

d·i·e

Deutsches Institut für
Entwicklungspolitik



German Development
Institute

The Kampala Principles

Why we need new guidelines for private sector engagement in development cooperation

By Dorothea Wehrmann,
*German Development Institute /
Deutsches Institut für Entwicklungspolitik (DIE)*

The Current Column

of 1 July 2019

Why we need new guidelines for private sector engagement in development cooperation

Bonn, 1 July 2019. Private sector engagement in development cooperation is one of the key challenges for the implementation of the 2030 Agenda. Such engagement has been limited to date and there is also a need to improve the quality of existing partnerships. International organisations in particular are arguing that the only way to achieve the Sustainable Development Goals (SDGs) is in cooperation with the private sector. By contrast, representatives of NGOs and researchers often fear that private enterprises could hijack the SDGs to tap new markets and generate profit. Against this backdrop and with Germany as Co-Chair, the Global Partnership for Effective Development Cooperation (GPEDC) has spent the past two years developing the voluntary “Kampala Principles on Effective Private Sector Engagement in Development Cooperation”. Having been adopted by the GPEDC’s Steering Committee in Kampala in March this year, these principles are now set to be presented at the GPEDC’s Senior-Level Meeting in New York next week. But can the Kampala Principles help to improve development cooperation partnerships with the private sector?

The GPEDC was created at the Fourth High-Level Forum on Aid Effectiveness in 2011. It serves as an inclusive platform for partner countries, international organisations, NGOs, the private sector and other non-governmental actors. The Senior-Level Meeting is the first of its kind, bringing together decision-makers from government, civil society and the private sector to discuss ways of achieving more sustainable development results. However, standards providing guidance on development cooperation partnerships with the private sector are nothing new. One set of pioneering guidelines in this area is the Global Compact principles, which are intended to contribute to an inclusive and sustainable global economy. What is new about the five Kampala Principles (Inclusive Country Ownership, Results and Targeted Impact, Inclusive Partnership, Transparency and Accountability, and Leave No One Behind) is their focus on effectiveness. In this way, they build upon existing normative guidelines in development cooperation, such as the Busan principles for effective development co-operation, and develop them further in regard to the 2030 Agenda. By focusing on the quality of partnerships, the GPEDC fills a central niche, which is extremely important in terms of implementing the 2030 Agenda.

The Kampala Principles are designed to enhance private sector engagement in sustainable development around the world. This is precisely where the crux, which also impacts the success of the principles, lies.

The cooperation platforms and actors are diverse and the economic structures and political systems of the GPEDC’s 161 current partner countries also vary tremendously. It is thus impossible to implement the principles based on one uniform strategy. Instead, it is necessary to develop differentiated approaches. Following next week’s Senior-Level Meeting, the GPEDC will therefore draft guidelines to support implementing the Kampala Principles at the country level.

If the Kampala Principles are to truly play a significant role in improving the quality of development cooperation partnerships with the private sector, then the following challenges must be overcome when formulating the guidelines and implementing the principles:

- 1) In order to achieve the desired changes, the planned guidelines need to accurately categorise the principles and show how they can be applied within different partnerships. When it comes to partnerships between several countries and companies, legal frameworks and development objectives often vary. In such cases, guidelines on the principle of Inclusive Country Ownership would need to identify options for facilitating transnational coordination, for example.
- 2) The guidelines must also pinpoint ways of adjusting and ending partnerships if they violate the Kampala Principles. In politically unstable countries, for example, general conditions can change suddenly.
- 3) The Kampala Principles are non-binding; no one has to fear sanctions for non-compliance. This makes it easier to reach agreement on the principles. However, in order to support the long term observance of the principles, it is important for the GPEDC to document compliance, and thus to identify non-compliance, in its monitoring framework.
- 4) The Kampala Principles are still largely unknown. It is the job of the GPEDC leadership and its partners to publicise the principles and highlight their value in order to ensure their use.

The GPEDC’s Senior-Level Meeting takes place on the margins of the High-Level Political Forum (HLPF) in New York. The HLPF is the main platform for evaluating international efforts to achieve the SDGs. In view of the key role that the private sector is expected to play in implementing the 2030 Agenda, it is essential for the Kampala Principles to form part of the discussion at the HLPF.