Whole-of-government approaches to private sector in development co-operation

Korea – Sept 17th 2026

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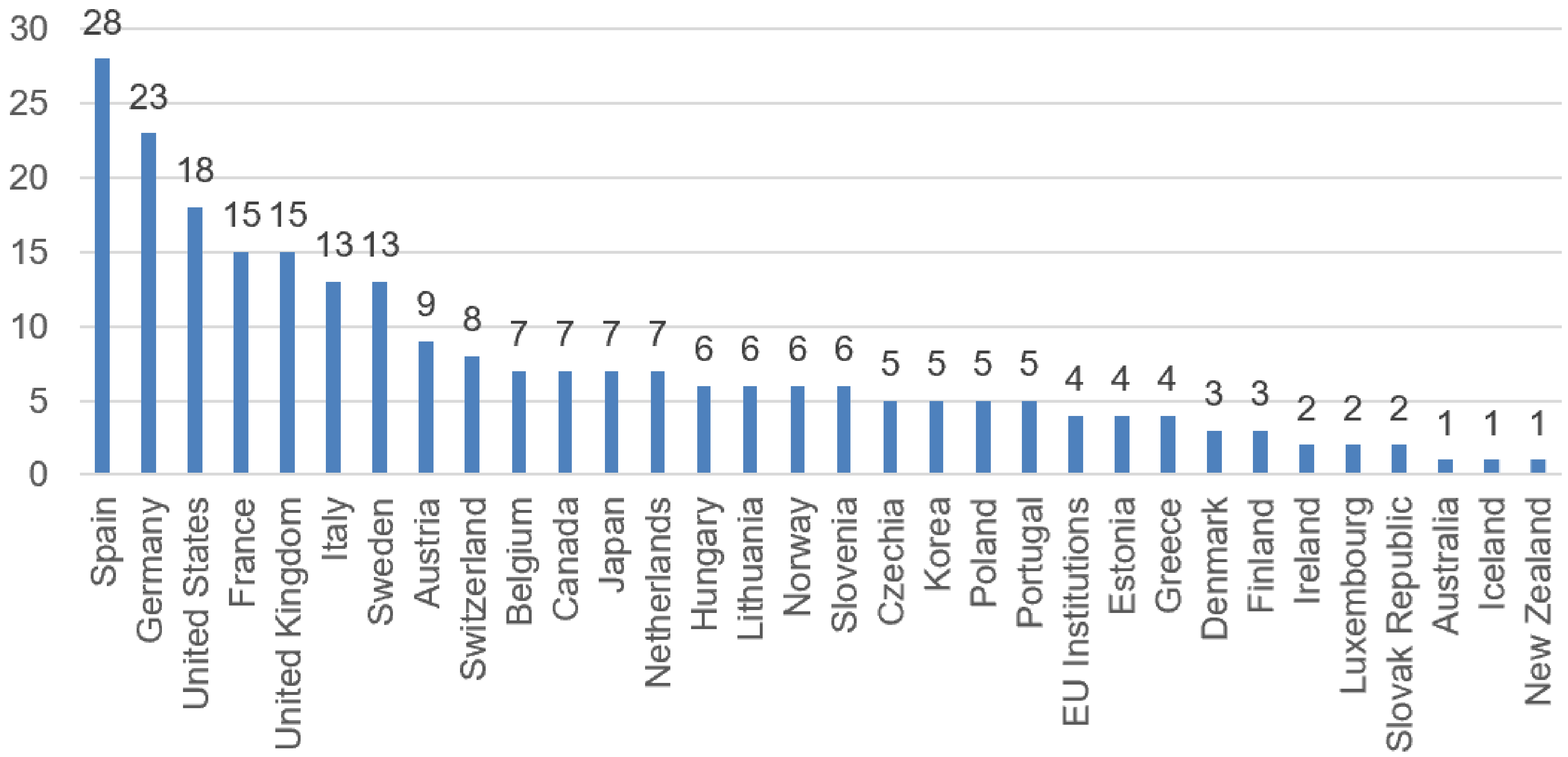
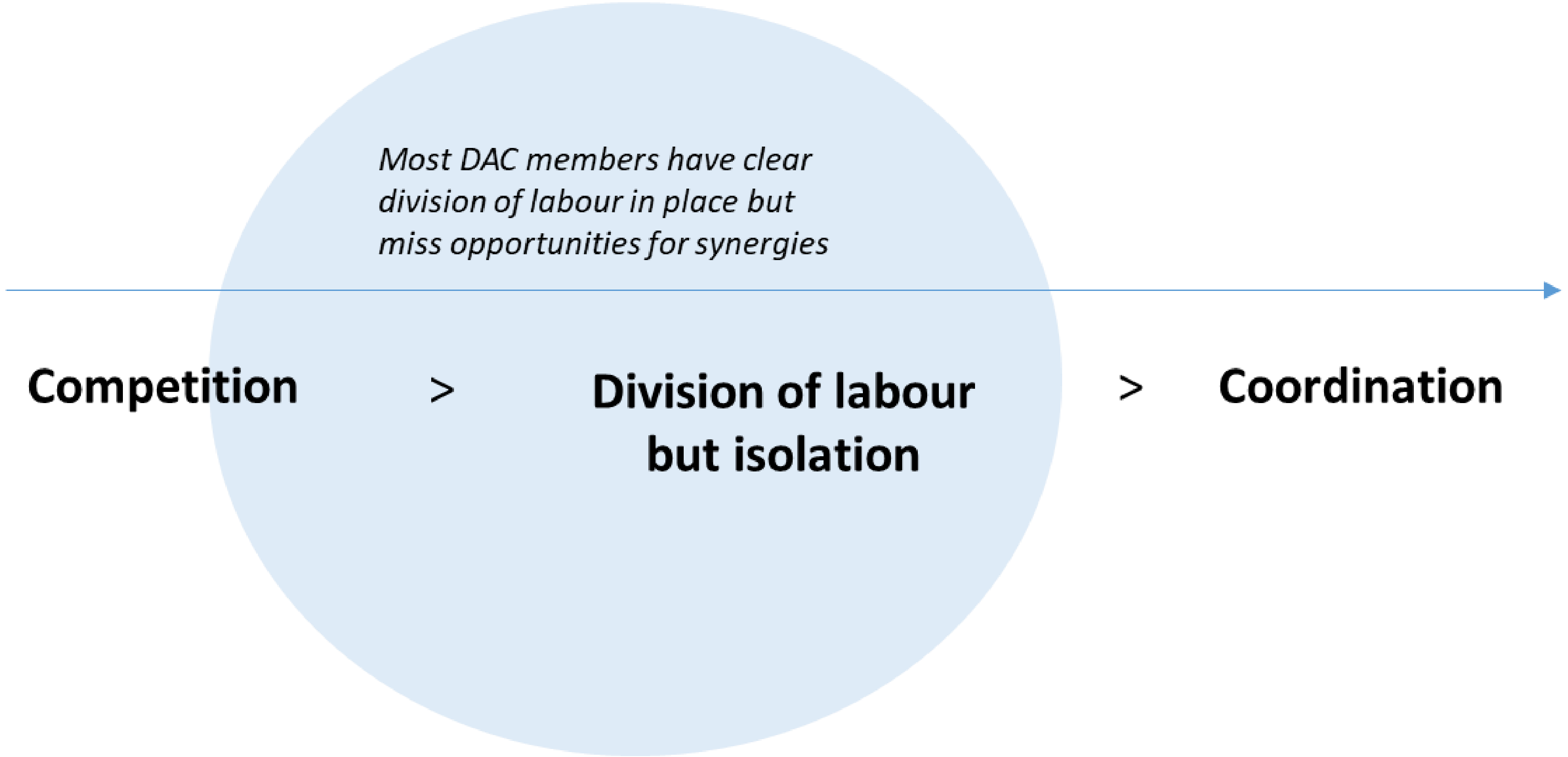
Private sector's engagement in development co-operation receives increasing attention and takes multiple forms

	Investment partner	Beneficiary	Implementer
Role of the private sector in development co-operation	Private sector co-finances development project	Private sector is supported for projects that have development impact	Private sector is paid to deliver goods or services
In 2024 *Total ODA = USD 214.6 billion*	**Private finance mobilised by DAC countries** *USD 17.1 billion*	**ODA-eligible private sector instruments** *USD 8.9 billion* **Private sector development-related ODA** *USD 78.1 billion*	**ODA-funded procurement contracts** *USD 12.5 billion in 2023*

Most DAC members have several government agencies involved in private sector development



Most peer reviews point to opportunities in better linking instruments and actors involved in private sector development



Current context is driving whole-of-government coordination on private sector but this requires attention

- **In order to enhance the effectiveness of their system,** several DAC members promoted synergies between DFIs and development agencies

- **Moreover, several DAC members have connected their development and trade policies**:
  - ✓ An increasing number of bodies with dual mandates delivering ODA
  - ✓ Efforts to promote synergies with non-ODA actors (Team Nationals)

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1. Information-sharing: Improving the business enabling environment", the "legal and regulatory framework" or the "investment climate"

Several DAC members leverage the expertise of their DFIs and export promotion agencies to support Governments in improving the enabling business environment

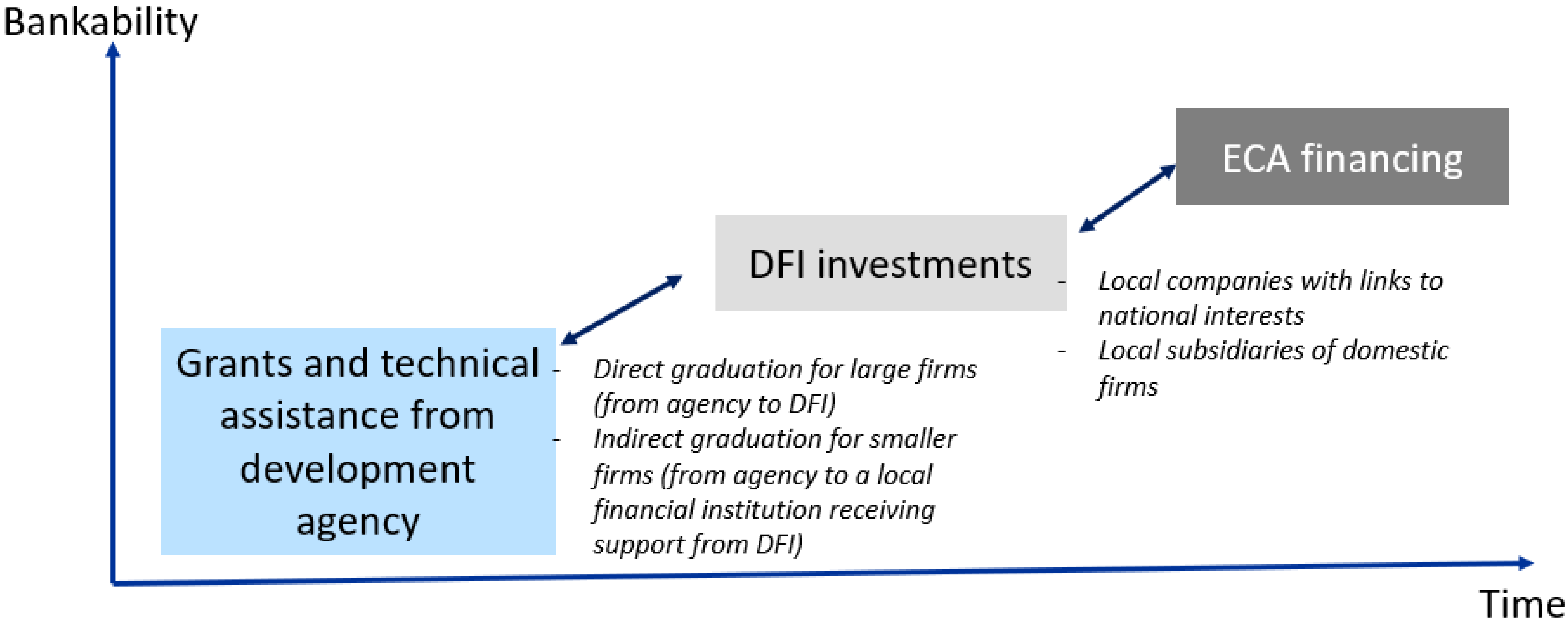
- **France**
- **Japan**
- **Switzerland**

1. Information sharing: geographic, thematic and client knowledge (2/2)

- DFIs often leverage the **country expertise and networks of embassies** to inform their investment decisions
- DFIs also often leverage **ECAs' expertise**.
- While ad-hoc knowledge-sharing on specific projects is common, **wider thematic knowledge-sharing is less frequent**

Information-sharing

2. The graduation approach: sequential involvement of development agencies, DFIs and ECAs along the bankability curve requires building beforehand a common understanding of bankability



3. The package approach

- **EU 360-degree approach** which aims at ensuring that EU infrastructure investments are complemented by a range of soft measures
- The example of **Team Sweden** in Cote d’Ivoire: a package from SIDA, Swedfund and Export credit agencies
- Such packages require **aligning objectives and timelines** across actors.

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1. Aligned governance systems help but mechanisms can be created in more complex institutional set-ups

- Joint model
- Aligned governance models
- Distinct lead ministries model
- Hybrid models

France

Aligned

Ministry of Europe and Foreign Affairs

Ministry of Economy, Finance and Industrial and Digital Sovereignty

AFD group

AFD

Proparco

Expertise France

Switzerland

Distinct lead ministries

Federal Department of Foreign Affairs

SDC

Federal Department of Economic Affairs, Education and Research

SECO

SIFEM

One common international co-operation strategy

Korea

Distinct lead ministries

Committee for International Development Cooperation (CIDC)

Min of Indus	Min of Env	Min of Health	Min of Agri	Ministry of Foreign Affairs
KIAT	KEITI	KOFI	EKR	Koica

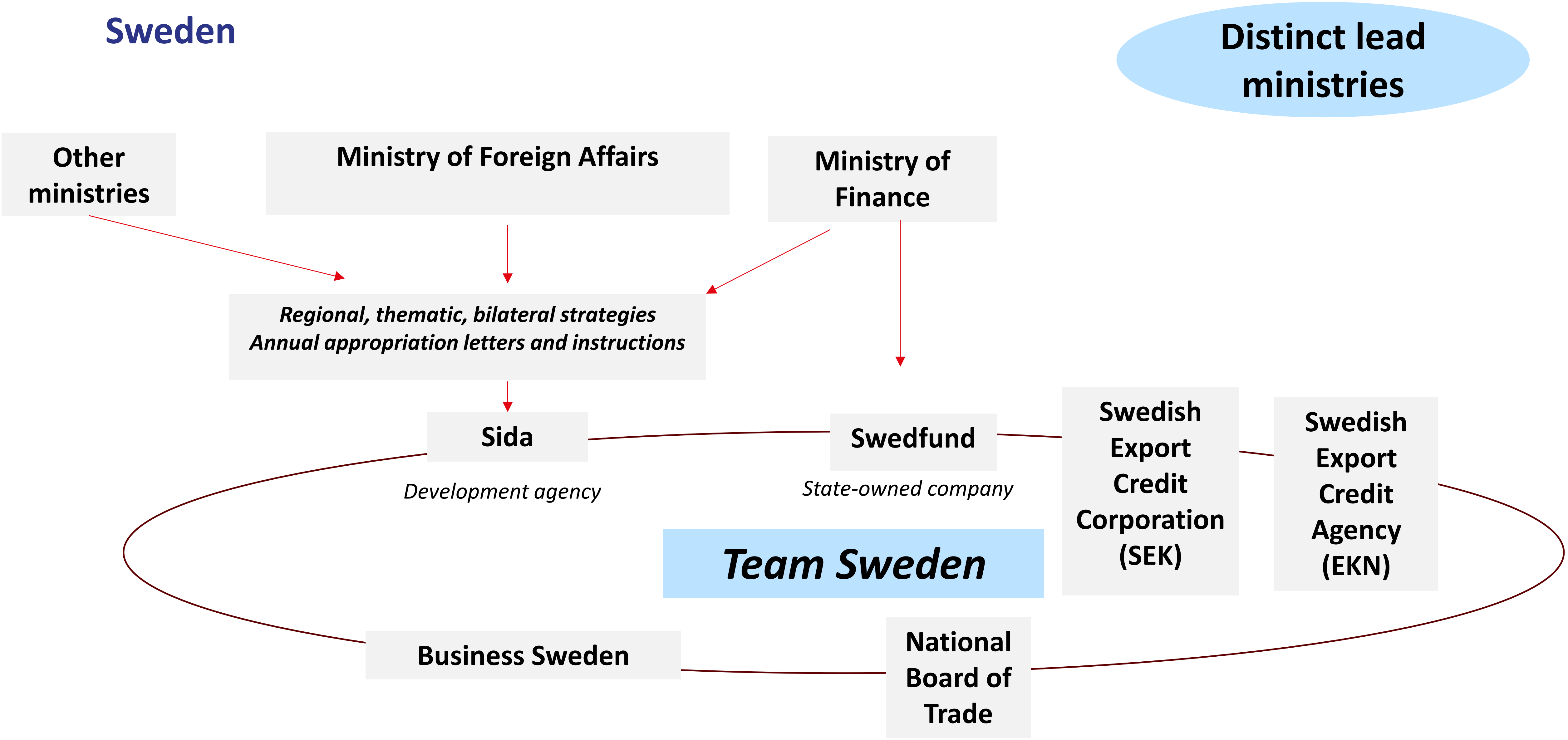
Ministry of Finance

KEXIM

Export promotion	EDCF	EDPF	PDIF
	Highly concessional Tied	Low concessionality Untied	Private sector borrowers only

VOLUME?

Sweden


Distinct lead ministries
Other ministries
Ministry of Foreign Affairs
Ministry of Finance
Regional, thematic, bilateral strategies
Annual appropriation letters and instructions
Sida
Development agency
Swedfund
State-owned company
Swedish Export Credit Corporation (SEK)
Swedish Export Credit Agency (EKN)
Team Sweden
Business Sweden
National Board of Trade

2. Good coordination takes time so better start small in selected countries and sectors

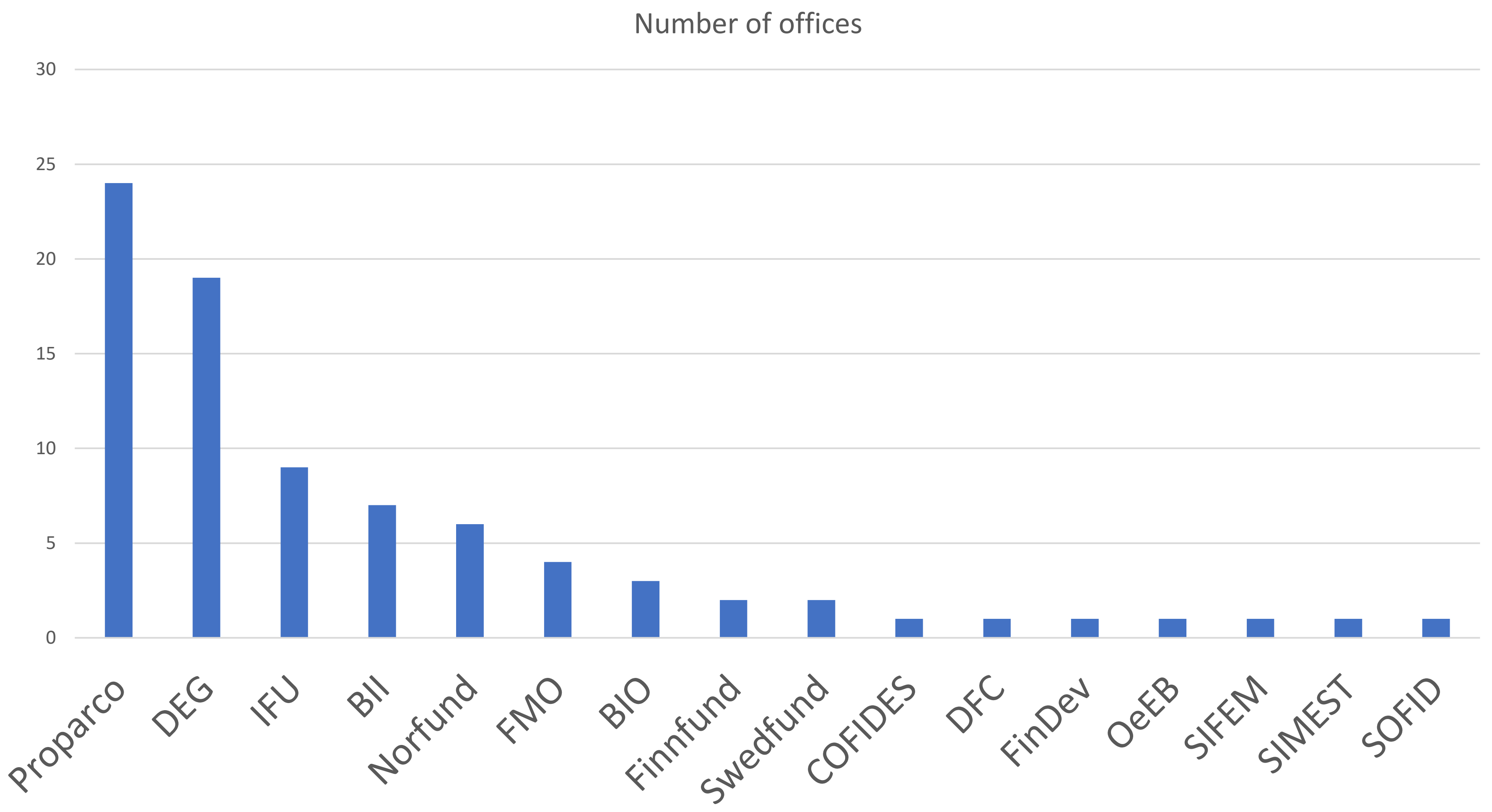
- *"Before we can coordinate, we need to understand what they do, and they need to understand what we do, and this takes a lot of time". FMO*

- *"Did coordination help us generate more business? Not yet, but it makes us better at what we do" Proparco*

3. Coordination does not mean diluting mandates nor interfering in decision-making processes

- **Scepticism from development agencies** towards coordination often comes from the fear of mission drift
- DFIs worry that coordination will lead to **interference with DFIs decision-making process, or those of DFI investees**
- **DFIs and ECAs offer powerful complementarities but should keep clear separate mandate**
- **Shifting DFI investments towards domestic companies may not be the best way to achieve development impact nor to promote exports.** However, by strengthening local private sector, DFIs can create opportunities for domestic firms to engage with local companies

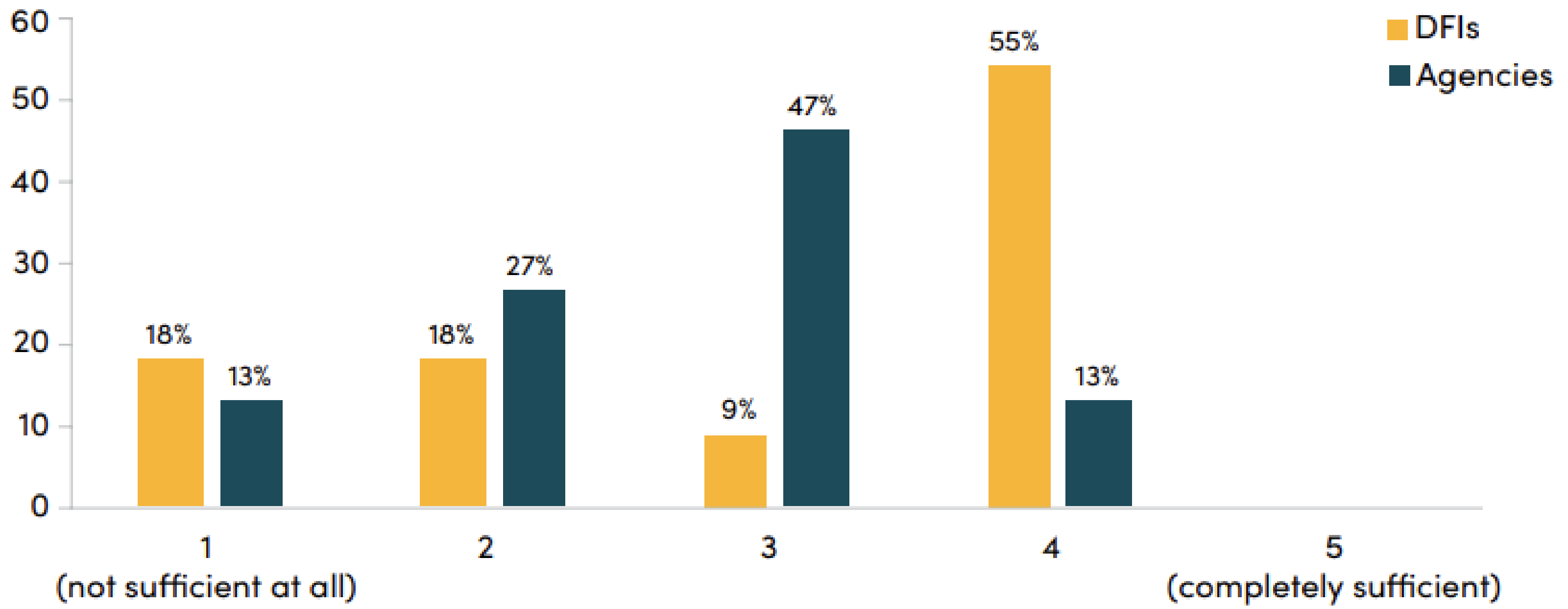
4. Common country presence makes coordination easier, but does not help if there are no incentives to coordinate



4. Common country presence makes coordination easier, but does not help if there are no incentives to coordinate

Incentives to promote WoG synergies might be higher for development agencies than for DFIs

Figure 4. In your opinion, are the current systems for coordination development activities between DFIs and development agencies sufficient for achieving synergies to improve development impact? (1 = not sufficient at all; 5 = completely sufficient)



4. Common country presence makes coordination easier, but does not help if there are no incentives to coordinate

"If we can share a common problem tree, with a common solution tree where each of us provide different solutions, this can help us work better together" Koica

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Thank you!

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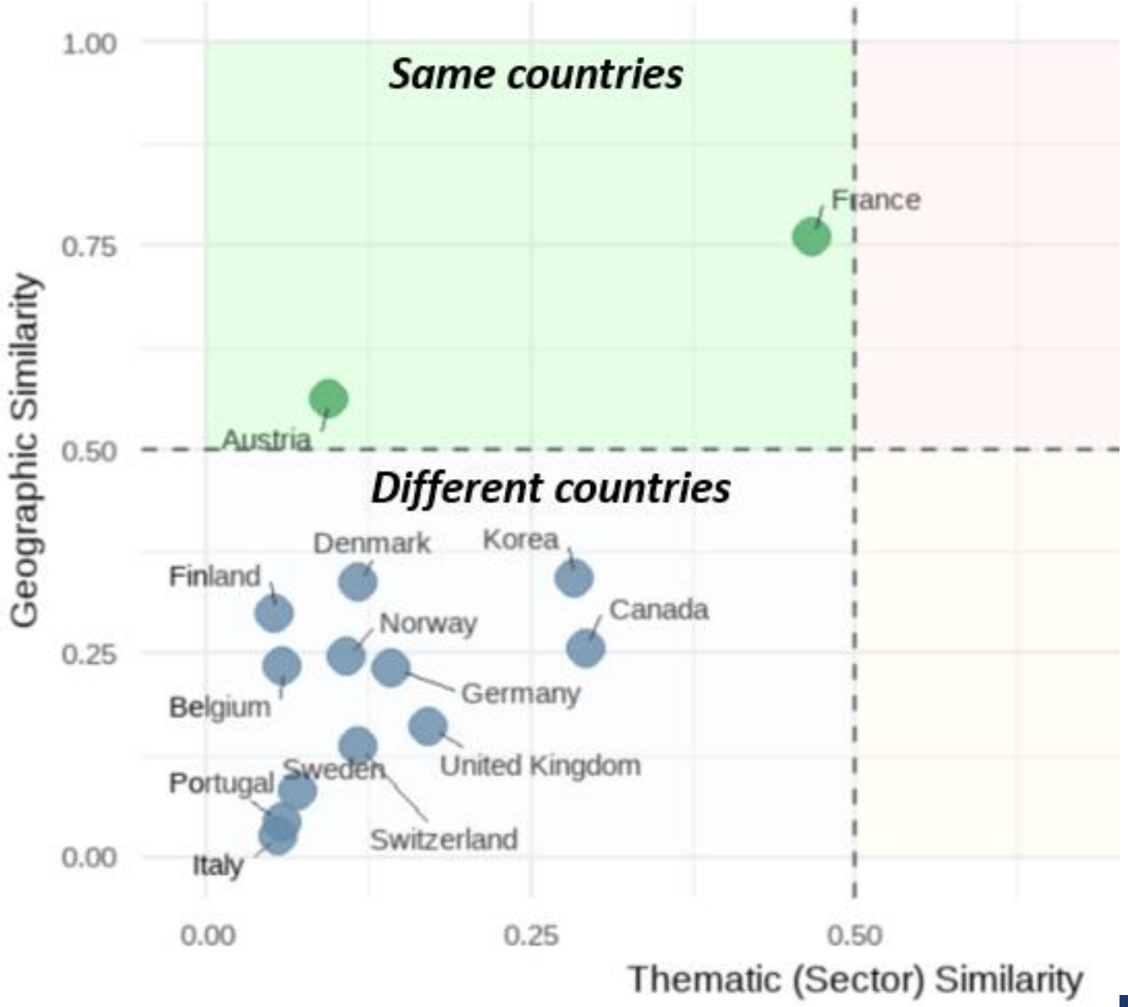
In most cases, DFIs and development agencies have distinct thematic and geographic priorities



DAC member	Recommendation
USA (2022)	The Development Finance Corporation should work more in partnership with the US government
Czechia (2023)	Create synergies between Business to Business (B2B) grants and the National Development Bank (NDB) guarantee instrument
Netherlands (2023)	Increase the cohesiveness of private sector development efforts
Poland (2023)	BGK should work with the MFA to bring a development lens to its growing engagement in partner countries,
Korea (2024)	Further incentivise blended finance pilots including through programmes and facilities that integrate loans, grants, and technical assistance and cross-agency knowledge sharing
Luxembourg (2024)	Develop a comprehensive, whole-of-government vision for private sector engagement
Australia (2025)	Further reflect on the most effective architecture to deliver its innovative finance work.
Canada (2025)	Strengthen complementarity and co-ordination between Global Affairs Canada and FinDev Canada
Slovak Republic (2025)	Strengthen the co-ordination and effectiveness of private sector engagement
Switzerland (2025)	Continue to increase co-ordination between SECO and SDC on common themes based on comparative advantages and better articulate linkages with SIFI, SIFEM and investment funds