



Declaration on Synergies with Public Development Banks by the Practitioners' Network Members, Finance in Common Summit 12 November 2020

As members of the Practitioners' Network for European Development Cooperation (PN), we seek, through this Declaration, to contribute to building a coalition of supporters for the collective shift of strategy proposed in the *Joint Declaration of All Public Development Banks in the World*.

The 2030 Agenda, the Paris Agreement and the Addis Ababa Action Agenda established a new paradigm – one that relies strongly on partnerships. SDG 17 calls for multi-stakeholder partnerships to mobilise and share their knowledge, expertise, technologies and financial resources. However, the road to implementation faces a major challenge. The continuing COVID-19 pandemic has affected the capacity of all stakeholders to achieve the SDGs. At this year's Financing for Development Forum on the follow-up to the Addis Ababa Action Agenda, stakeholders agreed on the need to address crisis mitigation and prevention, as well as a green recovery, while continuing to build sustainable and inclusive economies. Public Development Banks (PDBs) are key actors in implementing the Addis Ababa Action Agenda. The ambitious declarations by the PDBs and the European Development Finance Institutions network all point to the need to join forces to *build back better* for sustainable, equitable and inclusive outcomes.

The PN, which was founded in 2007, is an open platform for exchanging on and coordinating European development cooperation. It is composed of European development cooperation organisations with a public service mission and is built on European values and on a strong commitment to deliver evidence-based policies and partnerships. The PN brings together a broad range of expertise and experience, and has extensive networks in partner countries, allowing us to be agile in our responses to emerging needs and to continuously adapt to the changing development landscape. In the spirit of #TeamEurope, our shared goal is to collectively ensure that we provide the most effective European cooperation support to accompany partner countries in their efforts to achieve the SDGs.

Policy first principle and policy dialogue for sustainable investment and enabling environments

1. Members of the PN put policies first to adapt to the changing needs of their partner countries. We are supporting them, alongside the PDBs, in bringing an immediate response to the current health crisis and its socioeconomic consequences, with a particular focus on the most vulnerable. We are placing a special emphasis on supporting our partner countries on their path to a sustainable, green and inclusive recovery.

2. Implementing value-based cooperation with our partner countries requires policy dialogue using a Whole-of-Government Approach to steer upcoming investments. Such dialogue needs to be nurtured through technical cooperation, which demands the involvement and support from European public administrations.

3. The goal is to identify and prioritise specific public policy actions before defining the most adequate modalities for further support: technical cooperation, financial cooperation through public investment or budget support, blending and support for private investment, etc.

4. The PN members can facilitate and build partnerships between themselves and their counterpart institutions in partner countries, for example by mobilising public sector expertise. We believe that one of our core strengths is our ability to build institutional capacity at all levels, from fostering specific individual skills to coaching entire organisations for change. We also have the capability to involve and empower a wide range of stakeholders to deliver better policy initiatives.

5. The PN members believe that these partnerships are a precondition for successful public and private investments including, for example, within the framework of the guarantees under the European Fund for Sustainable Development (EFSD+). They can also help identify criteria for sustainable investment, making use of the European taxonomy for sustainable economic activities and EU standards on socially responsible investments.

6. In addition, the PN members are willing and prepared to enhance their support for enabling environments; in particular in improving the business environment and investment climate for sustainable development.

Support for the private sector

7. As well as supporting policy reforms and enabling environments, we offer extensive experience in private sector engagement, digital entrepreneurship and inclusive finance for sustainable development. Our long-term work in supporting local private sectors has demonstrated that it is essential to:

- support national authorities and financial institutions in their efforts to ensure that investment is tailored to the specific needs and capacity (accessibility, etc.) of the local private sector;
- support local private sector actors in benefitting from these investments;
- specifically focus all our interventions on boosting the role for sustainable, green and inclusive businesses as the focal points for the recovery.

Increasing our impact together

8. In addition, many PN members have already pioneered innovative finance for sustainable, green and inclusive economies, generating additional funds, from, in particular, the private sector and making financial flows more results-oriented. We believe that we can increase our collaboration with PDBs to create further synergies.

9. Overall, we increasingly expect to conceive our programmes together, paving the way for investment, conducting pilot projects capable of being upgraded or providing accompanying measures following an investment. This is the vision laid out in Article 78 of the European Consensus for Development: joint European implementation should be open to all actors who share a common vision, including financial institutions.

For all these reasons, we will strive to upscale partnerships for increased synergies and complementarity with PDBs and adopt a more operational #TeamEurope approach to ultimately deliver an increased developmental impact. Many PN members are seeking to create new partnerships, in particular with European-based PDBs, helping and facilitating a synergetic #TeamEurope approach in partner countries.

The signatories stand ready to establish a platform for dialogue with interested participants to this Summit and to create new alliances and partnerships where possible. They can make this happen via contacts in our headquarters or directly via our presence in partner countries.

