

7th Public Private Dialogue Workshop
Welcome Address: Susanne Dorasil (BMZ)
Date and Time: Monday, 03 March 2014, 9:00-9:15
Location: GIZ Eschborn, Haus 1, Auditorium 1+2

Minister Sylla,
Minister Addy,
Minister Gebru,
Ladies and Gentlemen,

It is a genuine pleasure for me to **welcome** you all to the 7th Global Public Private Dialogue Workshop here at GIZ headquarters in Eschborn, Germany. This workshop is in my view very timely, as public-private dialogue is currently high up on the international development agenda and we are very much looking forward to contribute to this international discussion together with you, through this workshop.

Dialogue between the public and private sectors is not a new concept. It has become an important part of the private sector reform process during the last decades. As you will see especially during the next day's workshop PPD comes in many forms: It can be structured or ad hoc, formal or informal, wide-ranging or focused. It can take place at local, national, or international level. It can be organized by industry sector, cluster or value chains. Consequently, there are **many different forms of how to best run a PPD**.

But as experience has shown, there are also some **general guiding principles**, which can help PPD actors avoid common pitfalls and maximizing the payoffs that dialogue can bring. These guiding principles are the basis of the PPD-Handbook, elaborated in 2006, which many of you might know and use when establishing and running a PPD mechanism. Later this week, we will jointly discuss these principles that form the Charter of Good Practice in using Public Private Dialogue and see if there is a need to adapt them to current developments or refine them based on your experience.

Of course, PPD is not a panacea, but we see that there are many ways in which PPD can contribute to sustainable development. PPD promotes **good public and corporate governance** as it is a force to counter policy-making by shouting, or by back-room deals involving a select few. It also **improves the quality of the advice** government receives from the private sector by diversifying sources and by promoting more evidence-based advocacy. It is **an important ingredient in strong business enabling environments**. This is the reason why PPD is an integral part of most German Development programs focusing on assisting our partners in enhancing the regulatory business environment for private sector development.

Public-private dialogue does not only help simplifying overly complex legal and regulatory frameworks and helps in creating conducive framework conditions for the private sector to flourish. Dialogue is also the **first step in forming partnerships** between public and private actors to reach development aims in a more efficient and sustainable way.

Making use of the potential of the private sector is crucial to achieving development results. As we and many other governments believe, there can be no **sustainable development** without sustainable **economic** development. And, there can be no economic development without a **strong private sector**. To achieve its objectives, development cooperation needs private-sector involvement. Public funding alone is not enough to solve the many development challenges we face nowadays. We need **the private sector's investment, its know-how and its capacity for innovation**. From environmental protection to education and health, from agriculture to water and energy supply, many central activity areas of development policy converge with private sector business operations. That is why private and public partners alike benefit from co-designing economic, political, legal and social frameworks in developing countries. The first step to identifying concrete potential for collaboration is, of course, entering into dialogue.

Because the **private sector is so important for development**, we want it to become an integral **part of the debate on development effectiveness**. At the **Fourth High Level Forum on Aid Effectiveness held in Busan** more than 40 representatives from both the public and the private sector endorsed the **Joint Statement** on "Expanding and Enhancing Public Private Partnership for Broad-based, Inclusive and Sustainable Growth". The statement recognizes that the for-profit private sector is a central driver of development. It emphasizes the **importance of inclusive dialogue** for building a policy environment conducive to sustainable development but also it sees consultation with the private sector in the elaboration of national and sector plans as a prerequisite to ensuring inclusive growth, and expanding economic opportunity for all segments of the population.

In order to support global accountability in implementing the Busan Partnership agreement, ministers and heads of organizations agreed at the Fourth High-Level Forum on Aid Effectiveness to **monitor progress regularly through a set of indicators**. The agreed global monitoring framework includes an **indicator on private sector engagement**. Measuring progress in private sector involvement at the global level strengthens incentives for partner countries and donors alike to **scale up and deepen public-private dialogue** and other forms of private sector engagement with the public sector. The development of an indicator on private sector engagement is, of course, challenging. This is why the exact formulation of the indicator is still under discussion. So far discussions evolve around an indicator that would consist of a multi-dimensional index to assess the quality of public-private dialogue that would serve as a proxy for the extent of private sector engagement. In April the first **Ministerial Meeting of the Global Partnership for Effective Development Cooperation** will take place in Mexico. I hope that through this workshop and with the help of your knowledge and experience in the field of PPD we can assist in further **developing this important tool for monitoring** the private sector's engagement for development.

As you see, there are quite some important issues on this year's agenda and I am more than happy about the great interest people have shown in this event and I am very much looking forward to fruitful discussions!