

# Partners in Asian Development Cooperation The Role of the Private Sector

10-11 August, 2016  
New Delhi



## Introduction

Organized jointly by the Korea Development Institute (KDI) and The Asia Foundation (TAF), the “Asian Approaches to Development Cooperation” (AADC) dialogue series brings together development experts and government officials from the Asia region and beyond to share perspectives and to facilitate mutual learning between and among “emerging” and “traditional” development actors. After a planning meeting in Seoul in December 2010, KDI and TAF convened three workshops over the course of 2011 in Kuala Lumpur (March), Colombo (June), and Seoul (September). The 2011 dialogues culminated with a side event at the Fourth High Level Forum on Aid Effectiveness (HLF-4) in November in Busan, Korea, the world’s largest and most important gathering for discussing issues of international development and foreign aid. The conference edition of “Emerging Asian Approaches to Development Cooperation,” authored by participants in the AADC series, was released at the HLF-4. In 2012, The AADC dialogues focused on the theme of development cooperation and pro-poor inclusive growth. Over 40 participants convened in both New Delhi (March) and Beijing (June) for the fifth and sixth meetings in the dialogue series. An authors’ workshop and a public conference, both held in Seoul, followed in November. In 2013 the first dialogue in Seoul highlighted climate change mitigation, low carbon development, and green growth strategies. In August, the complementary issues of climate change adaptation, disaster risk reduction, and disaster management were discussed in Vietnam and a final authors’ workshop was held in Bangkok in December. In 2014, the theme was Social Mobility in Asia, featuring dialogues in Sri Lanka and an author’s meeting in Seoul in November. In 2015, the dialogues focused on the future of South-South Cooperation in the region. The first dialogue, held in Phnom Penh, Cambodia (May 2015), featured the perspective of partner countries, while the second dialogue held in Indonesia, Jakarta, focused on provider perspectives.

In 2016, the dialogues have focussed on non-state actors in Asian Development Cooperation. The first dialogue held in Beijing discussed the contributions that Asian civil society is making to development and south south cooperation. The second dialogue held in New Delhi discussed how Asian providers are engaging their private sectors to support development activities in partner countries. The Forum for Indian Development Cooperation (FIDC), the Research and Information system for developing countries (RIS) and Voluntary Action Network India(VANI) joined TAF and KDI as collaborators and partners in bringing together this conference. This report covers the proceedings and outcomes of the Delhi meeting, featuring presentations and discussions by prominent participants from government, private sector and civil society.

## Aims and Objectives

- To present and discuss Asian experience on the role and potential of non-state actors in development cooperation.
- To contribute Asian perspectives and experience to the international dialogue and body of literature on shared valued.
- To promote mutual interest, learning, understanding, and opportunities for collaboration and cooperation between and amongst Asian countries and experts.
- To make specific policy contributions and recommendations from Asian actors on how Asian-led development cooperation can be better governed, managed, and delivered through partnerships and investments by non-state actors.
- To produce a publication compiling papers and key findings from the dialogues.

## Agenda

The private sector is an important player in Asian development. In Social Sector Cooperation (SSC), private companies or contractors from provider countries are often the implementers of infrastructure projects, whether through lines of credit or tied aid. At the other end of the spectrum many Asian multinationals are involved in corporate social responsibility in the region. This dialogue will discuss: how Asian providers are engaging their private sectors to further and support development activities in partner countries; how Asian multinationals are engaged in CSR and Shared Value in the region; how this collaboration can be strengthened and improved.

## Inaugural Ceremony and Welcome

**Sagar Prasai, Country Representative, The Asia Foundation** and session moderator noted that development has evolved from a state to state process to one where civil society and the private sector play important roles. The conference brings together these various stakeholders to promote shared understanding and collaboration.

**Shyam Saran, Chairman RIS** added how south south cooperation from countries such as China, India, Brazil, South Africa, Turkey etc. is overtaking that of conventional donors and presenting partner countries with increasing capabilities and opportunities. He encouraged private sector and social sector organizations to combine their strengths for effective development.

**Taejong Kim, Managing Director, KDI**, briefly described KDI as the leading think tank in South Korea since 1971 and spoke of its work with South Korean government. He mentioned

that the Korean Government is still in the process of understanding how to take advantage of this rising trend of private funding.

**Gordon Hein, Senior Vice President, The Asia Foundation** noted that this was the first time in the history of AADC gatherings that private sector voices are involved. He welcomed VANI and FIDC as new collaborators and wished participants a successful dialogue.

**Harsh Jaitli, CEO of VANI** encouraged more collaboration between the private sector and civil society organisations. He mentioned how Indian civil society organisations aren't allowed to work outside of India, due to the laws of the country, but do so through collaborations. Collaborations with the private sector offer possibilities. He expressed his hope that the dialogue would create more documentation and understanding on civil society- private sector collaboration in development cooperation outside India.



## Role of Private Sector Engagement in South-South and Development Corporation

*This session looked at how Asian provider countries view the relationship with private sector in South-South cooperation and examined government strategies and mechanisms for public private partnership.*

**Moderated by Rajesh Agarwal** Chief Trade and Selection Policy for Business Section, International Trade Centre

**David Rasquinha**

Deputy Managing Director, Export and Import Bank of India

**Liang Guining**

Director, Institute of Overseas Investment, Chinese Academy of International Trade and Economic Cooperation, Ministry of Commerce, China

**Simon Cramp**

Director, Private Sector Development, Economic Engagement, Resources and Energy Branch Trade, Investment and Economic Diplomacy Division, Department of Foreign Affairs and Trade Australia

**Taejong Kim**

Managing Director KDI School of Public Policy & Management, Korea Development Institute



**David Rasquinha** stressed the importance of bringing the private sector into development not just for finance but also for innovation and access to markets. He emphasised that value for bringing in the private sector is not merely due to their financial capability, but has more to do with their ability to utilise resources and their ability to provide technology. He pointed out that a great deal of Indian business overseas is government-mandated and an instrument of Indian diplomacy. He analysed private sector engagement from transaction and engagement approaches. He spoke of the need to move away from a transactional approach i.e. a clear profit and predictable immediate return on investment and instead move towards sustainable, long-term partnerships to utilise local knowledge through shared value etc. He cited the example of an upcoming project in the Cambodia Laos Myanmar Vietnam (CLMV region) where a tripartite arrangement is being reached wherein the host government provides land and core infrastructure and the India Indian company invests with backing of Exim Bank. He predicted that such collaboration is the way forward. He also cited the Exim Bank's role on behalf of the Government of India, which helped finance a Hydro project in Rwanda which contributes about 25% of the power demand of Rwanda. He noted that Lines of Credit are a huge part of India's bilateral assistance portfolio overseas, with USD 50B committed over the long term. Most of these credit lines are tied to India companies, and thus "tied." Finally, Mr Rasquinha remarked that the experience of public private partnerships (PPPs) has been mixed. Private sector has learned that a trusted third party adjudicating contributes to a higher level of success.

**Liang Guining** chronicled the growth of Chinese investments overseas. Prior to 2000 Chinese overseas activities were small, with approximately 100 Chinese investors engaged in overseas activities. In 2002 investment totalled \$2.7B and reached \$10B by 2005. Last year, 2015 the volume reached \$100B. Small and medium enterprises (SMEs) have been a particular area of recent and rapid growth, whereas in the past investment was led by State-owned enterprises (SOEs). The challenge that these companies are not experienced in overseas investment. So the Chinese government is trying to do more to create a favourable environment for them. This includes the development of regulations and guidance on security, transparency, standards of business behaviour, green development and promoting effective and sustainable development of Chinese investment overseas through policies relating to corporate governance.

**Simon Cramp** discussed how in early 2015 the Australian Government rethought its approach to working with the private sector looked for ways of increasing the involvement of the private sector across the wide range of its international development and humanitarian work by creating shared value. Up to this point the private sector's role in Australian aid had been

primarily through the procurement of services on the delivery side and as a beneficiary of an improved 'enabling environment' on the receiving side. There was little to no engagement with the private sector (Australian or international) in the development of aid policy, strategy or programming. The private sector was invited to meetings on development for the first time. As they were able to provide jobs and revenue, it was necessary to partner with them if aid had to be intelligently given. He noted a shift in approach from CSR to shared value in the development field where there is an intersection of interests. Cramp added that NGOs were also a key part of these discussions and Australia's efforts are focussed on bringing all the relevant player to the table.

**Taejong Kim** spoke of a growing realisation in South Korea that private sector activities can unlock development. He added that CSR in the country is a fairly young phenomenon and they were still looking for good practice models. He spoke of how lack of consolidated, reliable data rendered difficult any attempt to characterize the overall international CSR activities by Korean business firms. However, a change was coming about as a significant number of Korean corporations had started committing themselves to an annual publication of their corporate sustainability reports in accordance with guidelines by the Global Reporting Initiative. Several leading firms confirmed that CSR money had tripled in recent years. He cited education and healthcare as the major areas of investment. He noted that overseas donations are mostly from young donors and only recently had the country started to think of strategic leveraging and reaching for non-state actors.

## **Discussions**

Discussion started by looking at the role of NGOs in an environment where business plays a leading role in development activities. **Simon Cramp** iterated how often NGOs are privately funded and in the Australian experience it was useful to have everyone on the table and figure out common meeting points. **David Rasquinha** reiterated the Bank's non-prescriptive approach and how they involve NGOs only if the host governments want them- in Rwanda the government was not keen on them, so they weren't involved. There was dialogue on how to reach the frontier markets, for example in Afghanistan and how to use south-south cooperation to get resources to areas of need or scarcity in Asia from areas of abundance in Asia. Another major point of discussion was SOEs v. SMEs. **Liang Guining** brought forth that SOEs have a long history of overseas investment while SMEs have only started in the past decade. He emphasised the need for greater transparency with SMEs and setting guidelines for the same. **David Rasquinha** pointed out that SMEs can only sustain risk up to a certain point, and hence you need risk management to encourage them.

The session concluded with the chair summarizing the main conclusions from the discussion: that the private sector has a role to play as a development partner and mindsets need to change to accept this; that commercial and development interests must be in sync for maximum impact; and that common understanding and space for sharing are needed amongst diverse actors, government, private sector, and NGOs.

## Private Sector Approaches to South-South and Development Cooperation

*The next two panels presented business and their approach to the development sector including examining corporate social responsibility, fair trade, socially responsible business practices, philanthropy, community engagement, and shared value.*

**Moderated by Mr Sachin Chaturvedi**  
Director General, RIS

**Yap Mun Ching**  
Executive Director, Air Asia Foundation

**Hyunjin Jeon**  
Manager CSR, LG electronics

**Guo Peiyuan**  
General Manager, SynTao

**Surendra Makhija**  
Strategic Advisor, Jain Irrigations



**Yap Mun Ching** in her presentation discussed the Air Asia Foundation and its approach to leverage AirAsia's business strengths, lessons, and principles to support small social enterprises at in their infancy. AirAsia Foundation provides entrepreneurship, opportunity and innovation. She mentioned that the grants started about 6 years ago in a variety of areas. They provide seed funding, business mentorship and business partners for expertise. To date AAF has funded 14 organizations. She gave the example of Muser Coffee Hills, where AAF helped shift the community production base from opium to coffee by providing producers with equipment, and marketing support.

**Hyunjin Jeon** began her presentation with an introduction of LG's work in areas such as environment, welfare etc. She spoke of how LG Electronics undertook an internal analysis to see how they could align their CSR efforts with the SDGs. She highlighted four major areas of CSR programs for LG: first, the company makes an effort to reduce its possible risk of its business in the area of labor, human right and environment by social responsible practice. Second, the company also provides social contribution activities across the world especially

developing countries in Asia and Africa towards expanding the impact and range of the contribution in addressing social issues, and in the long term, affecting enduring changes in communities on the base of its 3 principles such as 'technology that cares, partnership built on trust, and sharing that engages all'. Third, the company is dedicated to engaging stakeholders in the process of implementing CSR activities through public-private partnership, stakeholder advisory dialog and communications to find collective issues and cooperate to solve it all together. Last, the company focuses on promoting awareness on CSR among employees by providing trainings and education and volunteering opportunities to build its capability.

**Guo Peiyuan** explained that SynTao, is as a leading consulting firm on sustainability issues in China, which works with partners to develop tools and guidance for Chinese companies. His company looks at the social and environmental challenges facing Chinese business overseas. He cited a UNDP survey that revealed the major activities of Chinese companies in overseas communities, which were cultural exchange followed by local infrastructure projects. A major challenge is that companies lack awareness of social and environmental issues partly because of a lack of understanding of cultural differences with the local communities. What he felt was needed, was to identify priority stake holders for companies, most importantly local governments. He stressed the need to have a risk map when investing. Syntao has partnered with the Asia Foundation to develop guidelines and toolkits for Chinese business overseas to address these challenges.

**Surendra Makhija** spoke of ingraining social responsibility in every stage of a company for things to have social value. He put forward Jain Irrigations as an example of this and highlighted how the company has ingrained CSR into the corporate approach at every level: community, environment and supply chain. He cited the success of the Jain Onion Story. The company set up an Onion Dehydration Centre in Jalgaon district, to export to the US (where there was a market). They imported seeds from California and grew it in Himachal providing greater yield, and also increasing export. He also spoke of the company providing micro irrigation systems, seeds and agronomical support to farmers and entering into informal buy back arrangements with the farmers which provided the farmers security as, if price in market is lower than their cost, they still get minimum guaranteed price. He stressed that being a socially responsible corporate does pay and all parties emerge as winners.

## **Discussion**

Discussions included questions on AirAsia Foundation's need to be a Foundation as opposed to a company, the partners they work with and a general question of how to measure impact of their Sustainable Development activities. SynTao was asked about any trends of Chinese corporations investing overseas and LG was asked whether there is any role for governments in doing CSR, like the Australian Government negotiating in a third country. **Yap Mun Ching** spoke of AirAsia Foundation's grant application process and how their aim is to provide market access to young social enterprises. She spoke of the need to work with regional organisations which make it easier to access local organisations. Regarding impact assessment AirAsia Foundation has started the process to measure baseline. She noted that one challenge was the paperwork and red-tape involved in working in other countries. **Hyunjin Jeon** spoke their

developing indexes and guidelines for their companies on private sector's involvement. She spoke of public-private partnership projects which are done with Korea International Development Agency as a part of ODA to support local communities in developing countries. **Surendra Makhija** also highlighted location as an important element in providing support and cited Jain Irrigation's difficulties in Africa due to their limited skill available there which made a successful business difficult. **Guo Peiyuan**, spoke of the need to define the beneficiaries for the companies and looking at the baseline in relation to that. He spoke of CSR departments being opened in companies and that a major change over the last decade is the growth in the community of CSR managers.

## Private Sector Approaches to South-South and Development Cooperation Contd.

**Moderated by Mandakini Surie**

Senior Programme Officer, Asia Foundation, India

**Yuki Uchida**

Vice President and CMO, Ricoh India

**Joe Horn-Pathonothai**

CEO, Strategy 613 and Nexus Thailand

**Ambuj Chaturvedi**

Overseas Infrastructure Alliance

**Amit Kapur**

Chairman, Shared Value initiative



**Yuki Uchida** highlighted the importance of creating shared value- value for society while also building a corporation's profit. He gave two examples of Ricoh India's work. First is the Education project in partnership with Save the Children, where their business contribution was to provide visual technology to build interactive classrooms. Their second project called Bottom of the Pyramid developed business opportunities for local communities while at the same time creating markets for Ricoh IT. Working with a local NGO Drishtee, Ricoh was able to help develop small businesses for women. Ricoh has internalized doing business and achieving social good, and at the same time has managed to innovate its technology in doing so.

**Joe Horn-Pathanothai** mainly spoke of ChangAi Children's project. He started out with discussing how Thai corporates with Chinese roots were major investors in China i.e. the Chinese diaspora investing back into China. China also looked to woo them back with perceived advantages of having family ties. He discussed how early development initiatives were principally focused on supporting infrastructure in the ancestral hometowns, with policies and support from the local governments. However, over time, the support became rolled into overall CSR packages, and beneficiaries were increasingly larger charities. For example, Kasikornbank ("KBank") had been a keen supporter of national level organizations such as Red Cross and Soong Chingling Foundation, and also local initiatives such as the Sichuan Disabled Association and partially supported ChangAi's school in Yunnan. ChangAi's aim he said, was to enable children to have good education particularly amongst minority communities that government was not able to access. He explained how interventions had a multiplier effect, i.e. interventions in sanitation, the first batch of toilets built by ChangAi led to improvements in sanitation across families which had not been covered by the programme. They also did micro-lending to get a family off the ground into a higher level of income and give jobs to people who graduate through their systems. He emphasised the importance of having strong local partners to rely such as the Women's Federation, Youth League, DRC, etc. who acted as links. Lastly, he spoke of measuring social impact through achievements and success stories. He discussed that they have a baseline including training people to measure their own increases in household incomes as well as income diversification.

**Ambuj Chaturvedi** presented his company's work on sustainable development in Africa, where they had been working in infrastructure since 2004, and had invested heavily in a sugar plant in Ethiopia. He highlighted that philanthropy, community engagement and CSR were good opportunities to make your stable presence felt. In his examples he discussed how in OIA's their early days CSR wasn't so organised and hence was more customer centric and more for 'pull' purposes- a non-prescriptive approach. He gave the example of an eye hospital in Addis Ababa that treated over 350000 patients in two and a half years at subsidized rates for those who could not afford. He stressed the need to carefully plan CSR and creatively use it to build a base for sustainable engagement in communities.

**Mr Amit Kapur** discussed how Governments have limited capacity and need to enable corporations to do help solve social issues. He discussed how philanthropy and CSR don't solve the problem of Sustainable Development and encouraged the shared value model, where a company needed to take into account human wellbeing and social betterment not just GDP-adding a social dimension to its strategy. He then discussed a variety of examples from India's experience such as Visionspring, Arogya Parivar, Vatsalya, Janata Meals and many more. These were examples of sharing revenue and value beyond a CSR mandate. He advocated for a cluster approach wherein a community of resources and people can help to address social challenges in low resource settings.

## Discussion

The discussions focussed on using local innovation (in India, particularly) and applying it across areas in Asia, as part of South-south cooperation. **Yuki Uchida**, spoke of how through their partnerships they build a library of things that are required and/or need to be provided. There was also the suggestion of taking Indian innovations to other parts of Asia, Africa in particular, in context of **Amit Kapoor's** numerous examples of innovative methods of development. **Ambuj Chaturvedi** stressed on the idea of deciding on the kind of collaboration you want. **Joe Horn-Pathanothai** stressed that since solutions that come up are very context specific it's hard to transfer them to other regions- their own experience being that projects similar to theirs' failed as solutions elsewhere. Lastly, **Amit Kapoor** emphasised the need to understand that unlike the US, the push in India could come from smaller businesses given that there are more enterprises capable of engaging, whereas in the US there are a few large companies. One of the major points that came out in the session was engaging the diaspora, and looking for innovative solutions to promote business and at the same time develop the locality; shared value.

## Welcome Dinner



After **Sachin Chaturvedi, Director General, RIS** welcomed all the guests, **Shyam Saran, Chairman, RIS** introduced the keynote speaker **Shobana Kamineni, President Designate, Confederation of Indian Industry (CII) and Executive VP, Apollo Hospitals**. In her keynote address, she spoke of India's own growth from a country which depended heavily on financial aid, to one which (post-liberalisation particularly) is now influencing development in other countries of Asia. She discussed the role of Indian companies in helping neighbouring countries develop across a spectrum of opportunities, from promoting handicrafts in Sri Lanka and entrepreneurship in Afghanistan to collaboration in the oil and gas industry and the telecom industry in Africa. She repeatedly emphasised the understanding that development and profit-making could not happen in isolation, and that by prioritising the community, there was

tremendous potential to expand the business as well. She spoke of the positive reputation that Indian entrepreneurship had gathered both as innovators of frugal solutions and due to their drive to improve community life. In this light she brought to the fore Apollo's own work in providing lower cost healthcare and bringing disruptive technology by providing telemedicine in Africa, and hence providing top expertise as opposed to simply providing more physical infrastructure. In the discussion she provided other examples of disruptive technology such as the provision of fibre optic capability in areas which previously struggled with electricity. Such attempts she highlighted moved away from the traditional CSR models and involved active engagement with the community. In connection to this she spoke of the role of the CII, in aiding such development processes and helping find stable partners in different areas and even help in bringing small and medium enterprises to other countries and as a result, contributing to India's own industry. In the discussion she added that the CII is not only capable of providing assistance in the area of healthcare, but also in other areas such as energy security. She highlighted that the largest risk for developing countries was unemployment and the private sector and CII in particular could seriously help in alleviating such concerns. **Taejong Kim, MD, KDI** gave the vote of thanks at the end of her speech.

## Innovative Approaches from India

*This session was organised as 'Lightning Talks' where presenters had five minutes to share innovations in private sector engagements in development from India.*

### **Facilitated by Dylan Davis**

Country Representative, Asia Foundation, South Korea

### **Nilan Fernando**

Country Director, Mercy Corps India

### **Murugan Vasudevan**

Head Social Innovation Group, CISCO Systems

### **Swapna Mishra**

Assistant Vice President, Drishtee foundation

### **Preeti Sinha**

Senior Vice President, YESBANK

### **Gautam Vohra**

Chairperson, Credibility Alliance

### **Aditya Pant**

Chapter Coordinator, Aspen Network for Development Entrepreneurs, India

### **Tasqeen Macchiwalla**

Azim Premjee Philanthropic Initiatives



**Nilan Fernando** presented the Social Return on Investment or SROI study that Mercy Corps is undertaking as part of its monitoring for impact in the tea estates in Darjeeling. This is part of a larger water/sanitation project funded by Starbucks Corp and Indian tea companies. Indian tea companies' CSR impulses are generally philanthropic and compliance-driven but MC would like to move them toward a more strategic approach to CSR because MC believes that will sustain their giving over the long run, in an industry with thin margins. SROI tries to tell the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them. This allows us to calculate a ratio of benefits to costs. Also, in the same way that a business plan contains much more information than the financial projections, SROI should be combined with case studies and qualitative, quantitative and financial information as part of a larger strategy to assess impact.

**Murugan Vasudevan's** lightning talk presented CISCO's 6 pillars of engagement in Asia, one of which is social innovation. Within social innovation CISCO pursues a shared value approach. He highlighted the CISCO Network Academy (NETACAD) programmes where over a million people have been trained in IT in Asia. He also highlighted the 'Women-Rock IT' series, is a quarterly event for girls and women designed to both inspire young women to consider careers in IT as well as support and motivate female students already on that journey. The series features prominent women from a wide range of backgrounds.

**Swapna Mishra** presented Drishtee's core model of reach and impact which is a two-way reach and engagement for developing Sustainable Model Villages by enabling local micro enterprise solutions, as well as accessibility of services, products, skills and markets to the community. Drishtee creates impact by creating savings and generating income, using their 4C model. She explained that their work in starting a service directory and seeing how a growing network of entrepreneurs can become self-sustaining. They brought in computer education in 300 villages in India. On the core issue to sustainability, she discussed infrastructure of villages and how a village's sustainability arises from interdependence of families, however, she pointed out that the families are not becoming communities anymore. So their effort was to

build an economic activity in family. They looked into local production and skilling for local demand, productivity and livelihood and they try to nurture rural enterprises and figuring out micro systems. Their core work however, she said is towards skilling in agriculture and textile and co-creating rural enterprise models for shared prosperity.

**Preeti Sinha** spoke of the establishment of YES Institute, a think tank at YES bank where they look into how private capital plays a role in urbanisation, green economies, social entrepreneurship and culture. She also brought forth their efforts in creating an innovation district in lower Parel, Mumbai- they opened a design school there. YES bank finances the institute for projects. The institute also did work in improving eco-tourism; evaluating landscape and land in the Konkan region. Their other work which she mentioned was supporting Action for India- a social entrepreneurship platform and many University Business incubators. She also gave the example of cultural industry where they supported Paramamparakarika, a Craft in India series.

**Gautam Vohra** discussed that NGOs initially felt that CSR will benefit people so far it has been used cornered by corporates for own development. He distinguished between NGOs as Developmental and Organisational and stated that most are development based, but there are some which work at grassroots- often challenging the mainstream. He wondered if such organizations could benefit from shared value or CSR approaches. He gave the example of the Maharashtra tribal belt which has mostly had been alienated with their forest cut down by sports good manufactures. He questioned what these NGOs would do who support such causes in light of the models put forth. The marginal communities will not have their say. While being encouraging of the work he said that the marginalised voices speak a different language regarding requirements and sustainability and they may not always fall on the right side of common ideas of development or ever fit into a shared value setup.

**Adita Pant** talked about the Aspen Institute, from Washington DC providing support to entrepreneurs through intermediaries like WIPRO, Asha Impact etc. Their members work towards social development funding. He spoke of their strategic partnerships with Bosch, for innovation and how global solutions could be found. On CSR he mentioned their work included projects from IIT Bombay all the way to their endeavours in Brazil. He discussed the lack of knowledge of entrepreneurial-development as a major hindrance and also of lack of knowledge about credible partners. He gave the examples of Walmart and their capacity development mentorship programme with eventual integration, for entrepreneurs once they're ready. He also spoke of allowing their employees a 'Social Sabatical' to work on in a development area they may want to as part of their approach to development.

**Tasqeen Macchiwalla** spoke about the Azim Premji Philanthropic Initiatives (APPI) which was established in 2014 by Azim Premji, an Indian business entrepreneur. APPI's mission is to contribute to a just, equitable, sustainable and humane society. Towards that end, APPI philanthropy for social change provides grants and other support where appropriate to not-for-profit organisations. APPI believes that philanthropic resources should be deployed in diverse ways to cover the spectrum of approaches – seva (service), nirman (constructive work), chintan (new thought), sangathan (collectivization), and sangharsh (standing up) – that enable

development in a democratic framework and empower communities to embed social change. She mentioned their work with street children, started with NGOs but moved through Ministry of Railways using their connections to help. Some of the work she discussed included signing a MoU regarding nutrition with the Government of Odhisha to do ground level work and engaging with the Public Distribution System and also working with the Government on child services.

## **Discussion**

The discussion brought forth aspects such as the lack of legal knowledge in building entrepreneurial skill. In terms of using CSR **Aditya Pant** also added that they are partnering with governments such as in Rajasthan where they look for things they can cover which the government doesn't and also engaging with the government think-tank through Niti Aayog which they feel is looking for similar things. The distinction between actual impact and actual outcome was drawn out, and the former was suggested, being an existing method used by the World Bank. **Nilan Fernando** elaborated that SROI is raising the bar in terms of monitoring evaluation and trying to change the perspective to measuring outputs, YES bank spoke of the YES-Scale for measuring impact and the importance of measuring evaluation for NGOs as a method of progress in their work. **Aditya Vasudevan** also raised the point about sticking to your own field of expertise in doing CSR, their field being technology and how they are using that to do the best CSR they can.

## **New frontier in Private Sector Partnerships for Development**

*This was a roundtable discussion with the moderator posing questions to all.*

### **Moderated by Anthea Mulakala**

Director International Development Corporation, The Asia Foundation

### **David Galipeau**

Global Chief, UNDP Social Impact Fund

### **Cedrik Schurich**

Head India Trade Policy Unit, DFID India

### **Samantha King**

Associate Director, FSG

### **Sachin Chaturvedi**

Director General, RIS, FIDC

### **Harsh Jaitli**

CEO of VANI



### **Q1. What does the increasing role of the private sector mean for the future of SSC?**

**Harsh Jaitli** responded that it's a question of equality, autonomy and sharing learning and innovation. He discussed how the private sector has shown a lot of potential but currently it's not just the companies which are struggling on CSR but so are the civil society and the government. With the private sector, along with investments there is also a flow of technical knowhow and skill. He spoke of TATA and Bharti that are doing projects in Africa and he suggested taking lessons from different countries in improving understanding on how to utilise the private sector.

**Sachin Chaturvedi** said that it was important to figure out how you carry on as a government is only there for a few years. In his experience he mentioned often an aid recipient country is not able to take off. He suggested that governments should learn mechanisms to do social growth not just in commercially but also socially responsible ways. A step towards that would be to make the private sector partners in process. He discussed how India's development cooperation fund is 4.5 billion dollars based on CSR. However, there is lack of clarity on where the money has gone and that has brought ethics into sharp focus. The need is to understand the ways in which Indian government and Indian private sector can work together. He spoke of the South Korean experience where the government's support in pushing private sector was important.

### **Q2. How are these new forms of development finance impacting traditional ODA? How are traditional donors responding?**

**Cedric Schurich** spoke encouragingly of the growing financial sources. He pointed out that the UK's development financial institution has 750 Million GBP and invests this money in very different places like frontier markets or commercial agriculture in Congo. However, he felt what was even more fundamental and more important is to catalyse private investors to put their money into shared value initiatives. He felt that CSR or philanthropy can only go so far.

He put his weight behind providing services and products for poor people by building private, low cost delivery. He brought up trying to get Indian health providers and getting them to do operations inexpensively and he found that it was doable and profitable. He emphasised the need to come up with clever solutions, selecting sectors and countries and get big companies engaged. He concluded that CSR is a holding response-- helping people to do small things-- transformation comes from high tech and high productivity industry and big enterprises.

**Q3. How do we make that accessible for the different companies in the room? What opportunities available for companies which want to raise their social game? What can companies do for exposure?**

**David Galipeau** said from UN's perspective South-South Cooperation is strong and tested system. He brought up figures which suggested that the total global investment and liquidity in 2015 was approx. 80Trillion dollars used from capital market which dwarfed the funds of UN and other organisations. He emphasised that the private sector knows how to make things successful as they measure to the penny and informed themselves about what their environment. He added that given that the UN can't play a commercial role it's attempting to create a new partnership architecture of shared value as now, the demand for social investment exceeds the supply of social investment. He gave the example of China where a lot of new wealth is being created from innovation and new business models. Now they are willing to put that money towards enabling a new generation of entrepreneurs and hence develop a systems approach. Given this current economic and political landscape, deeper discussions need to happen and ultimately policy needs to change.

**Q4. Currently we are separating CSR and Shared value separate right now. What are the common challenges for the private sector or are there maybe there are different sectors for each?**

**Samantha King** pointed out that both philanthropy and shared value have a space but they work with different actors. However, the philanthropic sector isn't sufficient to meet the range of social challenges. The shared value approach conceptualized by Harvard Business School Professor Michael Porter operates by reconceiving products and markets, by redefining productivity in the value chain, and by enabling local cluster development for business groups. FSG provides services to companies wishing to make strategic investments on social issues. They assist companies to define their portfolios and develop grant-making and social investment strategies.

**Q5. There is a big issue of collaboration- How do we get civil society and government to work together? Governments are missing in a lot of these things and neither is stepping up to play their role. For a lot of private sector companies, it is difficult to measure social impact, which NGOs can. In such an environment, how do we build partnerships?**

**Harsh Jaitli** replied that in India's nation building all the three pillars (government, private sector, NGOS) have played an important role. Previously, civil society was building services and advising and reviewing the government's performance and the bilaterals and multilaterals in the country were getting money and bringing ideas and suggestions. Private sector has come

out as a big player and that needs to be acknowledged. The fact that each of the sectors speaks a different language and that their objectives are different needs to be acknowledged before a fruitful partnership can be formed.

**Samantha King added that** NGOs need to see where their mission aligns with a corporation's and then benefit from the corporation's scale and efficiency. As an example she spoke of the GSK's partnership with Save the Children where integrated teams work on solving health challenges together and training health workers to design child friendly products.

**David Galipeau** mentioned that sustainable and credible partnerships in this area are based on trust, but there is inherent distrust with traditional stereotyping of the public and the private sector etc. He spoke of people in private sector who're looking to do good work who are simply being ignored. He was adamant on these categorisations being done away with in light of the new equations and efforts of the various parties towards sustainable development and use all sectors as vehicles for the same. In this matter, the United Nations SDGs can be a uniting framework for new partnerships and financing options.

## **Discussion**

Questions arose on what greater opportunities were available in humanitarian areas moving from short term to long term investments. **David Galipeau** suggested that NGOs can look at options to shift into not-for-profit models, iterating the difference between pure 'non-profit' and 'not-for-profit' can be the difference between being self-sustainable or simply relying on grants. Profits are needed in helping operationalize and scale development projects and structure them towards beneficial social business models. There was discussion on the role of UNDP in raising funds. **David** further elaborated that that the UNDP often works with the markets, to receive and supply services. Partnering with the capital markets to facilitate development financing is a collaborative effort to de-risk private sector investors to incentivize them to invest into a social businesses create impact as well as economic returns. On the issue of structural transformations through CSR he stressed the importance of shared value and moving away traditional roles into a more agile structure where the lines are blurred between the public, private and civic sectors. **Cedric Schurich** discussed how governments are generally failing and the private sector has to come in and develop models which are commercially viable for poor people. **David** gave the example of traditional low cost housing in Bangladesh and UNDP would like to shift the platform to 'smart' low cost housing. The idea he added, was to look for game changing or transformational development models and match these models with new social impact investments in order to change traditional definitions of poverty, sanitation and urbanization - to convince the capital markets to invest in these worthy causes.

## Closing Remarks

There were final comments by **Sachin Chaturvedi**, **Taejong Kim**, **Gordon Hein** and **Harsh Jaitli**, with **Kyung-sook Lee**, the Program Director for Asia Foundation, Korea moderating the short session. All the speakers spoke encouragingly of being in such a dialogue which brought a variety of stakeholders to the table.

