSOs?** This area assesses the extent to which development partners consult with CSOs on development co-operation policies and programmes and whether development partners promote an enabling environment for CSOs in their engagement with governments. Also assessed is whether development partners provide effective financial support that maximises the contribution of CSOs to sustainable development.

Responsibility for making improvements across these four areas is distributed and shared among stakeholders. The first two areas are the responsibility of governments; the third area is primarily the responsibility of CSOs; the fourth area relates to the behaviour of development partners. In the spirit of a multi-stakeholder approach, and for a balanced assessment, the Global Partnership methodology collects the views of civil society, governments and development partners across all four areas. This allows the collating of results that are informed by these diverse stakeholders and also reveals cohesion or diversion of views among these stakeholders.

1. Freedoms of expression, association and peaceful assembly are recognised as universal human rights. See the Universal Declaration of Human Rights at: https://www.ohchr.org/en/udhr/documents/udhr_translations/eng.pdf.
2. The Istanbul Principles were agreed at the 2010 Global Assembly of the Open Forum for CSO Development Effectiveness in Istanbul. They are the foundation of the International Framework on CSO Development Effectiveness, which further elaborates these Principles.
3. "Equitable funding partnerships" refer to a fair balance of power between financiers and national CSOs. The Global Partnership *2018 Monitoring Guide for National Co-ordinators* provides a full description of equitable CSO partnerships (GPEDC, 2018[4]).

Negative trends, across the four assessed areas and in partner country reporting on enabling environments for CSOs, lend weight to warnings of contracting space for civil society. A smaller proportion of partner country governments reported on the enabling environment for civil society than in the 2016 monitoring exercise, falling to 53% in the 2018 Monitoring Round from 73% in the 2016 round.

The methodology for reporting on this topic was revised between the two monitoring rounds and reporting on this indicator remains relatively labour-intensive. But neither the length of the questionnaire nor the process for reporting changed, leaving no obvious technical explanation for this decline in reporting. Those partner country governments that reported on the CSO-enabling environment for the 2018 Monitoring Round selected and facilitated the participation of the CSOs for the assessment.[4] This can lead to selection bias and/or observer bias, whereby CSOs may report what the government expects or wants to hear. Combined, these factors may mean that observed negative trends in the evidence present an overly positive picture from reporting countries. Overall, the deterioration in results across the four areas assessed by the Global Partnership coupled with the fall-off in country reporting, support the widely reported view that space for civil society is shrinking[5] (CIVICUS, 2019[8]).

Partner country governments rate their actions in creating an enabling environment for CSOs more favourably than do CSOs. Overall, governments favourably rated the two areas that fall under their responsibility (consultation of CSOs and legal and regulatory frameworks) and ranked less favourably the two areas outside their responsibility (Figure 3.4). CSOs view the two areas of government responsibility less favourably. In the area of CSO development effectiveness, which relates to their own operations, CSOs were relatively critical when rating how well they are doing.

Figure 3.4. Divergence of stakeholder views on the enabling environment for civil society organisations

The perception of government, civil society and development partners on the four areas of a CSO-enabling environment (on a scale of 0 to 100 points)

Notes: A larger perimeter signifies a higher score. Each of the four areas covered in Global Partnership monitoring of enabling environments consists of four sub-elements that are aggregated to create the overall score in each of the four areas shown in this figure. Responses were received in 46 countries that assessed the CSO-enabling environment.
Source: Draws on assessment of the environment for civil society organisations (Indicator 2). Further information is available in GPEDC (2018, pp. 62-67[4]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf

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Governments often consult civil society organisations, but these consultations could be more effective, inclusive and transparent

Partner country governments consult CSOs regularly on national development policies, but these consultations could be more effective. In almost all partner countries (95%), CSOs report that the government consulted them on national development policies during the previous two years. Kenya is an example of good practice, with the government using multi-stakeholder sector working groups to spearhead development planning and support budget allocation decisions. These sectoral working groups typically comprise members from line ministries, non-governmental organisations, the private sector, UN bodies and other relevant groups (Ceelen, Wood and Huesken, 2019[6]). Yet such a practice is not the norm. CSOs in 50% of partner countries report that consultation takes place during national decision-making processes when change in policy direction is still possible. However, in 50% of partner countries, CSOs report that these consultations could be more effective – i.e. institutionalised, regular, predictable and transparent.[6] These CSOs also report that their participation often is subject to restrictions and the selection for participation can be biased.

Government consultations with CSOs are not consistently used to inform the design, implementation and/or monitoring of national development policies. CSOs in a majority of partner countries (54%) report that governments occasionally incorporate some substantive elements of their advice, but no clear government mechanism exists to provide post-consultation feedback explaining why certain CSO recommendations were accepted or rejected. In only 5% of partner countries do CSOs report that the government takes their advice and evidence into account and that clear mechanisms for feedback are in place (Figure 3.5).

Figure 3.5. Civil society organisations report that consultations are not consistently used to inform national development policies

Responses of governments, civil society and development partners on the use of results of recent consultation with CSOs to inform government design, implementation and monitoring of national development policies
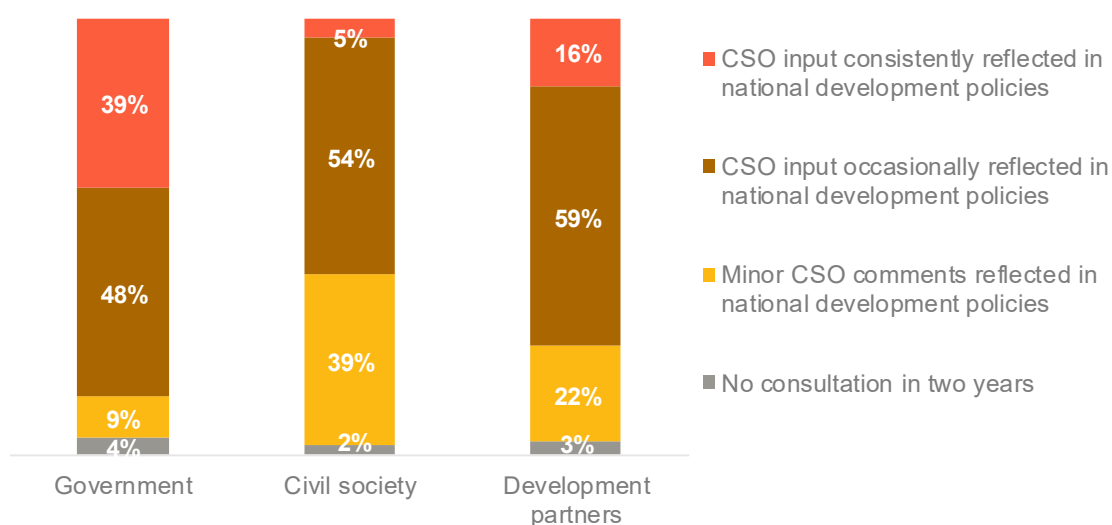
Note: CSO: civil society organisation. The complete wording of the response options is presented in the Characteristics of Practice at: http://bit.ly/Indicator2CoP

Source: Draws on assessment of the environment for civil society organisations (Indicator 2, Module 1, Question 1D). Further information is available in GPEDC (2018, pp. 62-67[4]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf

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Legal and regulatory frameworks provide limited protection for civil society organisations in practice

CSOs report severely limited freedom of expression and limited protection from harassment when working with at-risk populations. Across the four areas assessed to evaluate the CSO-enabling environment, the views of governments and CSOs diverged most sharply over the quality of the legal and regulatory frameworks in place (Figure 3.4). In a majority of partner countries (71%), governments report that CSOs are generally free to express themselves, while CSOs agree with this view in only 25% of countries (Figure 3.6). Moreover, CSOs in 27% of countries report that their expression is fully or extensively controlled by the government; threats and arbitrary actions against non-state actors are only sometimes investigated; and the legal framework provides few effective safeguards against arbitrary surveillance. In response to a separate question, CSOs in 32% of partner countries report that those civil society organisations working with marginalised and at-risk populations experience harassment from public authorities. Kosovo,*[7] however, offers an example of good practice in protection of CSOs. It has extended its constitutional guarantee of freedom of association specifically to CSOs under the 2010 Law on Freedom of Association for Non-Governmental Organizations. Registration of CSOs is voluntary, and the requirements for the establishment of a civil society organisation are considered reasonable (Ceelen, Wood and Huesken, 2019[6]).

Figure 3.6. Diverging views on freedom of expression

Responses of governments, civil society and development partners on the extent to which the legal and regulatory framework enables CSOs to exercise their rights to freedom of expression and assembly
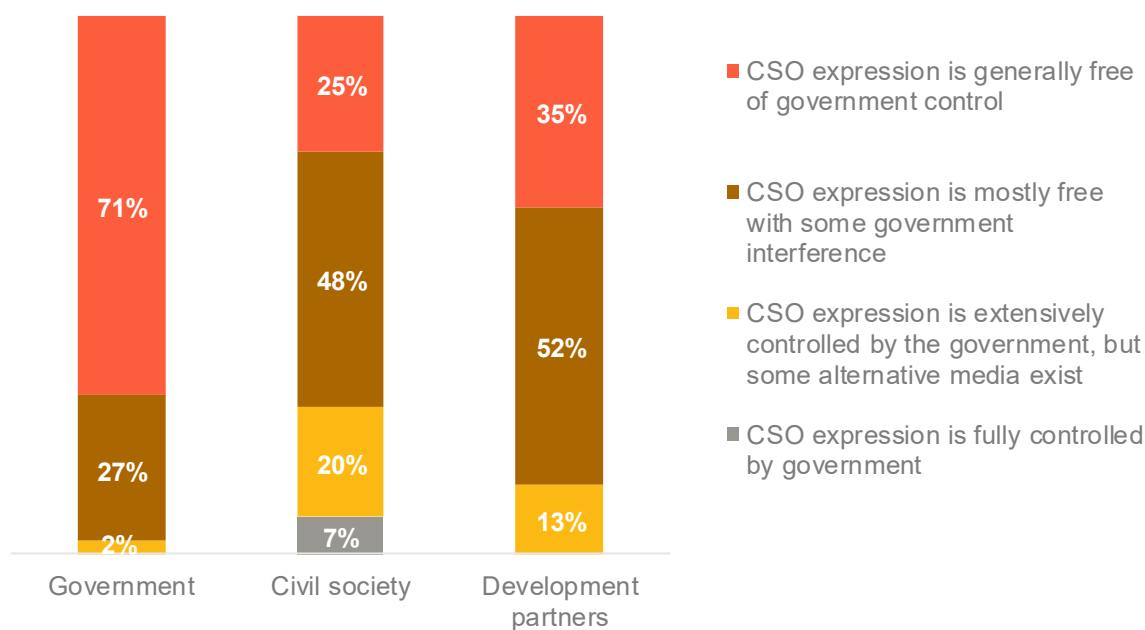
Note: CSO: civil society organisation. The complete wording of the response options is presented in the Characteristics of Practice at: http://bit.ly/Indicator2CoP
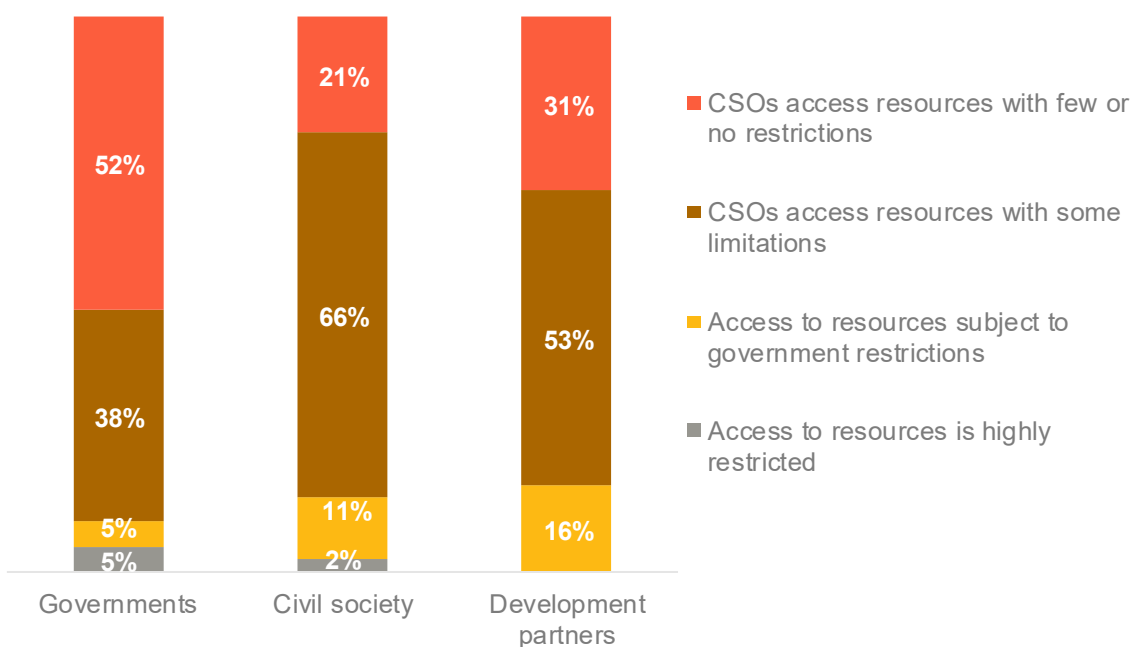
Source: Draws on assessment of the environment for civil society organisations (Indicator 2, Module 4, Question 4A). Further information is available in GPEDC (2018, pp. 62-67[4]), *2018 Global Partnership Monitoring Guide for National Co-ordinators,* http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf

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Legal and regulatory frameworks in most cases, however, allow and/or facilitate CSOs to access resources. In a majority of partner countries (87%), CSOs report that laws and regulations, with some or no limitations, permit them to access national and international resources such as government grants and contracts, receive tax benefits and exemptions, and access international resources. Overall, while they acknowledge restrictions exist, a majority of partner country governments, development partners and CSOs report favourably on the legal and regulatory environment in this regard (Figure 3.7).

Figure 3.7. Access to resources is not considered highly restricted

Responses of governments, civil society and development partners on the extent to which the legal and regulatory environment facilitates access to resources for domestic CSOs

Note: CSO: civil society organisation. The complete wording of the response options is presented in the Characteristics of Practice at: http://bit.ly/Indicator2CoP
Source: Draws on assessment of the environment for civil society organisations (Indicator 2, Module 4, Question 4D). Further information is available in GPEDC (2018, pp. 62-67[4]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf

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CSOs recognise the need for better CSO co-ordination, but also call for more equitable partnerships

CSO co-ordination is strong, but could be more inclusive. CSOs are responsible for ensuring their effectiveness in line with the Istanbul Principles and the International Framework for CSO Development Effectiveness (Box 3.2). CSO co-ordination is an important element, in that it is essential to maintaining the unity and inclusiveness of civil society. In 95% of partner countries, governments, development partners and CSOs report that CSOs co-ordinate their activities through platforms, networks and associations. However, in 27% of the partner countries, the three stakeholder groups report that these mechanisms are weak – for example, in terms of leadership, inclusive participation, resources for

engagement and/or accountability to domestic CSOs – or that the mechanisms are driven by development partners and/or government interests rather than CSO interests. The NGO Federation of Nepal offers an example of good practice in this regard. The NGO Federation of Nepal has streamlined its code of conduct, internal governance structure and management and also has developed a non-governmental organisation (NGO) Governance Resource Book, trained more than 2 000 NGO staff and established a hotline to provide NGOs with immediate advice. The aim of this self-regulation is to enhance development effectiveness and accountability (Ceelen, Wood and Huesken, 2019[6]).

More equitable partnerships also would strengthen the development effectiveness of all CSOs, regardless of size and resources. In the majority of partner countries (89%), CSOs report that the basis of partnerships between domestic CSOs (local or national) and CSOs that provide financing (usually larger, international CSOs) is either to directly implement the projects of the financing CSO or respond to its programmatic priorities. Such partnerships typically prioritise the financing of CSOs' programmes over local needs and priorities, placing a burden on smaller, domestic CSOs. More equitable CSO partnerships would bolster local and national ownership and the ability of CSOs to operate and respond to the needs of their target communities.

Section 3.3. How effective are partner country governments in strengthening public-private dialogue?

Meaningful public-private dialogue, results-oriented and based on mutual trust, has the potential to accelerate achievement of development goals

Public-private dialogue is crucial to leverage the full potential of the private sector's contribution to sustainable development. The 2030 Agenda recognises the important role of a diverse private sector in achieving sustainable development and calls "on all businesses to apply their creativity and innovation to solving sustainable development challenges". The private sector can contribute both financial and non-financial resources for sustainable development. Maximising these contributions requires a conducive operating environment for business, however, and this in turn requires effective engagement of the public and private sectors based on open and transparent dialogue.[8] Seeking to boost the contributions of the private sector through dialogue underpins the Global Partnership monitoring approach.[9] By measuring the quality of PPD,[10] monitoring assesses the effectiveness of partnering between a government and the private sector, thus enabling them to jointly shape an operating environment in which the private sector can maximally contribute to inclusive growth and sustainable development.

Overall, reporting on PPD quality is limited, but countries that did report took into account and reflected the views of private sector stakeholders. Global Partnership monitoring assesses the quality of PPD in terms of three key areas and six related elements, as illustrated in Figure 3.8. In monitoring rounds prior to 2018, governments of participating countries reported on the quality of PPD in consultation with private sector representatives. In the 2018 Monitoring Round, a revised methodology asked governments and private sector stakeholders (large private sector firms, small and medium-sized enterprises [SMEs], and trade unions) individually to rate the quality of dialogue based on four levels which were then converted to a scale of 0-100, with 100 representing the highest possible quality. The revised methodology, requiring data collection from different private sector stakeholders, may have contributed to the decrease in the number of partner countries reporting on this topic (47 in the 2018 round versus 55 in the 2016 round). In most of the countries reporting on PPD quality, multiple private sector stakeholders participated in the reporting (Figure 3.9). This can be considered a positive result, although it is important to acknowledge that the countries that chose to report may also be those with stronger PPD mechanisms.

Figure 3.8. Elements of high-quality public-private dialogue

Building block	Quality element	Description
Enabling context	**Mutual trust**	**The level of trust and willingness from the public and private sector to engage with one another:** When high, eagerness to engage is backed by high-level support and buy-in.
	Readiness	**The extent to which public and private actors are able and ready to engage with one another:** When high, both sides have the capacity to engage and are internally co-ordinated, including by having so-called champions or established engagement mechanisms.
Meaningful dialogue	**Relevance**	**The extent to which existing dialogue addresses issues of concern to both sides:** When high, the dialogue agenda is mutually agreed.
	Inclusiveness	**The level of inclusiveness of participation in public-private dialogue:** When high, dialogue engages all relevant actors from both sectors, including the full diversity of private sector stakeholders.
Effective engagement	**Organisational effectiveness**	**The extent to which existing public-private dialogue arrangements are organised to achieve results:** When high, dialogue is structured, regular and geared towards achieving concrete results.
	Joint action	**The extent to which existing public-private dialogue initiatives increase collaboration:** When high, joint action between public and private stakeholders increases.

Figure 3.9. Stakeholders that participated in assessing the quality of public-private dialogue

Number of stakeholders that reported
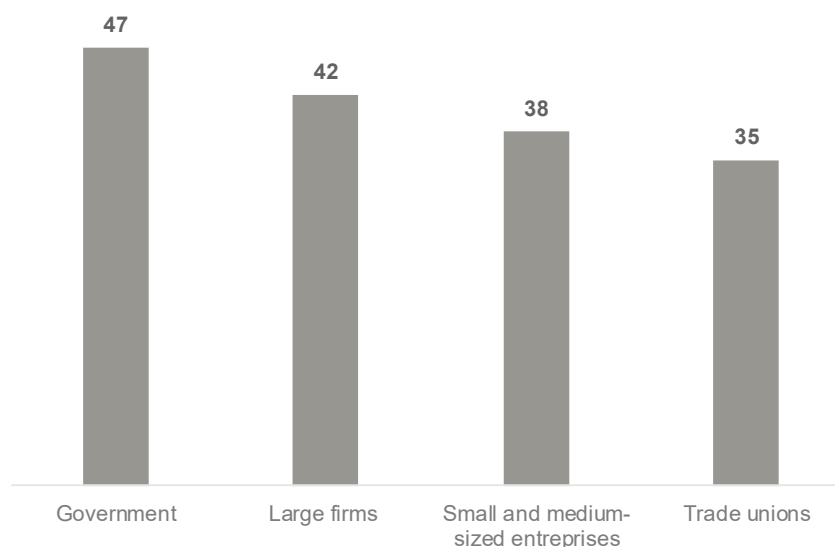
Note: The 47 partner countries in which the government reported on public-private dialogue quality include 44 in which at least 1 private sector stakeholder also provided responses and 3 countries in which only the government participated.
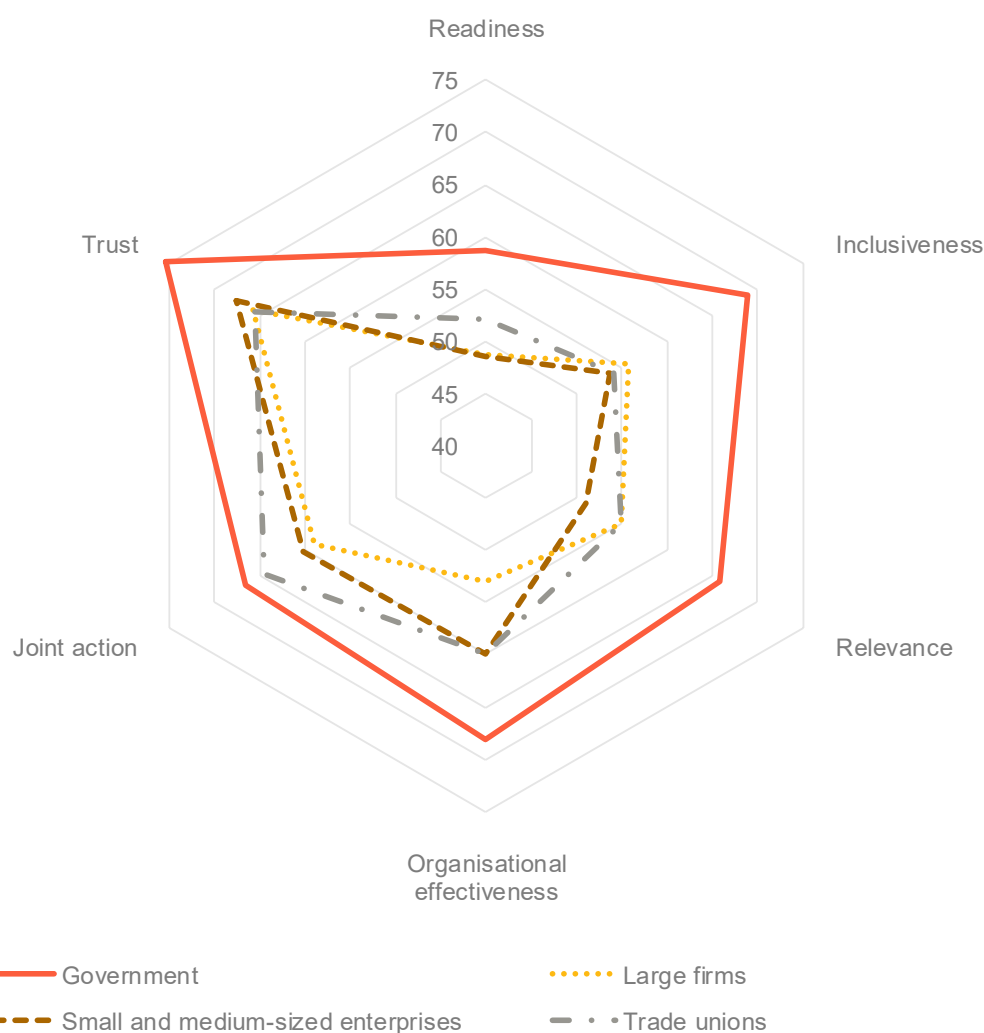*Source:* Draws on assessment of the quality of public-private dialogue (Indicator 3). Further information is available in GPEDC (2018, pp. 68-73[4]), *2018 Monitoring Guide for National Co-ordinators,* http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf
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Private sector stakeholders' views concerning the quality of PPD are less positive overall than those of partner country governments, suggesting more work is needed to exploit the potential of dialogue to maximise the private sector's contribution. As shown in Figure 3.10, the views of governments and private sector stakeholders differ on the quality of their PPD, with governments rating it consistently higher across all criteria. Across all six elements, governments rate PPD quality at an average score of 64, compared to an average score of 51 among private sector stakeholders. The starkest differences relate to the inclusiveness and relevance of the PPD. These signify challenges in how governments are implementing PPD.

Figure 3.10. Divergence of stakeholder views on the quality of public-private dialogue

The perception of government, large private sector enterprises, small and medium-sized enterprises, and trade unions on the six elements that constitute high-quality PPD (on a scale of 0 to 100 points)

Notes: A larger perimeter signifies a higher score. The figure illustrates the average scores across the six quality elements of public-private dialogue for all four stakeholder groups that participated in the 2018 Monitoring Round. These numbers can be directly compared, given that the scale and assessment criteria are the same for all four stakeholder groups. For a more detailed description of the six elements and what the optimal levels of these elements entail, refer to Figure 3.8.
Source: Draws on assessment of the quality of public-private dialogue (Indicator 3). Further information is available in GPEDC (2018, pp. 68-73[4]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf

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Public and private actors are willing to participate in dialogue, but have limited capacity to engage effectively

Partner country governments and the private sector demonstrate promising mutual trust and a willingness to engage with each other. Governments express sincere interest in engaging the private sector. Private sector stakeholders demonstrate shared optimism in this area. However, while governments report an increased score in trust (77 in the 2018 Monitoring Round, up from 68 in the 2016 exercise), private sector stakeholders' views on trust remain steady (71).[11] An example of PPD that is considered a success, from Bangladesh, is presented in Box 3.3.

Box 3.3. Public-private dialogue in Bangladesh: The story of BUILD

Public-private dialogue can take a variety of forms, with the specific mechanism adapted and evolving in response to context-specific needs. The Business Initiative Leading Development (BUILD), initiated by the private sector in Bangladesh, is an instance of good practice that showcases a successful platform for dialogue.

Three chambers of commerce in Bangladesh established BUILD in 2011 as an institutionalised framework for facilitating structured dialogue between the public and private sectors.

Through BUILD, the private sector is able to act collectively and speak in one voice to ensure that hurdles to private sector development are addressed and that private sector-led growth contributes to Bangladesh's development. BUILD has become a trusted government partner, working closely with the Prime Minister's Office to promote private sector development, investment and job creation.

The BUILD platform brings together public and private sector stakeholders to identify recommendations for policy reforms, based on research and analysis on opportunities for and challenges to the private sector's contribution to development. Among other outcomes, BUILD has identified more than 250 quick-win policy reforms; the government has approved more than half of these. Further, the involvement of development partners in BUILD has led to expansion of the BUILD agenda to include environmental and social issues such as disaster risk management and social development.

Reporting in the 2018 Global Partnership Monitoring Round appears to reflect the impact of BUILD and similar efforts. Both public and private stakeholders in Bangladesh report some of the highest overall results of the 2018 exercise in terms of the level of mutual trust: 94 points versus the participating country average of 71 and the least developed country average of 72. Bangladesh – the government together with private sector stakeholders – also reports above-average results in terms of public-private dialogue that leads to joint action.

Sources: (BUILD, n.d.[9]) *Our Mission and Vision*, www.buildbd.org; (GPEDC, 2018[10]), *Private Sector Engagement Through Development Co-operation in Bangladesh*, www.oecd.org/dac/effectiveness/Bangladesh_Country_Report_FINAL.pdf

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Financial and technical resources are needed to address capacity constraints that limit participation in PPD. Overall, all stakeholders from participating partner countries report capacity concerns regarding PPD. Of all the elements constituting effective PPD, readiness (i.e. capacity) to engage scored the lowest among all stakeholders. These concerns are more pronounced in least developed countries (LDCs). A notable exception is in the LDCs in which SMEs account for the majority of private sector jobs (International Labour Organization, 2018[11]); in these countries, SMEs report higher levels of readiness to engage (see also Box 3.4). The most frequently reported areas that require further attention in order to increase stakeholders' readiness and ability to engage with one another are governments' internal co-ordination and access to financial and technical resources for both public and private

stakeholders. For the private sector, such resources are required to strengthen capacity to co-ordinate and assess the collective needs and views of the sector as a whole. For governments, such resources are required to strengthen capacity to analyse and formulate policy proposals and communicate effectively with relevant stakeholders in PPD (Bettcher, Herzberg and Nadgrodkiewicz, 2015[12]).

Partner country governments can improve public-private dialogue by engaging the full range of private sector actors, including in setting the agenda for dialogue

Ensuring that PPD focuses on issues relevant to all stakeholders remains a challenge. Good-quality PPD addresses the concerns of both public and private stakeholders. It also is inclusive, enabling the participation of all types of actors, of all sizes. According to analysis of PPD during the three years leading up to data collection for the 2018 monitoring exercise, topics covered in such dialogue included a broad range of issues that are relevant to achieving the SDGs. From this, the top two issues addressed in PPD were regulations for doing business and infrastructure development (Figure 3.11). Reporting in the 2018 Monitoring Round indicates that, on average, governments (score of 66) have a more favourable view of the relevance of topics currently addressed by PPD than do private sector stakeholders (score of 54), with the least favourable view of PPD relevance reported by SMEs (score of 51).

Figure 3.11. Top ten topics addressed in public-private dialogue

Topics relevant to the SDGs most frequently covered by PPD in partner countries
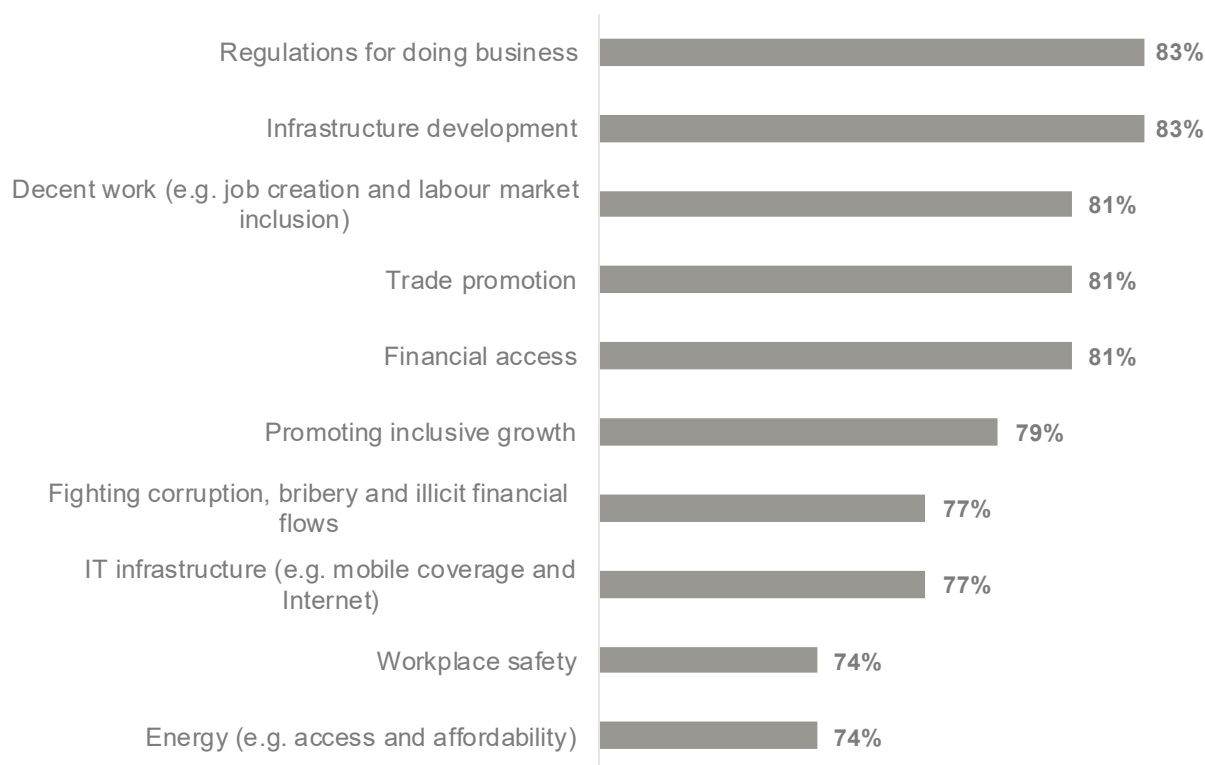
Source: Draws on assessment of the quality of public-private dialogue (Indicator 3). Further information is available in GPEDC (2018, pp. 68-73[4]), *2018 Global Partnership Monitoring Guide for National Co-ordinators,* http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf

StatLink https://doi.org/10.1787/888934019172

The views of government and private sector stakeholders regarding PPD relevance diverge most sharply in the LDCs and extremely fragile contexts. Private sector stakeholders in the LDCs and very fragile contexts rated PPD relevance, on average, at 52 and 41, respectively. The contrast with government views in the same contexts is significant. LDC governments scored PPD relevance at 68 and governments of extremely fragile contexts at 67. This may be due to severe resource constraints on the side of the partner country governments coupled with possible political divides. As surfaced in the findings from the 2016 Monitoring Round, this gap is concerning because dialogue around issues of common interest and mutual benefit can play an important role in enabling public and private stakeholders to co-operate beyond political divides and vested interests (OECD/UNDP, 2016[13]).

Governments and development partners need to make a concerted effort for PPD to include the full range of private sector actors. The biggest difference in the views of public and private stakeholders on PPD relates to inclusiveness. The 2018 Monitoring Round shows consistent concern in this regard among private sector stakeholders, regardless of size. They score PPD inclusiveness at 55 on average, against a score of 69 from governments. Overall, this is in line with reporting by private sector stakeholders that they have limited capacity to engage in PPD and consider it of limited relevance to their concerns. Given that partner country governments often take the lead role in organising PPD, the 2018 monitoring data suggest that governments need to redouble efforts to include the full diversity of private sector stakeholders in dialogue and that development partners should help to ensure that governments have the capacity and resources to do so. Box 3.4 discusses the importance of engaging SMEs in particular.

When the foundations for high-quality public-private dialogue are in place, dialogue is geared towards results and leads to joint action

Despite challenges, public and private stakeholders are optimistic that PPD can lead to increased collaboration, joint action and concrete results. Participants' long-term commitment to PPD likely depends on whether arrangements are institutionalised and organised towards achieving concrete results and whether dialogue leads to increased collaboration. Global Partnership data from the 2018 Monitoring Round show that governments and private sector stakeholders generally agree that the extent to which PPD is geared towards results and leads to joint action is relatively high; most respondents, across all stakeholder groups, rated these as among the most positive of all assessed dialogue elements. This shows that despite challenges in implementing PPD – in particular, building capacity to engage, involving the full range of private sector stakeholders in agenda setting and ensuring that these stakeholders participate in the dialogue – when PPD does take place, it is delivering enhanced public-private collaboration. Such collaboration is a critical prerequisite for maximising the private sector's contribution to development.

Box 3.4. Small and medium-sized enterprise engagement is essential to inclusive public-private dialogue and to leaving no one behind

Small and medium-sized enterprises (SMEs) play a critical role in the economies of partner countries and frequently represent the biggest share of the country's private sector. In rural and underserved areas, SMEs often are the only source of employment,[1] particularly for vulnerable segments of the population such as women and youth. In these areas, SMEs also contribute significantly to service delivery in health, education, sanitation and energy, filling gaps in public sector reach. In this way, SMEs are contributing to efforts to ensure no one is left behind. In 2017, in recognition of their role, the UN General Assembly designated an "International Day" for SMEs.[2]

Research, however, has found that SMEs face substantial challenges in accessing both public-private dialogues (PPDs) (Bettcher, Herzberg and Nadgrodkiewicz, 2015[12]) and concrete partnership

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opportunities (Boehler et al., 2018[14]). The 2018 Global Partnership monitoring results support these findings, showing limited opportunities for SMEs to influence and engage meaningfully in PPD. Among all the stakeholders reporting, including all private sector stakeholders, SMEs expressed the least positive overall view of the quality of PPD.

The results are less stark in least developed countries (LDCs), where SMEs report a more positive view of PPD than SMEs in other country contexts. These more positive SME views particularly relate to capacity to engage in PPD, the inclusiveness of the dialogue and the extent to which dialogue is geared towards achieving results.

This finding may reflect the fact that SMEs make up a larger proportion of the private sector in the LDCs, and therefore play a more substantial role than do SMEs in other contexts. As such, SMEs may be better positioned in the LDCs to discuss topics relevant to them, effect change and shape a conducive policy environment through their participation in PPD initiatives.

1. The World Bank website elaborates the importance of SMEs to developing country economies at: https://www.worldbank.org/en/topic/smefinance.
2. See: https://www.un.org/en/events/smallbusinessday

To harness the full potential of PPD to contribute to sustainable development, partner country governments can engage the private sector beyond the mechanism of PPD. Even when delivering joint action and concrete results, PPD is only a means to an end, rather than the end in itself. A Global Partnership workstream is currently looking at ways to use development co-operation to scale-up effective country-level partnerships with the private sector. While international development co-operation does not yet feature among the main topics of PPD in partner countries, the Global Partnership is working in this policy space where it is facilitating in-country and international multi-stakeholder dialogues and inclusive consultations. The aim is to enhance the effective use of public resources to engage the private sector through development co-operation, to spur progress toward leaving no one behind and achieving the SDGs (Box 3.5).
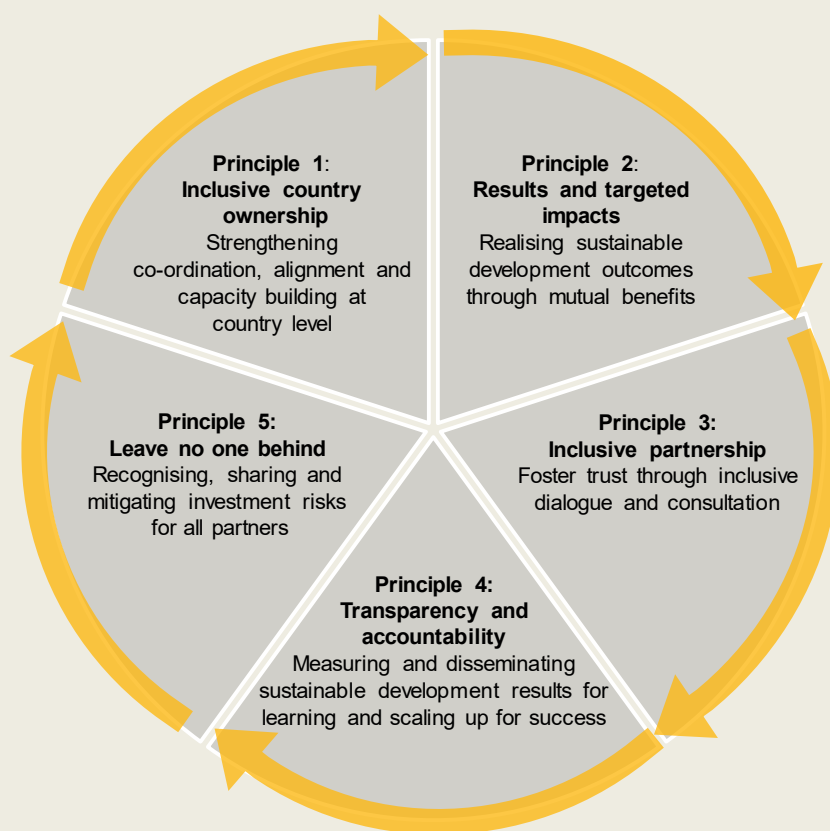

Box 3.5. Principles and guidelines for effective private sector engagement through development co-operation

The Global Partnership 2016 Nairobi Outcome Document called for "unleashing the potential of development co-operation to attract inclusive private investment [by setting] clear effectiveness commitments as the development community engages in partnerships between governments, civil society and the business sector". The Global Partnership answered that call and developed a set of principles and guidelines to ensure the effectiveness of private sector engagement through development co-operation at the project, programme and policy levels.

These principles were informed by evidence from case study countries, inclusive dialogue at national and global levels, and a Global Partnership Business Leaders Caucus. In 2018, the Global Partnership undertook a systematic review across four countries (Bangladesh, Egypt, El Salvador and Uganda) of more than 900 development co-operation projects that directly engage the private sector, ranging from multinational enterprises and large domestic firms to micro, small and medium-sized enterprises. Among the findings of this exercise was that only 13% of these projects listed national governments as partners and only 4% explicitly focused on the poor. In addition, only 16% of the projects reviewed results, with many private partners criticising what they perceived as burdensome development partner procedures.

Analysis of the projects and related multi-stakeholder consultations concluded that the development co-operation community can do much more to improve the implementation of private sector partnerships on the ground, including by focusing more on sustainable results, impact and accountability. These conclusions underscored the crucial and cross-cutting role that public-private dialogue can play in this regard – a finding echoed in the 2018 Global Partnership Monitoring Round. Public-private dialogue is a means to strengthen mutual trust and country ownership of private sector engagement and bolster the effectiveness and inclusivity of this engagement. Stakeholders across sectors agree on the importance of establishing structured spaces for dialogue to inform private sector engagement priorities, identify solutions to shared challenges, establish relationships, build mutual trust, and generate partnerships and joint action.

The Global Partnership's five principles for effective private sector engagement, illustrated in Figure 3.12, reflect these analyses.

Figure 3.12. Principles for effective private sector engagement through development co-operation

Source: (GPEDC, 2019[15]), *Effective Private Sector Engagement through Development Co-operation for Sustainable Development: Towards Principles and Guidelines*, https://effectivecooperation.org/wp-content/uploads/2019/01/SCM17-Private-Sector-Engagement-Principles.pdf.

Once the principles are launched at the 2019 Senior-Level Meeting of the Global Partnership, work will begin to bring together partner country governments, local and international private sector stakeholders, development partners, and civil society to apply and operationalise the principles at country level.

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Notes

[1] This does not imply that stakeholder views must be adopted. Rather, a participatory process aims to achieve some level of coherence among the views of an inclusive range of actors and the partner country government and/or where this is not possible, to provide meaningful feedback setting out the reason(s) certain views are not reflected in the national development strategy.

[2] Availability of the national development strategy and/or progress report on line is used as a proxy for "publicly available". While this proxy has limitations, online availability indicates a government's readiness to share information in a transparent manner.

[3] This section discusses three areas of what is assessed regarding the enabling environment for civil society organisations. The areas that are the responsibility of the partner country governments and of the CSOs are discussed in detail here; the area pertaining to development partners is discussed in greater detail in Part II of this report.

[4] About half of the participating governments were provided with contact information for national CSO focal points who were trained on the Global Partnership monitoring exercise by the CSO Partnership for Development Effectiveness. Ultimately, it was up to each participating government to select and facilitate engagement with civil society to report on the enabling environment for CSOs.

[5] According to the CIVICUS (2019[8]) report on the state of civil society, 111 of the 196 countries reviewed have closed, repressed or obstructed civic space through a variety of practices that include legislative and regulatory restrictions. This is an increase over the 2017 finding by CIVICUS that 106 countries were restricting civic space.

[6] In only 14% of partner countries, CSOs report that they have full access to relevant, comprehensive information and sufficient lead time to prepare and participate in consultations.

[7] This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.

[8] As noted by Bettcher, Herzberg and Nadgrodkiewicz (2015[12]), such dialogue is essential to "expand the space for policy discovery" where policy makers, private sector experts and other stakeholders come together to discuss policy directions, opportunity for collaboration and other issues that meet the needs of all involved.

[9] In line with the 2030 Agenda for Sustainable Development, and as noted in Paragraph 67 of the corresponding UN General Assembly Resolution (UN, 2015[16]), the Global Partnership monitoring exercise acknowledges the diversity of the private sector and that the private sector includes entities run by private individuals or groups that usually seek to generate profit and are not controlled by the state. For more information on the definition of the private sector, see GPEDC (2018, pp. 68-73[4]).

[10] PPD includes all opportunities in which the public and private sectors come together in dialogue, whether these are formal, informal, national, subnational, permanent or temporary opportunities.

[11] The element of trust allows for comparability over time, given that both the 2016 and the 2018 Monitoring Rounds assessed trust. For the remaining elements, results from the 2018 Monitoring Round will establish

a baseline. The scores for trust presented in this sentence refer to the countries that participated in both the 2016 and 2018 Monitoring Rounds.

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