

PARTNERSHIP for SUSTAINABILITY

Our vision of
collaboration with the
private sector

NOVEMBER 2017



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An initiative by AMEXCID

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The 2030 Agenda for Sustainable Development (2030 Agenda) was adopted in the heart of the United Nations on September 2015. It consists of 17 Sustainable Development Goals (SDGs) and 169 integrated and indivisible objectives to achieve sustainable development in the economic, social and environmental fields in the next 13 years.

This universal Agenda acknowledges that neither the State nor the *market* can offer, on their own, the necessary public goods to address persistent poverty, growing inequality, low rates of economic growth and accelerated environmental deterioration. Due to its financial means, human capital as well as innovation and technological capabilities, the private sector emerges as an indispensable and strategic partner to address global challenges and turn them into opportunities for business and sustainability.

In this context, the Mexican Agency for International Development Cooperation (AMEXCID) has produced this document with a general orientation for collaboration with the private sector. This is a live document which shall be enriched with the obtained experiences from the execution of initiatives of international cooperation for development.

WHAT DOES THE INTERNATIONAL COMMUNITY EXPECT FROM THE PRIVATE SECTOR IN TERMS OF SUSTAINABLE DEVELOPMENT?

As the United Nations has pointed out in different occasions, after the adoption of the 2030 Agenda, the contributions of both the public and private sector are equally fundamental to achieve the SDGs and their respective objectives. In particular, the private sector is expected to complement the existing governmental and social efforts with its resources, knowledge and inventiveness in support of an inclusive, equitable and environmentally sustainable development.

It is clear that the private sector is and will continue to be key in economic growth, the creation of wealth and the expansion of well-being through its different roles as an employer, investor, source of financing, booster of competitiveness and developer of human capital. For example:

- Many companies today are an example for their actions to ensure gender equality, to avoid wasting raw materials, to take care of the water used in their production processes or to use cleaner and more efficient sources of energy.
- Others can undoubtedly be an inspiration for the actions they are carrying out in favor of the communities where they operate, being an active part in the development of education or increasing the health and well-being of their workers.

We can register, measure and contribute to strengthen the participation of the private sector in the efforts for sustainable development, in addition to fostering a collaboration with the public sector based on a new paradigm which associates the concept of sustainability with competitiveness.

Some of the SDG's, which evidently need the participation of the private sector to be achieved, are:



WHAT IS AMEXCID DOING IN LIGHT OF THIS NEW INTERNATIONAL CONTEXT?

The new paradigm of development entails an adjustment in the policies of international cooperation, both for countries traditionally considered as donors as well as middle-income countries which are dual cooperators, such as Mexico. The above implies ensuring a transition from the traditional notions to foster development by way of official aid or market liberalization to a more complex and multi-dimensional scheme that includes numerous dynamics and new actors. Precisely, SDG17 captures this paradigm by promoting cooperation and alliances between several kinds of actors.

Integrating sustainability into the DNA of the company – in its daily operations, investments and behaviors – is inescapable.

Given the functions of AMEXCID as the coordinating institution of international cooperation for development at the federal level, on June 23rd, 2016, AMEXCID was designated by the Office of the Presidency as the State Unit in charge of coordinating **SDG 17 “Revitalize the global partnership for sustainable development”**.

What does SDG 17 imply?

- **SDG 17** calls for all actors involved in development to work together: government, civil society, scientists, academia, and the private sector.
- **SDG 17** invites to a mobilization and harnessing of different resources beyond financial resources; it calls for the development and transfer of technology as well as the creation of local capabilities. In this regard, SDG 17 promotes multi-actor alliances to draw near the means and knowledge to achieve sustainable solutions.

In this context, AMEXCID decided to establish formal cooperation frameworks with the private sector. After analyzing a number of available options, Public-Private Partnerships for Development (PPPDs) were identified as an effective tool to join both sectors' forces and facilitate the design, implementation and financing of cooperation projects that contribute to the achievement of the 2030 Agenda. In addition, sharing the best of the Mexican private sector – and foreign businesses based in Mexico – with other countries, mainly in Central America and the Caribbean, which are priority regions of Mexican cooperation.

With the objective of easing the design and implementation of this type of strategic associations, we believe that collaboration with the private sector should be oriented by the following principles:

1. Shared responsibility in the implementation of the 2030 Agenda

In cooperation relationships, AMEXCID has as its guiding principle shared responsibility between the countries that it associates with for cooperation projects. Therefore, shared responsibility is also one of the principles that guides the involvement with the private sector in the promotion of collaborative actions in international cooperation in order to achieve the SDGs in the 2030 Agenda. These collaborative actions aspire to achieve high economic, social and/or environmental impact by contributing to public goods with an added value that is only obtained through strategic collaboration between an agency of cooperation for development (AMEXCID), business organizations and other actors such as civil society and academia.

2. Mutual benefits

The convergence of interests between the public and private sector will ensure collaborative actions to be sustainable, and results to last in the long term. In this sense, the strategic associations between AMEXCID and the private sector must have as an essential requirement the identification of the business organizations' interests as well as the creation of benefits for the other participating actors, including society in general.

The essence of AMEXCID

*To AMEXCID, cooperation means **sharing the best of Mexico to face global challenges and grow together.** In Mexico and the World we work hand in hand with specialists and build strategic alliances with the private sector, academia, civil society and local governments to coordinate, plan and assess our efforts of Promotion and Cooperation (in the areas of education, culture and tourism, technical and scientific, financial and economic). This way we develop capabilities to contribute to human sustainable development, reduce inequality and improve the quality of life of people.*

Through AMEXCID, Mexico offers and receives cooperation for development. On one hand, we share successful experiences, strengthen capabilities and exchange human, technical and financial resources with developing countries, particularly in Central America and the Caribbean. On the other hand, we work with our strategic partners to strengthen our capabilities, improve our institutions and create tangible results to strengthen Mexico.

To find out more about the initiatives by AMEXCID, please visit our website www.gob.mx/amexcid

3. Priority regions

Mexico, as a middle-income country, still receives cooperation for development and is a growing offerer of cooperation to other countries. The strategic collaboration of AMEXCID and the private sector must have Mexico and the priority regions on offer as its primary geographical scope of action. The collaborative actions carried out in the area of international cooperation will seek to consolidate both actors as global, responsible and transforming entities.

Such actions must be aligned to national policies, with the development priorities established by the recipient countries and should consider the inclusion of local actors and communities.

4. Impartiality

Any organization from the private sector may propose to AMEXCID collaborative actions that promote and accelerate the fulfillment of the SDGs. However, such collaboration will not imply exclusivity or the promotion or preference of a particular business organization and/or its products or services over its competitors.

The integrity of the collaborative actions to be developed will be guaranteed through the application of a due diligence process for private sector organizations. This will ensure a risk analysis and a selection of adequate strategic partners who share our values.

The due diligence shall be carried out before any activity that AMEXCID develops with a business organization and especially, prior to the signing of any agreement of collaboration. The scope of this process will remain in force during the relationship between the parties.

5. Transparency and accountability

Based on the principle of transparency and mutual accountability that rules Mexican international cooperation for development and which is a principle of efficiency of cooperation at a global level, the process and information generated on the collaborative actions developed by AMEXCID and one or many business organizations will be available to the stakeholders, beneficiaries and the general public. Especially, the parties involved, responsibilities, functions, contributions and scope shall be divulged.

Any collaboration will be formalized through a written agreement between AMEXCID and the business organizations in turn. This instrument must clearly define roles, responsibilities, resources, benefits, terms and measurable results, among others.

AMEXCID and the business organizations, as well as any other partner involved in these alliances must show a willingness to exchange and share the necessary information for the management of collaborative actions and the decision-making process. This will allow for more efficient processes, achieve the expected results and improve future experiences.

6. Replicability

AMEXCID and the business organizations will seek to prioritize actions, programs or projects that can be scaled and/or replicated in other countries where AMEXCID offers cooperation, with the necessary adjustments depending on the context. In order for this to happen, it will be indispensable to document the demonstrative pilots of the strategic alliances between both sectors, from the design phase up to the implementation.

In order to ensure that AMEXCID has the institutional mechanisms to ease the collaboration between different actors, we managed to establish as the authorized grantee the trust fund of the National Fund for International Development Cooperation (FONCID), with which the private sector can request tax deductions for contributions to international cooperation for development projects. This encourages the private sector to be an ally of the Mexican government in the policy of cooperation for development and allows for a greater scope of the cooperation actions that are undertaken.

PARTNERSHIP FOR SUSTAINABILITY (PforS)

The Partnership for Sustainability is operating under these principles. Launched in May 2016, the PforS is as a platform of dialogue and strategic collaboration with the private sector to promote cooperation projects oriented to the fulfillment of the 2030 Agenda in Mexico and subsequently in Central America.

This initiative seeks to:

- Collaborate strategically with organizations of the private sector who share our mission, vision and values.
- Identify strategic activities in which alliances between the public and private sector, civil society organizations, and local and state governments allow for the development of projects of high social, economic and environmental impact.
- Contribute to public goods that can only be produced through the strategic collaboration between AMEXCID, business organizations, and other actors such as civil society and academia.
- Exchange and divulge successful experiences on the integration of the SDGs into business models.
- Create tools to measure the advancements of the private sector in the fulfillment of the 2030 Agenda.

Currently, more than 60 business organizations participate in the PforS. The members are representatives of leading companies in sustainability, business organizations, as well as AMEXCID, through the General Direction of Cooperation and Economic Bilateral Relations.

After a process of reflection and the application of a poll, the members of the PforS defined priority areas of the 2030 Agenda in which they intend to develop collective actions. In response to this thematic identification, five Working Committees were installed:

1. Affordable and Clean Energy

Objective: The creation of strategic projects that strengthen and promote an efficient society, oriented to a collective change in the energy services, proving that alliances between the private and public sector can promote a sustainable development with a successful business model.

2. Sustainable Cities and Communities

Objective: The design of short-term sustainability projects, aligned with the 2030 Agenda and an international cooperation approach aimed at developing a smart model of sustainable urbanization by building low-income housing that does not attempt against nature and optimizes the resources of the communities where the model will be developed.

3. Social Inclusion

Objective: To identify, evaluate, select and promote social inclusion projects with a sustainable business model that requires components of financial education, digital skills, health, entrepreneurship, among others, in order to succeed in Mexico and Central America.

4. Education

Objective: Contribute to the development of 21st century skills in children and young people in less favorable conditions to strengthen their academic preparation in a sustainable and holistic way.

5. Responsible Consumption and Production

Objective: Identify one or more projects which may be implemented through strategic alliances under the concept of responsible production and consumption, particularly in topics such as circular economy, sustainable agriculture or sustainable forestry products, contributing to the achievement of SDGs.

THE ROLE OF AMEXCID IN THE PARTNERSHIP FOR SUSTAINABILITY

AMEXCID created the PforS with the objective of establishing a space with optimal conditions to collaborate with the private sector in international cooperation for development in a continuous, efficient and long-term manner.

AMEXCID's participation in these collaborative actions will allow to capitalize resources and capabilities of both actors, as well as to articulate the respective collaboration networks while at the same time enable the private sector to find opportunities in which it can integrate to existing actions of international cooperation in Mexico and other countries.

In this mission, the main role of AMEXCID consists in:

- Identifying social, economic and environmental needs;
- Catalyzing national and international resources for the implementation of the projects;

- Promoting and coordinating strategic links with other actors such as civil society, local and state governments, other countries' governments and international organizations.
- Coordinating the design of the PforS's projects and facilitate their execution, ensuring their alignment to international policies of sustainable development during their implementation; and
- Increasing the national and international visibility of the PforS and its projects.

Mexico City, November 2017.