

THE HAGUE FRAMEWORK - "Financing the Future Today"

EXECUTIVE SUMMARY

BACKGROUND - The Hague Framework is based on two meetings which convened around 70 senior representatives from across the development world [see appendix A in full report]. The meetings held in March and June 2011 were hosted respectively by Dutch Ministry of Foreign Affairs and FMO (The Dutch Development Agency) and the Tallberg Forum resulting in the Tallberg Declaration:

THE TALLBERG DECLARATION – 29th June 2011

- The social, environmental and economic dimensions of the international development agenda are relevant to us all, whether public or private sector.
- Governments should use their convening power to develop, together with IFI's, DFI's and private sector, innovative, catalytic policies and instruments.
- There is a clear opportunity to mutually leverage public and private sector resources to further developments and build new markets.
- Underlying any such approach is the principle of equitable treatment to all such stakeholders.
- Multiple concepts and cases, building on these principles have been successfully put into practice, and now offer the opportunity for replication and scale with higher capital efficiency and development effectiveness.
- The above is a matter of high importance and urgency.

THE OBJECTIVE OF THE MEETINGS WAS TO ACHIEVE THE FOLLOWING:

- To identify new systems and innovations that move in real scale – to demonstrate new impact investing models – "Proving by doing"
- To identify a template (Christened **COILED** – see below) into which much social innovation would fit
- To identify how this innovation can be blended together to create greater impact focused on tangible outcomes delivered collaboratively by multi stakeholders
- Noting the twin needs to generate employment in the developing world given "Southern" youth demographics and to increase public sector productivity in the "North" given levels of fiscal stress specific focus is made as to how government can create an enabling environment

OUTCOME - A strong consensus was reached as to the need to

- Deploy funds in ways that "crowd-in" investment and collaboration, rather than creating a "crowding-out" effect and fragmentation
- Critical are multilateral public private partnership models where governments, civil society, community and the private sector all have responsibility for delivering services.
- Structure arrangements that inspire confidence and ownership of all stakeholders
- Financial structures and incentives which encourage real collaboration around tangible outcomes

This is done by New **C**apital Market tools for development based on achieving real tangible **O**utcomes. Structured by **I**ntermediaries with the skill to blend capital sources, with social mission **L**egally hard wired in its engagement with the Commercial sector. The incentives and dynamism of local **E**ntrepreneurship applied to social solutions delivered in scale through new **D**istribution mechanisms

GOING FORWARD – The attached report should be seen as a consultative document which outlines real examples "proving by doing" to which we wish to enhance further with the participation of all stakeholders - a model of true multi stakeholder collaborative partnership to the benefit of all stakeholders engaged in development.