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# Corporate Strategic Evaluation – Cooperation with the private sector

Corporate Strategic Evaluation – Short-Report  
Conducted by external evaluators commissioned by GIZ

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The evaluation was conducted and the evaluation report prepared by external evaluators commissioned by the Corporate Unit Evaluation. All opinions and assessments expressed in the report are those of the evaluators. GIZ has prepared a statement on the results and a management response to the recommendations.

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# Summary

How does cooperation with the private sector contribute to GIZ's development policy objectives? What can GIZ do to make this cooperation even more effective in future? In 2016, the Management Board tasked the Evaluation Unit to carry out a corporate strategy evaluation (known by its German acronym as USE) of these questions. For the first time, cooperation with the private sector was considered holistically with a view to using the findings and recommendations to further develop formats for cooperation with the private sector and enhance their efficiency, strategic orientation and organisation.

## What does GIZ understand by cooperation with the private sector?

GIZ has been cooperating with the private sector in developing countries and emerging economies for many years. Increasingly, the overarching term 'cooperation with the private sector' also includes approaches to motivating more international companies to contribute to sustainable development in these countries. This may take the form of foreign direct investments, international trade and supply chains, and corporate social responsibility. With the expansion of global supply chains, over 43% of foreign direct investments each year are made in developing countries and emerging economies (UNCTAD 2016). This is a major reason for involving the private sector more intensively in international cooperation. Companies can provide positive impetus for sustainable development, although if their business models and practices are not sustainable, they may also have negative impacts, for example on the climate or on natural resources. Involving the private sector in international cooperation is intended to reduce these negative impacts.

Given the focus placed by the 2030 Agenda on partnerships, this approach will be stepped up in future.

The Sustainable Development Goals (SDGs) underpinning the 2030 Agenda placed further emphasis on cooperation with the private sector, an aspect that runs through all 17 SDGs.

To distinguish cooperation with the private sector from other approaches, such as sustainable economic development, GIZ's in-house reference group<sup>1</sup> formulated a definition at the start of the evaluation that took into account the proposals of the evaluation team (GIZ 2017a):

'By cooperation with the private sector, we understand the planning and/or financing and/or implementation of activities in partnership with economic actors (companies, the formal economy, and associations and foundations with close business links), with the aim of achieving development policy objectives with a greater degree of sustainability and broader impact.'

## GIZ's private sector cooperation portfolio

Cooperation with the private sector (as defined above) dates back to 1998, when the German Federal Ministry for Economic Cooperation and Development (BMZ) introduced a budget heading with that name. Initially, the key format was development partnerships with the private sector (DPPs) as part of the PPP facility, a programme that provided dedicated support to cooperation between business and development policy actors (and is now known as *devoPPP.de*). It responded to demand to promote involvement in international cooperation within partnerships, particularly with German companies that are interested in working in developing countries and emerging economies. GIZ was also commissioned to implement the Sector Programme 'Private

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<sup>1</sup> To support the evaluation, a company-wide reference group was formed, consisting of members of seven organisational units, the Evaluation Unit and the Management Board (GIZ, 2016b), which are also the main users of the evaluation findings.

Tanja Gönner, Chair of the Management Board, was responsible for the theme of the evaluation.

Sector Cooperation', which supports BMZ in developing policies and new programmes and integrates cooperation with the private sector into all relevant GIZ projects.

### Developing dynamic formats for cooperation with the private sector

The issue of cooperation with the private sector has since undergone rapid development. GIZ has built up a large portfolio of relevant projects and activities, introducing further cooperation formats and implementing measures for cooperation with the private sector in all priority sectors. The budget for cooperation with the private sector has also grown steadily: in 2016, this item covered 16 projects with a volume of EUR 130 million, up from EUR 60 million in 2010. The overall volume between 2010 and 2016 was EUR 580 million, including EUR 379 million for DPPs and iDPPs alone. Cooperation with the private sector has become a cross-cutting theme at GIZ and, in line with the in-house definition, was at the time of the evaluation mainstreamed in eight of GIZ's ten departments. In recent years, more and more regional and global projects have been launched that also cooperate closely with the private sector on a wide variety of issues: these include, for instance, the Employment for Sustainable Development in Africa regional project (E4D). This has generated further impetus for growth in cooperation with the private sector.

Current cooperation formats:

- **Development partnerships with the private sector (DPPs):** programmes such as BMZ's develoPPP.de, in which GIZ and a private company enter into a formal partnership, with both sides making financial and/or non-financial contributions.
- **Integrated development partnerships with the private sector (iDPPs):** unlike DPPs, iDPPs are independently devised and implemented within existing bilateral cooperation projects.
- **Strategic alliances:** larger projects within the develoPPP.de programme in which GIZ works with several private partners or a company on a supraregional basis.
- **Cofinancing arrangements:** financial contributions made by a private partner (or a private foundation) to a GIZ project.

- **Multi-stakeholder partnerships (MSPs):** forms of cooperation/alliances in which stakeholders from politics, civil society, the private sector and academia work together to make a contribution to the shared goals of sustainable development. Typically, these partnerships aim to set specific thematic priorities in the sector, agree on standards and carry out (joint) projects.
- **Direct commissions from the private sector:** via International Services (InS), GIZ's non-public benefit and institutionally independent service provider, companies can also commission GIZ directly to deliver services.

Many non-formalised, context-specific individual initiatives with the private sector also exist in a variety of programmes outside these formats.

### A much larger client base

The client base for partnerships with the private sector as part of international cooperation has also grown substantially. GIZ is now implementing projects on behalf of the Federal Ministry for Economic Affairs and Energy (BMWi), the Federal Ministry of Food and Agriculture (BMEL) and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), among others. To mitigate climate change, for instance, cooperation arrangements with German and international companies have become an integral part of a series of projects under BMU's International Climate Initiative (IKI).

### Objectives and methodological approach

This rapid growth in the portfolio has led to imbalances, insecurities and bottlenecks in the use of cooperation with the private sector. This is, in part, the result of the fact that GIZ has different concepts of the value of cooperation with the private sector. The evaluation therefore concerned itself not just with the impact of cooperation but also, and mainly, with the underlying strategy and organisation of cooperation arrangements. It focused on such questions as how GIZ can create a balance between the requirements it must meet in cooperation with the private sector and its own values and objectives, how a shared understanding of cooperation with the private sector can be reached and uniformly aligned, and whether

the general conditions and the way in which cooperation with the private sector is organised are still appropriate in view of the growth and status achieved. Key questions for the evaluation included the following:

- What does GIZ understand by cooperation with the private sector?
- What objectives does GIZ pursue in connection with cooperation with the private sector?
- Who within GIZ deals with cooperation with the private sector?
- What role does GIZ play as part of cooperation with the private sector?
- How is work related to cooperation with the private sector allocated and organised across organisational units?

For this purpose, a survey was conducted of over 1,000 ongoing and completed projects around the world and across all sectors of international cooperation. All organisational units<sup>2</sup> involved in cooperation with the private sector were surveyed, and the range of expectations within GIZ of cooperation with the private sector in the field of international cooperation were compiled.

### **Structuring the cooperation with the private sector portfolio by fields of activity: who deals with cooperation with the private sector within GIZ?**

To structure this complex evaluation topic, the evaluators looked at GIZ's portfolio in the area of cooperation with the private sector and structured it according to the organisational unit concerned and the process level. The critical factor for this division into fields of activity was whether the unit in question developed and managed independent strategies for cooperation with the private sector and whether it independently made decisions, carried out tasks and achieved results. Based on these criteria, the following system for cooperation with the private sector at GIZ was identified that subsequently served as a basis for systematic assessment during the evaluation and for recommendations on the future design of cooperation with the private sector at GIZ.

### **Two steering levels:**

1. Overarching management of cooperation with the private sector (cross-cutting decisions and responsibility)
2. Cooperation with the private sector in the country portfolio in order to mainstream strategic steering and coordination of cooperation with the private sector in the partner countries

### **Five service levels:**

1. Funding programmes for cooperation with the private sector, e.g. develoPPP.de
2. Bilateral programmes
3. Global and regional programmes
4. Cooperation with the private sector in Germany
5. Direct commissioning by the private sector

### **Three support levels:**

These contribute by means of quality management, advisory services and methods to the services delivered as part of cooperation with the private sector:

1. Client Liaison and Business Development (AGE)
2. Sectoral Department (FMB)
3. Procurement, Property, Contracting, International Language Services (ELVIS)

### **Steps in the evaluation**

- **Preliminary discussions** with the reference group
- **Structuring the portfolio**
- **Developing a theory of change (ToC)** and the results hypotheses based on it, using the question of how GIZ uses its existing formats to support business partners in contributing to achieving development objectives in case studies, expert discussions and online surveys as a basis for considering impact
- **Three case studies**, (China, Ghana und Morocco)
- **Online survey** of officers responsible for the commission (under the responsibility of the Evaluation Unit)
- **Expert interviews** with German business representatives and other GIZ experts
- **Reference group meetings** to discuss the findings so far and adjust the further course of the evaluation

<sup>2</sup> Client Liaison and Business Development Department (AGE); Sectoral Department (FMB); Sector and Global Programmes Department (GloBe); the three regional departments (Africa, Asia, Latin America, Caribbean; Europe, Mediterranean, Central

Asia); International Services (InS) and Contract Management in the Procurement, Property, Contracts, International Language Services Department (ELVIS)



## Evaluation findings

Throughout the interviews, business representatives expressed a high level of appreciation of cooperation between GIZ and the private sector. Many interviewees emphasised that sustainability and the SDGs are now a firm frame of reference for companies too and that GIZ helps them to align themselves better with these goals in terms of strategy and, sometimes, also at operational level.

The findings of this evaluation and the five additionally assessed evaluations on cooperation with the private sector (DEval 2016a; Seek Development 2012; Mierke 2014; Como 2016a; Roloff/Finkel 2016; GOPA 2015) show that cooperation with the private sector contributes in many ways to initiating ongoing economic activity that does not require funding, thus achieving long-term impact for sustainable development. The specific benefit of cooperation with the private sector is hard to quantify, though, because there are no standardised objectives with the measurable standard indicators that apply to cooperation with the private sector.

### A breakdown of the findings:

#### 1. Designing cooperation with the private sector: individual approaches are coherent and appropriate, but there is no overall concept

*Is cooperation with the private sector within GIZ designed to contribute to the achievement of development policy objectives?*

The findings show that while the individual fields of activity take coherent and appropriate approaches to cooperation with the private sector in order to achieve their individual objectives, they operate from different perspectives and largely in parallel. GIZ has no coherent overall concept for cooperation with the private sector, no cross-departmental objectives and no overarching understanding of cooperation with the private sector. In order to achieve a strategic alignment that is shared by all organisational units, an overall concept for cooperation with the private sector should be developed at GIZ with overarching objectives and rationales and a more binding form of steering.

#### 2. Relevance: demand from companies for cooperation with the private sector

*Are the cooperation formats that GIZ offers the private sector interesting and relevant?*

The evaluation findings confirm that that they are. The formats for cooperation with the private sector have been in demand for many years, and such cooperation takes place in all sectors and regions of the world. During the evaluation period (2010 to 2016), the private sector contributed some EUR 267 million through the develoPPP.de programme and integrated development partnerships alone. Almost all companies (SMEs, large corporations, and local and global enterprises) are in principle eligible to cooperate with GIZ, so cooperation with the private sector seems an appropriate way of combining business interests with international cooperation objectives. That said, the services offered in the area of cooperation with the private sector are also viewed critically, especially with regard to the effort involved, GIZ's business skills, gaps in knowledge management, and the existence of many different contacts for the private sector at GIZ. Overall, the companies surveyed are nevertheless interested in cooperating with GIZ in future, especially with a view to longer-term cooperation arrangements and global alliances for the sustainable development of supply chains and markets.

#### 3. Effectiveness: direct results from projects, fewer from overarching objectives

*Does the private sector contribute towards achieving the development objectives of international cooperation more sustainably and with broader impact?*

The findings of the evaluation are not sufficient to providing general evidence of impact. However, they do give key insights into results within individual projects. Generally speaking, the evaluation confirms the contributions made by the business partners to the direct results (outputs) of a project, whereas they perceive the results in terms of the overall objectives of international cooperation (outcomes, impact) much less clearly.

#### **4. Strategic orientation: business potential exists but is not sufficiently harnessed**

*How can results orientation and the business policy potential of cooperation with the private sector be improved?*

GIZ faces a number of challenges with regard to the strategy for cooperation with the private sector. First, cooperation with the private sector is not mainstreamed at GIZ. Second, more capacity is required for managing and steering cooperation with the private sector in order to achieve cross-company orientation, longer-term planning and more scope for action on the part of stakeholders involved in cooperation with the private sector. This would also be reflected in the country portfolios and would support the coordination of cooperation with the private sector and the scaling up of successful approaches. There is major business potential for cooperation with the private sector in other German federal ministries besides the main commissioning party, BMZ: other federal ministries are becoming more closely involved in multilateral and bilateral policy dialogues, for instance via the G20 dialogue mechanism and the German Government's reform partnerships. To be put to practical use, the findings and agreements of these dialogues require greater support in future from service organisations such as GIZ. Here, GIZ has a number of unique characteristics: it has built substantial trust in its partner countries because of its methodological skills and long-standing presence on the ground. Those countries greatly appreciate its neutrality and ability to moderate processes and involve a range of stakeholders.

There is further untapped potential in cooperation with large corporations, specifically for major long-term alliances in connection with the SDGs.

#### **5. Processes and organisation: lack of overarching steering parameters**

*What must be done to optimise cooperation with the private sector? What processes need to be changed or newly developed for this purpose?*

This question also shows that GIZ lacks a standard steering mechanism for cooperation with the private sector. This applies both to the coordination of service delivery processes within the overall framework for cooperation with the private sector and to the organisation and coordination of support processes.

For instance, there is no systematic central data collection and evaluation system nor any studies of the added value of private sector contributions. Similarly, no steering parameters have been defined for knowledge management across the different fields of activity. This makes it hard to set up a knowledge management system for the individual processes related to cooperation with the private sector to provide overarching data and information. The inadequate data situation regarding the cooperation portfolio with the private sector underpins this finding.

## **Recommendations**

Whether the issue is to find solutions to global energy and climate questions, combat the root causes of displacement in connection with the German Government's reform partnerships or achieve the Sustainable Development Goals of the 2030 Agenda, cooperation with the private sector will become even more important in future. These challenges can only be successfully tackled with the participation and innovative potential of the private sector. In order to fully harness existing potential, GIZ needs a coherent overall concept and an overarching steering mechanism for cooperation with the private sector. The evaluation makes 13 recommendations in this respect: on the overall concept and coordination of cooperation with the private sector, on the required support processes within GIZ, and on further business opportunities in connection with cooperation with the private sector.

### **Overall concept for cooperation with the private sector**

- 1. An overarching concept for cooperation with the private sector should link the individual fields of activity in line with their strengths and enable the field structure to better plan and coordinate cooperation with the private sector.*
- 2. The overall concept should provide a coherent image for PR purposes, especially vis-à-vis the private sector itself. For this, the different approaches and rationales related to cooperation with the private sector should be coordinated.*
- 3. The organisational structure should be geared to results orientation, business development and the ability to cooperate.*

## **Coordination of cooperation with the private sector**

4. *Business Development Units in selected partner countries should be strengthened to improve the coordination of cooperation with the private sector as part of individual country portfolios.*
5. *Above and beyond this, a local network with other international cooperation and foreign trade promotion stakeholders should be set up in selected cooperation countries for cooperation with the private sector.*
6. *The strengthened Business Development Units for cooperation with the private sector should build a coordinated range of advisory services, both for the private sector and for the projects in GIZ country portfolios.*

13. *Successful cooperation with the private sector projects or project approaches should be replicated (scaled up). As a first step, GIZ should identify and analyse the success factors and feed them into the guiding framework for cooperation with the private sector or the knowledge management system.*

*The main report (German version only) can be found online on GIZ's website:*

*[https://www.giz.de/de/downloads/Bericht\\_USE\\_ZmW.pdf](https://www.giz.de/de/downloads/Bericht_USE_ZmW.pdf)*

## **Support processes for cooperation with the private sector**

7. *Data collection and evaluation concerning cooperation with the private sector should be improved. This also applies to designing learning processes with the involvement of the relevant actors.*
8. *In-depth studies should be commissioned to identify and categorise more clearly the added value of private sector contributions.*
9. *A client relationship management system should be established.*

## **Further business development**

10. *Strategic dialogue with BMZ and other German federal ministries and with the German private sector should be stepped up.*
11. *Other public sector clients should be recruited for cooperation with the private sector in line with successful cooperation with the private sector projects in China, making use of GIZ's unique features.*
12. *Large-scale alliances with the private sector should be launched in connection with the SDGs. Care should be taken not to limit these to large corporations and individual companies, but also to include medium-sized enterprises. This should take place within the framework of European state aid law.*



# Statement

In February 2017, GIZ's Evaluation Unit commissioned Como Consult GmbH to carry out a corporate strategy evaluation of cooperation with the private sector.

Following a Management Board decision, the Evaluation Unit is responsible for designing and carrying out corporate strategy evaluations. These evaluations address needs for decision-making and change processes within the company that may relate both to service delivery and to corporate strategies. Corporate strategy evaluations serve to support evidence-based decisions, organisational learning and accountability.

The use of evaluation findings is promoted by focusing on the benefit of stakeholders' information requirements and implementation capacities when designing corporate strategy evaluations. This is achieved among other things by involving all key stakeholders in the evaluation process via reference groups.

This evaluation provides the first overarching examination of cooperation with the private sector within GIZ. The aim of the corporate strategy evaluation (USE) was to examine the contributions to results and added value offered by cooperation with the private sector, identify potential for the future strategic orientation of cooperation with the private sector, and consider how cooperation with the private sector is institutionally mainstreamed at GIZ. The first step envisaged in the concept developed by the Evaluation Unit for the USE was to analyse GIZ's portfolio of projects involving cooperation with the private sector between 2010 and 2016 and to identify trends in regional and sectoral priority areas as well as the use of different formats for cooperation with the private sector. On this basis, four projects were then to be selected according to specific criteria and considered more closely in case studies. However, the portfolio analysis did not provide reliable data because of

gaps in recording cooperation with the private sector in the company's own databases.

Consultants at Como Consult proposed an alternative concept using country case studies that enabled better consideration of the strategic alignment of the portfolio. For this approach, the reference group selected three case study countries (China, Ghana and Morocco) with a broad portfolio of different formats for cooperation with the private sector. Unfortunately, the consultants provided only a descriptive evaluation of the information collected in these case studies. The case study reports therefore provide little analytical information related to the evaluation questions. While some relevant findings from the country case studies on the strategic alignment and organisational mainstreaming of cooperation with the private sector at country level have been integrated into the main report, the case study reports themselves are not being published.

The main report published here reflects the assessment of the independent consultants at Como Consult. Como Consult has many years of professional experience in providing consultancy to GIZ and other organisations in the field of cooperation with the private sector. However, the consultants deployed during the evaluation did not have sufficient knowledge of the relevant evaluation methods, nor did they bring any additional evaluation expertise. They made little use of the methodological support offered by the Evaluation Unit. The conclusions and recommendations for strategy and institutional anchoring of cooperation with the private sector are therefore partly based on Como Consult's advisory experience but are not always coherently based on the evaluation findings. While the interviews with business representatives do provide some relevant information, the small number and lack of variety of company types do not allow any representative statements to be made.

The Evaluation Unit therefore conducted its own internal online survey to supplement the insufficiently well-founded findings of the consultants' surveys on the contributions to results made by business partners and on the added value of cooperation with the private sector. To map as fully as possible the portfolio of projects involving cooperation with the private sector, over 1,000 officers responsible for commissions and officers responsible for implementation were interviewed, 61% of whom completed the online survey. Half of the respondents stated that they cooperated with the private sector in their projects and assessed the contributions to results made by cooperation with the private sector that helped to achieve their development objectives. These assessments indicate trends and provide key information on how cooperation with the private sector really works. However, they do not enable specific statements to be made about the precise contribution to results or added value of cooperation with the private sector as against comparable projects in which no business partners are involved. A separate internal GIZ report is available on the evaluation of the online survey. The consultants were provided with the analysis of the online survey based on descriptive and differential statistics. This analysis partly informed the main report.

# Management Response

The following management response shows the extent to which GIZ's management endorses the recommendations and how relevant and useful they are judged to be. A working group made up of representatives of the organisational units concerned with cooperation with the private sector drew up a plan of measures related to the prioritised recommendations. The Evaluation Unit and the organisational units that implement the measures will monitor their implementation.

Although the findings and final recommendations of the evaluation team are not entirely evidence-based (as can be seen in the evaluation matrix in the annex), GIZ largely endorses the content of the recommendations, is addressing them and has made some of the elements that were highly abstract more specific. Additional measures related to key aspects of cooperation with the private sector, which were not sufficiently examined by the evaluation, have also been devised. These include the connection between successful cooperation with the private sector and the acquisition of cofinancing from other donors.

## Recommendations on the overall concept for cooperation with the private sector

1. *The consultants recommend the formulation of an overarching concept for cooperation with the private sector, intended to link individual fields of activity in line with their strengths and to enable the field structure to better plan and coordinate cooperation with the private sector based on coherent basic principles of cooperation.*

This recommendation is endorsed in principle. A guiding framework should be developed with the aim of promoting the development of cooperation arrangements with the private sector (companies and business-oriented foundations) as part of programmes and projects and in direct partnerships. Within this guiding framework, the objectives and

approaches that GIZ pursues at management level, country portfolio level and programme level (in Germany and in the field) through cooperation with the private sector should be better structured and operationally mainstreamed. After being drawn up initially in-house, the second step should be to discuss the guiding framework in dialogue with BMZ and BMWi and with selected business associations and companies in order to ensure that it is coherent with the expectations of key commissioning parties, clients and companies. The orientation framework may contain future-oriented measures that initially need to be tested in focus regions, such as Africa.

2. *The overall concept for cooperation with the private sector should be balanced in terms of the various approaches and rationales of the different fields of activity, and a coherent overall image for PR purposes should be developed, especially vis-à-vis the private sector itself.*

Based on the guiding framework, a concept should be developed or updated for presenting cooperation with the private sector to the public, incorporating differentiated messages for the various target groups named below. Key addressees are policy-makers (parliament, especially the German Parliamentary Committee on Economic Cooperation and Development (AWZ), and the managerial and working level at German federal ministries); and the private sector (private companies of different sizes in Germany and abroad; the formal economy). GIZ should also provide the public with better information on cooperation with the private sector.

3. *The organisational structure should be fit for the future and geared to results orientation, business development and capacity to cooperate.*

This recommendation is only partially based on interviews conducted during the evaluation and is based mainly on the consultants' experiential values related to organisational development. However, GIZ's management also perceives the current contact structure for cooperation with the private sector to be unclear

and inefficient. The new guiding framework should show which different functions are required for successful cooperation with the private sector, how they are structurally anchored and how they should be further developed.

## Recommendations on coordination of cooperation with the private sector

4. *In selected partner countries, the structure of Business Development Units should be consolidated and strengthened in connection with the country portfolio to ensure closer coordination of cooperation with the private sector.*

Contact and advisory structures for cooperation with the private sector are already in place in some partner countries. These structures are financed from a range of commissions and have differing roles. As a first step, existing contact structures and their roles were mapped around the world early in 2018. The second step is to set up local Business Development Units (BDUs) in selected regions. BDUs are intended to act as intermediaries between the private sector and development cooperation stakeholders and to support country offices in designing their programmes. The role and activities of BDUs need to be specified in greater detail. A start has been made in Africa in priority countries with new employment and investment programmes in order to test the new functions.

5. *Above and beyond this, a local network or cooperation with the private sector should be set up with other international cooperation and foreign trade promotion actors in selected partner countries.*

In general terms, cooperation with other development cooperation and foreign trade promotion stakeholders should be expanded, provided it is based on the policy requirements of BMZ and BMWi and is coordinated with the network of German Chambers of Commerce Abroad.

6. *The strengthened Business Development Units tackling cooperation with the private sector should set up a coordinated range of advisory services for the private sector and for projects in GIZ's country portfolio.*

Specifically, this means adopting a strategic approach in order to better mainstream cooperation with the private sector in partner countries, and involves the following steps:

- a. *Determining the potential for cooperation with the private sector in the country's economic and development cooperation sectors.*
- b. *Identifying the obstacles and (private sector) needs in the sectors and the objectives to be achieved in each case (as part of a multi-stakeholder approach).*
- c. *Identifying network actors and their contributions to cooperation with the private sector as part of the objectives identified.*
- d. *Identifying business cases and involving the Client Liaison and Business Development Department (Companies and Foundations Section), the Agency for Business and Economic Development, DC scouts, etc., for example, in communicating these opportunities to the German private sector.*
- e. *Setting up performance management and knowledge management as part of the Business Development Units, among other things as input for an overarching knowledge management system for cooperation with the private sector.*
- f. *Linking the Client Liaison and Business Development Department and the Sectoral Department so as to better convey existing opportunities to the private sector and to bilateral development cooperation stakeholders.*

The proposals for action (a) to (c) come under the remit of the country offices, which should act on the basis of demand-orientation. The specific demand by local and international business partners for international cooperation services should be determined regularly and on a sector-by-sector basis at country level, the range of services offered by GIZ should be checked for appropriateness, and the availability of public and private funding should be explored. This could be done via the above-mentioned BDUs but also as part of other existing structures on the ground, such as cluster coordination mechanisms, or by representatives of ExperTS or other business-related projects. Demand for cooperation by the German private sector (see points (d) and (f)) will be addressed by the corresponding structures in the Client Liaison and Business Development Department, which will pass on offers and cooperation formats in

collaboration with the liaison offices, many Sector and Global Programmes Department (GloBe) programmes (such as the Sector Programme 'Private Sector Cooperation', Sector Project Lab of Tomorrow (LoT), develoPPP.de, the DC scout programme), and the German Agency for Business and Economic Development (AWE).

## Recommendations regarding support processes for cooperation with the private sector

7. *Substantial improvement in data collection and evaluation of cooperation with the private sector, including the design of learning processes with the involvement of relevant stakeholders.*

Portfolio analysis carried out as part of the evaluation made clear that data is not continuously updated. The information provided by the PPP markers is therefore inadequate and the portfolio of projects where cooperation with the private sector takes place cannot be captured. GIZ sees a need for action in this area. Once BMZ has finished drawing up new instructions for the marker that measures cooperation with the private sector, GIZ will adjust its markers accordingly. The capture of iDPPs is currently being improved.

In new projects where cooperation with a business partner is envisaged, both the expected added value at project objective level and the expected contributions at output level should in future be formulated in the results model and backed up by indicators. On this data basis, the contributions made by business partners to achieving results can also be assessed at overarching level and used for learning processes.

8. *In-depth studies on the added value of private sector contributions, so that these can be clearly stated and categorised.*

In terms of methodology, it is difficult to demonstrate the added value derived from cooperation with the private sector. This evaluation, too, only offers assessments of added value by GIZ's officers responsible for the commission elicited as part of the online survey. However, it is planned to represent the added value of cooperation with the private sector for development cooperation, GIZ and companies by

means of specific examples of cooperation and to flesh them out with facts and figures wherever possible. Parallel to this, studies should be commissioned or supported that capture the added value of private sector contributions and form the basis for scaling up successful approaches and instruments. Both products (case studies and examples of cooperation) should also be used for PR purposes and for communication in the political arena.

9. *Setting up a client relationship management (CRM) system*

The officers responsible for cooperation with the private sector at GIZ are well aware that the variety of communication interfaces poses a problem from the company's perspective. However, entering data into a dedicated CRM system would involve a disproportionate amount of effort. For the time being, therefore, measures should be put in place to explore which areas can be better covered in future using new or existing IT formats (SharePoint, Cobra).

## Recommendations on further business development

10. *Stepping up strategic dialogue with BMZ and other German federal ministries and with the German private sector*

This dialogue is already taking place and should be expanded.

11. *Further business development with other public sector clients, similar to the success stories in China and taking advantage of GIZ's unique characteristics.*

The context of cooperation with the private sector in China is very specific and cannot simply be replicated in other regions. It is nevertheless a model that will be processed in terms of knowledge management. Business development with other public sector clients must be considered on a case-by-case basis, taking into account experience of different groups of countries. In addition, examples of successful cooperation with companies should be used to motivate other donors to engage in cofinancing arrangements.



*12. Forging alliances with the private sector against the backdrop of the SDGs. In this context, care should be taken not to restrict alliances to large corporations and individual enterprises but to gear them also to medium-sized enterprises. It should be borne in mind that European law on state aid forms the relevant framework in this case.*

While GIZ fundamentally endorses this recommendation to forge broad-based and long-term alliances with the private sector against the backdrop of the SDGs, it needs to be further operationalised. With regard to the develoPPP.de programme, BMZ is currently revising its guidelines to enable access to more companies and to design the cooperation arrangements more flexibly.

*13. Supporting project development for scaling up and replicating successful cooperation with the private sector projects using the success factors identified. As a first step, GIZ should identify the success factors in greater depth and feed them into the guiding framework for cooperation with the private sector or the knowledge management system.*

This is an important concern for GIZ. However, the consultants made no relevant contributions. Further consideration of this topic will identify the factors that determine whether cooperation with the private sector is successful on the basis of the findings of the operational departments, and the Sectoral Department will feed these factors into the methodological product on cooperation with the private sector. The Sectoral Department will also support new ideas for cooperation, innovative formats with the private sector, and the development of scaling-up concepts in a needs-based manner.

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