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Donors and business engagement in the SDGs

RECOMMENDATION 5

Development cooperation partners should ensure that transparency and accountability standards aligned with public health are applied throughout their engagement with the for-profit sector. They should invest in national regulatory and oversight capacities, and also regulate private sector actors headquartered in their countries.

Development cooperation partners—including bilateral donors, the development banks, global health foundations such as the Bill & Melinda Gates Foundation, and the UN system—should ensure that their engagements with the for-profit sector are guided by the same standards that they regularly apply to recipients of their technical and financial support.

Expanded business engagement is being pursued as a means to achieve increased development financing, but without adequate strategies and requirements in place. Impact assessments of PPPs—with regard to human rights, inequality and social development issues—are rarely undertaken. Bilateral donors should also fulfil their extraterritorial obligations for regulating the transboundary health impacts of corporate operations, in line with the Maastricht Guidelines on Violations of Economic, Social and Cultural Rights, among other standards.

5.1. Bilateral donors should systematically apply accountability standards to private sector engagement in order to protect the right to health, especially for women, children, adolescents and left-behind groups. This includes all vehicles for mobilizing private sector investments in health—including blended finance and PPPs.

In line with the Paris Declaration and the aid effectiveness principles, bilateral donors have a responsibility to ensure that private sector engagement aligns with public health priorities. Our recommendations below apply to all ODA-supported initiatives involving the business sector. They draw on the OECD Development Assistance Committee's (OECD-DAC) thematic review of private sector engagement and on their donor peer reviews, among other sources.

KEY MEASURES

*Ensure transparency on **additionality** and include it as part of the rationale and evidence for decision-making on partnering; communicate the information to external stakeholders.*

*Undertake **impact assessments on health, human rights and equity** before concluding a partnering agreement, and in assessments of the results of implementation.*

Ensure meaningful civil society and community involvement in decision-making and reviews of implementation, to inform decisions by governments and donors, including on whether poor communities are benefitting.

Make independent evaluations obligatory and their reports publicly accessible. Set clear reporting requirements, including on equity and service-coverage issues (for example, out-of-pocket costs), which are often masked in PPP reporting. At the global level, reports on and evaluations of the business engagements of UN agencies should be included in reporting to their Executive Boards.

Encourage governments to make planned PPPs open to public consultation, especially those impacting on health; involve women's groups, other civil society organizations and health professionals in designing and monitoring them.

5.2. The Global Partnership for Effective Development Cooperation (GPEDC) should ensure that health—with particular attention to women, children and adolescents—receives adequate attention in the guidance (currently under development and expected in 2019) for bilateral donors and development banks regarding the effective use of modalities of private sector engagement, including PPPs.

Such guidelines are often centred on environmental, infrastructure and financing issues, with limited attention to health, gender equality and human rights issues. Bilateral donors and the OECD-DAC, however, need not await adoption of the GPEDC recommendations to act on the suggestions above.



5.3. Development cooperation partners should invest in national regulatory and participatory accountability systems to hold private sector partners to account for women's, children's and adolescents' health.

Many low- and middle-income countries will require support to overcome weak institutional monitoring and regulatory capacities. Attention should also be paid to providing technical assistance to small private sector health providers and local food industry enterprises that are committed to public health priorities, but face challenges in aligning their engagement with them.

KEY MEASURES AND INVESTMENT AREAS

Update national health information management systems to capture for-profit private sector providers, as an essential step in monitoring and regulation.

Strengthen public sector capacity to regulate the private sector, purchase services, negotiate contracts and manage PPPs, building-in clear standards, roles and responsibilities, as well as public disclosure agreements (including on taxes).

Build government capacity to negotiate international trade agreements and regulate the operations of multinationals to protect public health (for example, to navigate TRIPs provisions and secure access to affordable medicines, or in relation to the food industry).

Develop standards and measurement frameworks to track results from a public health and human rights-based perspective, with clear plans for addressing these dimensions throughout planning, monitoring and evaluation.

Develop guidance for governments and parliamentarians on model legislation for effective regulation of private sector engagement in health, with a focus on women's, children's and adolescents' health.

Strengthen independent accountability and oversight mechanisms, such as the judiciary and legal systems, as well as civil society organizations that carry out social accountability functions.