



Private Public Partnerships: Why they matter, and how to make them work!

*Presentation by Jean-Michel Severino
IFAD replenishment meeting,
Rome, October 8, 2014*

PPPs, a necessity for the post 2015 development agenda

- The post 2015 development agenda: universal, global, and complex
- The post 2015 world: even more complex and diverse
- Partnership and alliances: we can't and won't do without
- The key positive role of private sector: agent of responsible and sustainable growth, agent of public policies, stakeholder for public policies

The global partnership at the core of the achievement of the future sustainable development goals

Why the private sector is moving full speed in the area of sustainable development

- Large corporations and global funders are worried by the negative scenarios that can undermine their business
- Corporations have become ultra sensitive to reputational risks, linked to their global operating mode
- Corporations have more and more to acquire, in democratic environments, a « licence to operate »
- Densification of the planet, growing scarcity of natural resources and access to food are at the core of their concerns

IFAD will find in this context fuel for an ambitious private public partnership strategy

How has the private sector evolved in its operating modes

- Corporations have considerably increased their engagement in foundations, dedicated to public goods
- Corporations have boosted their ESG practices
- Corporations have engaged fast in « impact investment »
- Corporations have increased the links between their core operations and their « public goods » approach
- Corporations have increased their involvement in policy dialogue and their intellectual contribution
- Development impact bonds have appeared, that link corporations, financial stakeholders and public entities in new partnerships

Leveraging on the private sector has become a key challenge for any public institution

How can we build successful partnerships

- The world is a cemetery of failed PPPs
- Core causes of failures include: lack in the clarity of goals and of impact measurement/performance, lack of understanding of the partner, lack of continuity and respect for commitments, lack of clear identification of conflicts of interest, lack of relevance of the procedures...
- Experience shows that solutions can be found at each step
- Successful partnerships have transformational consequences

PPP's need professionalism

IFAD's 4Ps strategy captures outstandingly the opportunities of the moment

- Smallholders' agriculture is a growing area of focus for a larger and larger group of private stakeholders moved by concerns over access to agricultural products, climate change, political stability – and demands from governments
- Establishing local brokers and investment funds is a good way to move ahead, and more specific global or regional partnerships might complement that methodology
- A new local exciting example of this new strategy: IFAD- Sinergi cooperation in Niger

FUNDING IS OF ESSENCE: IFAD'S REPLENISHMENT OUTCOME MATTERS!

Thank you for your attention