

# Private Sector Definition

As defined by Organization for Economic Co-operation and Development, **Private Sector Engagement is an activity that aims to engage the private sector for development results, involving the active participation of the private sector.** The definition is deliberately broad in order to capture all modalities for engaging the private sector in development cooperation from informal collaborations to more formalized partnerships.

Of the definitions of private sector engagement described in the OECD report, over the course of this effort - [Maternity Matters: Funding the Future](#) - will focus on three of these categories to describe private sector engagement for RMNCAH service delivery.

- **Private Sector Financial Instruments:** *Private capital to close the \$33B financing gap in RMNCAH*

Definition: Private Sector Financial Instruments are all financial instruments that are used to engage the private sector in development co-operation including grants, reimbursable grants, debt instruments, equity, guarantees and other unfunded liabilities.

- **Modalities for Private Sector Engagement:** *Business and scientific expertise being leveraged to close the innovation gap*

Definition: Modalities for Private Sector Engagement include knowledge and information sharing, policy dialogue, technical co-operation, and capacity development.

- **Private Sector Development:** *Activities supporting local private health providers to close the supply gap*

Definition: Activities carried out by governments and development organisations with the objective of promoting an enabling environment for the private sector in partner countries. Activities include the creation of an adequate policy environment, addressing market imperfections (e.g. value chain development) and firm-level interventions (e.g. capacity building, access to finance and markets).

