

Development Partnerships with the Private Sector

Strategic alliances

Initiated in 1999 by the German Federal Ministry for Economic Cooperation and Development (BMZ), the programme for development partnerships (develoPPP.de) is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. PPP in develoPPP.de signifies public-private partnerships.

In the framework of develoPPP.de the private sector and public actors carry out joint projects offering benefits for development policy and the economy in developing and transition countries as well as in emerging economies. The partners shoulder an equal share of the responsibility, costs and risks involved. By combining their individual strengths they help promote development in the partner countries and sustainably improve people's living conditions.

Strategic alliances go one step further.

GIZ forms strategic alliances with German and European companies to initiate projects with a particularly broad spectrum of impact.

Generally, their scope is transnational, their focus is relevant to an entire sector, and they bring together global players from trade and industry, governments and non-governmental organisations, and other national and international organisations.

When does a development partnership become a strategic alliance? The criteria.

In addition to the general criteria of complementarity, subsidiarity, competitive neutrality, financial contribution from the company and compatibility with the development policies of the German Government, strategic alliances must meet further criteria. If at least six of the criteria listed below are met, including at least two quantitative criteria, a project may become a strategic alliance.

Quantitative criteria

- The project is transnational in character and conducted in at least two countries (Brazil, China and India: more than two regions per country).
- At least two private partners play a major role in the project's implementation.
- The project's total volume amounts to at least EUR 750,000 (aggregate public and private contribution).

Qualitative criteria

- The project is of above-average significance for development policy, serving as a "lighthouse" for other projects.
- The project involves important institutions in the partner countries and has a prominent impact in changing structures, for example in terms of economic framework conditions.
- The project involves various target and interest groups (multi-stakeholder approach).
- The project has a broad and positive impact on large sections of the poor or disadvantaged population.
- The project stands out through a high level of innovation.
- The project serves as an example of best practice (replicability).
- The project is linked to a defined focus on bilateral development cooperation.

Whether introducing minimum ecological and social standards for cotton production in Africa, developing and encouraging micro-insurance policies for the poor in Asia, or drawing up guidelines for correct hazardous waste disposal around the world – strategic alliances are as varied as they are effective.

Aid by Trade Foundation: Cotton Made in Africa

This strategic alliance is improving the livelihood of many thousands of small-scale farmers by introducing an environmentally and socially sustainable production standard for the cotton industry in sub-Saharan Africa. Various large textile companies have teamed up to promote the demand for cotton made in Africa. This partnership is actively including the farmers, the private sector, civil society and the public sector. Furthermore it is contributing to a sustainable environmental, economical and social development of the cotton sector in sub-Saharan Africa. It guarantees the companies access to an essential raw material and gives the farmers important opportunities for work and income.

Allianz AG: Social security for the poor

Allianz AG, the United Nations Development Programme (UNDP) and GIZ (formerly GTZ) have joined forces to develop micro-insurance products for poor population groups in India, Indonesia and Laos. This means that they can insure themselves against social risks at very low premiums. The partnership is of great benefit both for the population and for the company: Insurance models are created that cost the insured only a few euros a year, and the insurance companies gain access to important future markets.

Holcim AG: Guidelines on waste recycling

In cooperation with Holcim AG, a leading supplier of cement, building materials and concrete, GIZ (formerly GTZ) has prepared internationally recognised guidelines on the energy recovery of waste and special waste in cement production. The guidelines are being implemented in Mexico, Chile, Morocco and the Philippines, for example. In addition to technical requirements and safety regulations, key elements of these guidelines include information on emission limit values and steps to follow in approval procedures.

GIZ's services

- Together, we develop a project concept and support you throughout the entire project implementation.
- We contribute our sectoral, intercultural and management know-how drawn from many years of experience in development cooperation worldwide.
- As an unbiased development cooperation organisation, we mobilise our networks and contacts to governments, authorities and NGOs.
- In addition to technical expertise, we also help meet the project costs in the partner country.

Do you require further information or have an idea? Please contact:

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