



USAID
FROM THE AMERICAN PEOPLE

ECOSYSTEMS IMPROVED FOR
SUSTAINABLE FISHERIES
(ECOFISH) PROJECT

ECOSYSTEMS IMPROVED FOR SUSTAINABLE FISHERIES (ECOFISH) Project

ECOFISH PUBLIC-PRIVATE PARTNERSHIP STRATEGY

ECOFISH Document No.: 04/2013

Version: Final

Implemented with:

Department of Agriculture-Bureau of Fisheries and Aquatic Resources
National Government Agencies
Local Government Units
Assisting Organizations

Supported by:

United States Agency for International Development
Contract No.: AID-492-C-12-00008

Managed by:

Tetra Tech ARD

18 March 2013

Ecosystems Improved for Sustainable Fisheries (ECOFISH) Project

ECOFISH Public-Private Partnership Strategy

ECOFISH Document No.: 04/2013

Version: Final

Implemented with:

Department of Agriculture – Bureau of Fisheries and Aquatic Resources
National Government Agencies
Local Government Units
Assisting Organizations

Supported by:

United States Agency for International Development
Contract No. AID-492-C-12-00008

Managed by:

Tetra Tech – ARD

18 March 2013

DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Tables of Contents

Acronyms and Abbreviations.....	ii
1.0 Executive Summary	1
2.0 Introduction.....	2
2.1 ECOFISH Public-Private Partnership (PPP) Team	2
2.2 Guiding Principles	3
3.0 Definitions and Objectives.....	4
3.1 Definitions.....	4
3.2 Deliverable 6: Public-Private Partnerships Supporting ECOFISH Objectives Established	6
4.0 Overall PPP Strategy	7
4.1 A Portfolio Approach.....	7
4.2 Strategic Partnerships.....	7
4.2.1 Strategic Partnership Deliverable Targets	7
4.2.2 Strategic Partnership Themes	8
4.2.3 Roles and Responsibilities	8
4.3 Community Partnerships.....	8
4.3.1 Community Partnership Deliverable Targets.....	9
4.3.2 Community Training Module 1: Introduction to Partnerships	10
4.3.3 Community Training Module 2: Business Planning and Partnership Modeling.....	10
4.3.4 Community Training Module 3: Community Mentoring	10
4.3.5 Roles and Responsibilities.....	11
5.0 Partnership Development and Management Plan	11
5.1 Staff Engagement and Management	13
5.2 Gating Strategic Partnerships.....	13
5.3 Gating Community Partnerships.....	15
5.4 Monitoring and Measurement.....	16

Annexes

Annex A. PPP Workplan	18
Annex B: Year 1 PPP Development Timeline.....	23
Annex C: Partnership Value and Transaction Costs.....	25

List of Boxes and Figures

Box 1. SSG's STEP Framework.....	2
Box 2. The Growth-Control-Maintenance Framework.....	6
Box 3. Deliverable 6: Public Private Partnerships Established Supporting ECOFISH.....	7
Box 4. Strategic Partnership Indicators to Measure Results at the Output and Outcome Level	16
Box 5. Community Partnership Indicators to Measure Results at the Output and Outcome Level.....	17
Figure 1. Simplified “Stage-Gate” Process Diagram.....	12

Acronyms and Abbreviations

AAPD	-	USAID Acquisition and Assistance Policy Directive
BFAR	-	Bureau of Fisheries and Aquatic Resources
BOT	-	Build-Operate-Transfer
CCN	-	Cooperating Country National
COP	-	Chief of Party
COR	-	Contract Officer's Representative
DCOP	-	Deputy Chief of Party
EAFM	-	Ecosystem Approach to Fisheries Management
ECOFISH	-	Ecosystems Improved for Sustainable Fisheries
GCM	-	Growth Control Maintenance Framework
GPH	-	Government of the Philippines
HLAG	-	High Level Assistance Group
IDEA	-	USAID Office of Innovation and Development Alliances
LGU	-	Local Government Unit
MKBA	-	Marine Key Biodiversity Area
MOU	-	Memorandum of Understanding
PACPI	-	Philippine Association of Crab Processors Inc.
PPP	-	Public-Private Partnership
RPA	-	Rapid Partnership Appraisal
SAF	-	Strategic Activities Fund
SSG	-	SSG Advisors
STEP	-	Sustainable, Transparent, Effective Partnerships Framework

1.0 Executive Summary

The USAID-funded Ecosystems Improved for Sustainable Fisheries (ECOFISH) project will play a critical role in enhancing and sustaining the management of critical coastal and marine resources on which many of the 94 million people living in the Philippines depend. To achieve this mission, ECOFISH will engage the participation of national agencies, local governments, and the private sector to apply the Ecosystem Approach to Fisheries Management (EAFM) principles at the local and national levels. Public-private partnerships can play a valuable supporting role in leveraging the private sector to address and enhance ECOFISH objectives in a way that ensures the sustainability of the project's results. In this context, ECOFISH prime contractor Tetra Tech Associate in Rural Development (ARD) has recruited SSG Advisors as subcontractor to initiate and manage public-private partnerships (PPPs) that further project goals. This document describes the methods by which SSG Advisors will create a productive, sustainable partnership infrastructure.

The ECOFISH Public Private Partnership (PPP) Strategy centers on the development of public-private partnership portfolios for each of the eight ECOFISH Marine Key Biodiversity Areas (MKBAs), involving partners at both the strategic and community levels. Strategic partnerships will focus on private sector corporations including the fishing sector, technology, and other businesses that will contribute their resources and capabilities towards ECOFISH objectives across several MKBAs. Community partnerships, on the other hand, will involve local MKBA stakeholders including local government units, community organizations, and entrepreneurs, with special attention to women's groups. Through training and mentorship, ECOFISH will enable MKBA community leaders to manage and enhance their respective partnership portfolios.

In order to ensure the local ownership and, thus, the longevity of ECOFISH partnerships, SSG Advisors will draw on its proprietary Sustainable, Transparent, Effective Partnerships (STEP) framework to tailor a series of multi-stakeholder community partnership training events and basic business planning sessions at each MKBA, involving at least 100 communities. The top ten of the thirty business plans developed by communities will be eligible for mentorship by the ECOFISH PPP team and strategic partners and will be provided tailored support. The ECOFISH PPP team will gradually phase out their involvement, allowing community and strategic partners to continue managing their own relationships independently. By facilitating local ownership of MKBA partnerships at an early stage, SSG will potentiate the sustainability of ECOFISH results beyond project closure.

Key results from ECOFISH PPP efforts include the following:

- A portfolio of PPPs per MKBA;
- 8 strategic PPPs as measured through 8 MOUs signed and implemented; and
- 100 community PPPs as measured through a minimum of 100 communities actively engaged and mobilized under at least 30 business plans or action plans, as captured in 100 letters of commitment.

The overall strategy and the development and management plan to achieve these key results are detailed in this document.

2.0 Introduction

To counter dwindling fish stocks caused by overfishing, poorly enforced regulations, and lack of controls, ECOFISH will engage the participation of national agencies, local governments, and the private sector to address communities' vulnerabilities and abilities to adapt to changing conditions. The private sector has a critical role to play in ECOFISH biodiversity and livelihoods efforts, as it is this sector that creates demand for many types of seafood, which contributes significantly to the depletion of fisheries stocks, as well as hold much of the potential for innovation and market transformation at the national and local levels. Thus, engaging the private sector as a partner in managing a sustainable resource base is essential to the success of ECOFISH's broader efforts to strengthen biodiversity. Moreover, in the fishing communities, the private sector has a key role to play in generating employment and economic opportunities, which enable fishers to move into alternative livelihood activities. ECOFISH will, therefore, seek to engage a wide range of private sector partners at both the national and local levels.

Box 1: SSG's STEP Framework

SSG's **Sustainable, Transparent, Effective Partnerships (STEP) framework** is a practical, hands-on approach that enables USAID and its implementing organizations to identify partnership opportunities, unlock potential *shared value* with the private sector, build and manage an effective partnership, and ensure results. STEP enables USAID with its contractors to play that strategic but catalytic role – bringing together local and global resources and capacity together towards a shared goal.

STEP is about more than mere brokering of partnerships; it is about catalyzing a process to engage the private sector and other stakeholders in addressing development challenges. By approaching partnerships as a process instead of an end goal, STEP empowers partners to uncover shared value. STEP provides proven interventions, tools, and support that facilitate the formation and implementation of successful catalytic partnerships with a wide range of partners including:

- Rapid Partnership Appraisal
- Partnership Shared Value Scorecard
- Partnership Due Diligence Reports
- MOU templates
- Collaboration Management System
- Key Performance Indicators
- Community Partnership Module

To contribute to this goal, ECOFISH will provide tailored guidance and technical assistance for the development of innovative partnerships with the private sector for the project. Implementing partner SSG Advisors will use its proven Sustainable, Transparent, Effective Partnerships (STEP) Framework to develop and manage strategic as well as community partnerships. (See Box 1) In drawing on STEP, SSG will enable ECOFISH to enhance the scale and sustainability of its interventions by leveraging private sector resources and capabilities at all levels –local, national and multi-national.

ECOFISH resource contributions to partnerships may include project activities, such as TA, training and research as well as funding from the Strategic Activities Fund (SAF) to local organizations implementing activities under a partnership.

2.1 ECOFISH Public-Private Partnership (PPP) Team

The SSG ECOFISH Public-Private Partnership Team is composed of three individuals:

- *ECOFISH Partnership Specialist*. The Cooperating Country National (CCN) Partnership Specialist will be based in Manila and will conduct day-to-day activities, including meetings with prospective partners, conducting negotiations, organizing events, etc.

- *Partnership Advisor.* The US-based Partnership Advisor will serve as the partnership backstop, providing both analytical and capacity-building support to the CCN and ECOFISH management.
- *Senior Partnership Advisor.* The Senior Partnership Advisor will provide technical direction and lead project mobilization.
- *Business Fellows.* The Business Fellows will provide support to the Partnership Specialist's day-to-day tasks.

As the Partnership Specialist gains experience and capacity, the roles of the Partnership Advisor and Senior Partnership Advisor will diminish substantially in years 3-5. In addition to the core SSG PPP Team members, SSG will also contract a short-term consultant who will support partnership development from a technical standpoint cutting across EAFM issues. SSG expects that the consultant will also provide networking support and contacts for strategic and community partnership development.

The PPP Team will report to the COP, but collaborate closely with the ECOFISH Resource Economist. The DCOP, STA/M and USAID COR are additional key stakeholders, who will provide guidance to the team.

2.2 Guiding Principles

Going forward, five guiding principles will distinguish ECOFISH PPP work:

- *Focus on 'low-hanging fruits'.* In Year 1, ECOFISH will seek to establish a track record in creating partnerships, which create value for both the public and private sectors. The team will focus on those partnerships that can be formed quickly to demonstrate the value of private sector engagement in subsequent years. Over time, SSG will seek to build more complex partnerships that lead to greater impact and deeper contributions to project objectives.
- *Build Capacity for Partnership.* In developing partnerships, SSG will concentrate on building the capacity of key ECOFISH stakeholders to build and manage effective partnership. Partnerships at the local level will be identified and built by community stakeholders themselves. Particular attention will be provided to women's groups and building their capacity and networks to engage in diverse economic activities to support local incomes.
- *Leverage for results.* The ECOFISH partnership strategy focuses first and foremost on developing partnerships that enable the project to enhance its intended results – through increased scale or sustainability.
- *Facilitating partnerships with clear ownership by government and community counterparts.* Although ECOFISH will lead the partnership process, its role will be strictly facilitative and catalytic as much as possible. Any agreement established under a strategic partnership should at a minimum involve a private sector entity, and a government entity either at the national and/or local level. This is to ensure that there is

clear ownership of the partnership and its activities beyond just ECOFISH as the pilot or facilitator, as well as guarantee clear commitments and facilitate broader applications from the respective entities. ECOFISH will adopt a Gender and Development (GAD) approach to mainstream partnerships into local economies, specifically involving women's groups and women champions in key decision-making processes, business planning, and leading implementation.

- *Buy-in, Not Burden for ECOFISH staff.* ECOFISH management and staff will play an important but limited role in developing PPPs. For partnerships at the national level, ECOFISH management will serve as a high-level assurance group to assist SSG at key stages in determining which partnerships are worth carrying forward. At the community level, MKBA site coordinators and staff will play a support role to SSG in mobilizing community stakeholders to participate in capacity building events focused on partnership development.

3.0 Definitions and Objectives

3.1 Definitions

SSG has categorized its work on ECOFISH PPP development into two broad types of partnership – *strategic partnerships* and *community partnerships*.

Strategic partnerships are large-scale partnerships that will involve Philippine and/or multi-national companies. These partnerships will be identified, developed, and managed by SSG and the ECOFISH project. Activities under this type of partnership may target a single Marine Key Biodiversity Area (MKBA) or several MKBAs. These partnerships are expected to be high profile and to have a significant, bottom-line impact on project results. Individual strategic partnerships will not be initiated without some kind of major role in helping the project achieve key results. Moreover, these partnerships will always include a major private sector partner, although these partnerships may also include other partners such as government agencies, NGOs, the academe etc. In the life of the project, SSG will develop at least 8 strategic partnerships. While we anticipate that strategic partnerships, due to their scope and scale, will likely catalyze the establishment of community partnerships, they will be generated in large part through direct discussions with potential private sector partners and the linking of business interests that overlap closely with project objectives and stakeholder interests.

By contrast, ***community partnerships*** are small-scale partnerships that will be identified, developed, and managed by local stakeholders in MKBA target communities. Community partnerships will be generated as a result of the SSG's tailored capacity building in target communities. Community partnerships will range across a broad area of project issues under the Growth-Control-Maintenance Framework including livelihood and income enhancement, enforcement and conservation, and others (see Box 2). Partners and resources may come from any sector with community interests, including the private sector. Partners and resources may also be drawn from government agencies and civil society organizations, so long as they clearly contribute to partnership goals and address community needs. Private sector and public sector partners in community partnerships may be local and well rooted in communities themselves, or they may be from outside communities. The key defining element is that the resource partner relationships will be held and managed by communities themselves. ECOFISH's role will be entirely facilitative in nature.

SSG will work over the life of the project to develop broad *partnership portfolios* at each MKBA. Portfolios will consist both of strategic partnerships and community partnerships and will vary in size and type. Strategic partnerships will be developed and managed by SSG with contributions as needed by other ECOFISH implementing partners. Community partnerships will be built by community stakeholders, with guidance from SSG and MKBA site teams. Both types should be considered as essential to the overall portfolio.

Given the wide range of communities involved in ECOFISH, SSG expects that certain MKBAs will be more active in partnership development, leading to larger portfolios. Community partnerships will vary greatly in focus depending on communities. As such, some portfolios may focus more on enforcement or conservation, while others may involve more economic or livelihood development partnerships.

Both types of partnerships will *leverage* a minimum of \$8 million dollars during the life of the project. The primary USAID public-private partnership office – called the Office of Innovation & Development Alliances (IDEA) – defines leverage as “new, non-public resources - whether money, technologies, or expertise - brought by the private sector and other non-traditional USAID partners to a (public-private partnership). *Leverage is not cost share and it cannot be audited.*”¹

According to USAID’s Acquisition and Assistance Policy Directive (AAPD) 04-16,² leverage may include any of the following types of resources:

- Anything of value that can be measured;
- Financial contributions;
- Third party contributions;
- Donated services or property;
- Intellectual property.

In addition to leverage, partnerships with the private sector may offer value that cannot be easily monetized such as market access, brand value, reputation, etc. As described by USAID/IDEA, “such contributions are often considered desirable outcomes but are not counted as leverage. These assets can be invaluable to USAID's work and should not be discouraged just because they cannot be reported as a dollar figure. (Partnerships) are about working with non-traditional private sector partners to increase the agency's development impact. If a private sector partner's contribution leads to significant development impact, then a powerful (partnership) is created, whether or not its contribution can be monetized as leverage.”³

¹ <http://idea.usaid.gov/gp/leverage-overview>

² http://idea.usaid.gov/sites/default/files/attachments/aapd04_16.pdf

³ <http://idea.usaid.gov/gp/leverage-overview>

Box 2: The Growth-Control-Maintenance Framework

The **Growth-Control-Maintenance (GCM) Framework** orients ECOFISH activities to closely follow the ecosystem-based approach to fisheries management (EAFM). Specifically, the GCM Framework logically lays out project activities along “Growth”, “Control” and “Maintenance” so as to ensure all efforts synergistically establish and institutionalize an enabling environment for sustainable fisheries management. This Framework is therefore critical in anchoring partnership development.

Growth activities refer to efforts that promote increase in fish stocks and biomass, including:

- Establishing MPA networks
- Species specific management

Control activities refer to efforts that regulate and better manage fishing effort, including:

- Gear restriction/replacement
- Registration and licensing
- Zoning

Maintenance activities refer to efforts that facilitate continuity for sustainable fishing, including:

- Livelihoods and enterprise development
- Capacity building
- Inter-LGU cooperation

It should be noted that ECOFISH partnership work does not focus on traditional or *contractual* public-private partnerships – or PPPs – which are a current focus of and priority from the Government of the Philippines (GOP).⁴ Contractual PPPs are defined as broad agreements between government and the private sector that involves the provision of public services or infrastructure. Contractual PPPs are meant to infuse public priorities with the managerial skills of the private sector, thereby mitigating the burden of large public capital expenditures and transferring risk to the private sector. While privatization results in a full transfer of public assets to the private sector, contractual PPPs bring government and business together to provide or improve services. Contractual PPPs often take the form of large infrastructure projects such as ‘build-operate-transfers,’ or BOTs, in which a private entity receives a concession from the public sector to finance, design, construct, and/or operate a public facility, service, or system as stated in a concession contract. ECOFISH may involve contractual PPP work in some form to be determined, but this will likely be determined by community and MKBA development interests.

3.2 Deliverable 6: Public-Private Partnerships Supporting ECOFISH Objectives Established

ECOFISH will engage the participation of national agencies, local governments, other donors, civil society organizations, and the private sector in initiatives that will enhance the application of EAFM principles at the local and national levels. PPPs will serve as a critical mechanism to expand the private sector’s commitment and its resources towards improved fisheries management under the GCM Framework. The Partnership Specialist will lead the design and development of an innovative portfolio of PPP projects that link with specific fishery, technology, and tourism markets, among others, to positively impact livelihoods of coastal communities within the eight MKBA areas.

⁴ Information about current policy and practice for PPPs in the Philippines can be found at: http://ppp.gov.ph/?page_id=8

Over the life of the project, broad portfolios of partnerships at both the *strategic* and *community* level will be developed. ECOFISH will work towards a minimum of 8 portfolios across all MKBAs, which will include strategic and community partnerships. See Box 3.

Box 3. Deliverable 6: Public-Private Partnerships Supporting ECOFISH Objectives							
Project Intervention/Activity	Target/Scale	Total	Year				
			1	2	3	4	5
Develop portfolio of PPPs	1 per MKBA	8					
Establish public- and private-sector partnerships	8 strategic and 100 community PPPs, leveraging \$8 million						
Team Leads: SSG Advisors, Senior Resource Economics Specialist Key Partners: Private sector, National Government Agencies, LGUs							

4.0 Overall PPP Strategy

4.1 A Portfolio Approach

ECOFISH will establish 1 partnership portfolio per MKBA. Each partnership portfolio will consist of both strategic partnerships and community partnerships as appropriate. It is expected that some portfolios will be ripe for a diverse mix of strategic and community partnerships, while some may be more oriented towards community partnerships. Nonetheless, a portfolio approach will primarily establish coherence across prospective partnerships within MKBAs and potentially facilitate cross-fertilization and collaboration across MKBAs.

It should be clarified, that by default, the role of ECOFISH in establishing partnerships at both the strategic and community level is to be ideally and purely facilitative and catalytic, as much as possible. Partnerships shall always be established between private sector, LGUs, BFAR and/or communities to ensure sustainability beyond the ECOFISH lifespan.

4.2 Strategic Partnerships

SSG will facilitate and develop strategic partnerships between Philippine-based and international companies and public partners (including national and local government entities) through targeted engagements across diverse areas. The SSG Partnership Specialist will schedule meetings and negotiations in order to identify common areas of interest—where a potential partnership can deliver project value, business value, and operational value (addressing risks and transaction costs) under the Growth-Control-Maintenance Framework. It is also expected that strategic partnerships will blossom into several community partnerships potentially cutting across various MKBAs.

4.2.1 Strategic Partnership Deliverable Targets

Eight strategic partnerships in total will be established during the life of the project, with a considerable amount of resources leveraged.

4.2.2 Strategic Partnership Themes

Illustrative strategic partnership themes to be facilitated by ECOFISH include:

- ***Sustainable Fisheries Partnerships*** involving the Philippine Association of Crab Processors Inc. (PACPI), RBL Fishing, Frabel, and Jewelmer on issues such as right-sizing fishing efforts with support for gear replacement, training, and high value fish hatchery technologies.
- ***Enterprise Development Partnerships*** with regional and international businesses such as Hikari Pearl Farm in Coron, Microventures and Hapinoy for alternative livelihoods and distribution of fish and marine goods and products to ultimately diversify incomes.
- ***Technology Partnerships*** between public and private entities such as Microsoft and the Information Communication Technology Office of DOST for SUPERWIFI to enhance enforcement efforts within and across MKBAs, and SMART Telecom for developing user-friendly applications to facilitate enforcement and fish density monitoring.
- ***Credit-related Partnerships*** involving institutions such as Landbank, DBP and BPI to increase capacity of LGUs, cooperatives and entrepreneurs to access legitimate credit to facilitate right-sizing of fish efforts and the diversification of incomes through enterprise development and ecotourism.
- ***Ecotourism Partnerships*** between airlines, dive outfitters, tour guides, hotels and resorts and LGUs of several MKBAs in developing livelihood opportunities for local fisherfolks

4.2.3 Roles and Responsibilities

As best practice, due diligence will be conducted by SSG as necessary before pursuing any formalization. SSG will serve as the secretariat for all strategic partnerships and activities agreed upon. The Partnership Specialist will coordinate with ECOFISH staff as necessary on critical day-to-day support. ECOFISH staff will assist in “gating” partnerships through their participation in the High Level Assurance Group (HLAG), which is discussed in more detail in Section 5.

4.3 Community Partnerships

SSG will facilitate community partnerships through effective and catalytic skills-building. This will be realized through multiple capacity-building events and a mentorship program.

SSG will conduct baseline assessments as part of broader socio-economic assessments under ECOFISH. SSG, with support from the MKBA site coordinators, will also facilitate briefing, scoping and community-based mapping exercises with key stakeholders (such as local government units, the Bureau of Fisheries and Aquaculture Resources, community organizations, and local entrepreneurs and businessmen) to identify priority areas and industries, as well as potential business and partnerships opportunities, and ultimately participants for the multi-stakeholder community partnership training events.

SSG, with support from MKBA site teams, will organize multi-stakeholder community partnership training events at each MKBA. In these training events, an introduction to partnerships for community development and growth will be provided, followed up by basic training on business planning. In these training events, participants will be expected to generate business and partnership ideas based on the identified livelihood and partnership priorities during the scoping and mapping, and translate these into basic business plans which will be expected to cover demand-side issues (such as enterprise development, ecotourism, enforcement, community-based research and education). In all, SSG expects a minimum of 100 communities actively engaged and mobilized under at least 30 business plans or action plans, as captured in 100 letters of commitment.

The top 10 of these business plans will be eligible for the community mentorship program, where these communities will be provided tailored support as made available through ECOFISH partners, including strategic partnerships. Such tailored support could include assistance on ecotourism, credit, innovative technologies, enterprise development, financial planning and marketing.

4.3.1 Community Partnership Deliverable Targets

Over the life of the project, ECOFISH will generate at least *100 community partnerships*, to be measured according to the number of communities mobilized and business plans produced as a result of engagement. In encouraging community partnership development, SSG's primary engagement with communities will occur through capacity building and training. SSG will engage each MKBA through at least one primary, initial training event. Each of these training events will target at least 30 community leaders including entrepreneurs and the private sector, Local Government Unit leaders, association leaders (e.g. Bantay Dagat), and other community members. In addition, SSG will invite participation from local BFAR leaders whenever possible and appropriate.

SSG has divided ECOFISH Community Partnership capacity building into three primary modules: Introduction to Partnerships; Business Planning and Partnership Modeling; and Community Partnership Mentoring. Each initial MKBA training event will engage communities through the business planning and modeling phase. Following business plan generation across the sites, SSG will choose up to 10 of the best community partnership plans and work with communities to bring these to fruition through mentorship.

The selection criteria for community partnership training and mentoring support will be based on the livelihood and partnership priorities identified during the scoping and mapping exercises. Those that will be selected for training and mentoring will need to demonstrate the following criteria:

- Presence of identified champions, 50% of which should be women or represent women's interests
- Identified partners willing to provide letters of commitment outlining projected benefits and resource counterparts
- Potential positive impacts on fish biomass and/or local incomes
- Ability to engage through business planning and partnership building training;
- Completed, fully supported business plans or action plans within 3 months of the training.

4.3.2 Community Training Module 1: Introduction to Partnerships

The initial community training will introduce the PPP model to stakeholders, focusing in particular on understanding the value that businesses and the private sector can bring to community development. Module 1 will engage communities to consider specific types of private and public partners that would be interested in community plans. The session will also focus on community asset mapping. By the end of the session, stakeholders will have collected a number of ‘big ideas’ for business planning and generated a number of partnership concepts.

Duration: 1 day

Size: 30 participants (average)

Primary Training Output: 5-10 Partnership Concepts

4.3.3 Community Training Module 2: Business Planning and Partnership Modeling

SSG expects Module 2 to occur the following day after Module 1. Module 2 will build from Module 1 by working with stakeholders to develop partnership concepts into business plans, to be drafted by the end of the session. Each business plan will be aspirational and operational in nature, outlining partnership ideas, potential partners, and expected types of resources to be leveraged (e.g. technology, investment, market access), among other issues. Business plans will include tracking efforts to measure the amount of resources leveraged (in good faith).

Certain community partnership ‘big ideas’ will not be livelihood-oriented or economic endeavors and may be focused on issues such as enforcement or conservation. For these types of partnerships, business plans will focus more on planning and modeling partnerships, but they will also be oriented towards additional resource generation and tracking.

Duration: 1 day

Size: 30 participants (average)

Primary Training Output: 5-10 Business Plans or Action Plans

4.3.4 Community Training Module 3: Community Mentoring

Upon completion of Module 2, SSG will collect and carefully review all business plans. Based on this review, SSG will choose a select number of promising business plans for a third level of engagement – tailored support towards launch. Support will include specialized advice and skills-building on a broad range of issues such as financial planning, marketing, and networking. SSG will also provide assistance in technical areas related to the partnership concepts themselves such as access to credit, ecotourism, mariculture, value addition, market access, etc. In addition, SSG will facilitate linkages for community partnerships to strategic partners whenever and wherever possible. For example, communities working towards launching a product line of fish-based value added products could be linked directly to national supermarket chains rapidly providing larger market access.

Duration: Ongoing

Size: 5-10 Community Partnership Groups across all sites

Primary Training Output: Up to 10 Mentored Business Plans or Action Plans across all sites

4.3.5 Roles and Responsibilities

The SSG PPP team shall take the lead role in partnership development, mentoring, and monitoring at the community level. The SSG PPP team, in coordination with the support of the MKBA site teams, will spearhead the identification of key stakeholders, logistical support, and information gathering on community partnerships as they develop, including on partners, activities, and additional resources leveraged. The SSG PPP team will also orchestrate and oversee, in coordination with the MKBA site coordinators, the critical facilitative role in identifying needs and needed support for the partnerships.

5.0 Partnership Development and Management Plan

SSG will establish an efficient working approach towards meeting deliverables through the life of project so as to maximize and optimize limited resources. SSG is therefore implementing a “stage-gate” approach to partnership development.

The stage-gate approach is a process for making disciplined decisions about partnership development in line with ECOFISH objectives and the broader Growth-Control-Maintenance Framework. It is the objective of the approach to facilitate more efficient and focused efforts with regards to partnership engagement and formalization, cognizant of the potential diversity and number of partnerships and limited staff time.

The stage-gate process is comprised of a series of “stages” and “gates” as shown in Figure 1. Each stage is defined by a set of specific partnership development activities; gates are checkpoints where guidance is provided by ECOFISH staff based on alignment of prospective partnerships to project objectives.

Specifically, the stage-gate approach will be used by ECOFISH to:

- Provide consistency in managing prospective strategic and community partnerships, considering project value, business value and operational value;
- Establish a space for providing guidance on how to facilitate partnerships for ownership of the private and public sector partners (e.g. BFAR, LGUs), across different themes (e.g. biophysical, socio-economic, enforcement, gender mainstreaming);
- Make efficient use of limited staff time, and facilitate buy-in;
- Evaluate and monitor partnerships against milestones or “gates”;
- Guide decisions on partnership development (e.g. Proceed, Hold, Return).

Figure 1. Simplified “Stage-Gate” Diagram



5.1 Staff Engagement and Management

Cognizant of limited resources and staff time, staff and stakeholder engagement will be targeted along key strategic points of partnership building. Major decision-makers and stakeholders for this process include: the ECOFISH High Level Assurance Group, ECOFISH Site Coordinators, LGU partners, and BFAR representatives.

Select ECOFISH management and technical staff will be engaged mainly as members of a High Level Assurance Group (HLAG), whose primary role will be to “gate” or determine if potential strategic partnerships are to be elevated to the next stage of development. The HLAG will be convened after the Partnership Specialist has conducted activities relating to various stages of partnership building (e.g. scoping, engagement, formalization, implementation). Members of the HLAG will provide advice as well as guidance ranging from technical to political towards ensuring quality partnerships in line with ECOFISH goals, that include sensitivity to gender considerations.

The HLAG will compose of the ECOFISH COP, DCOP, and ECOFISH key technical staff. As a rule, at least the ECOFISH COP and a relevant key technical staff (e.g. Resource Economics Specialist, Fisheries and Coastal Resources Management Specialist, Enforcement Specialist, Senior Governance and Institutional Development Specialist) should be present at a gating meeting. At the engagement and formalization stages, the HLAG will also include USAID’s Contract Officer’s Representative (COR) for ECOFISH and a senior BFAR representative.

MKBA Site Coordinators will be engaged mainly during the assessment process, which include briefing, mapping and scoping key stakeholders; conducting trainings; and “gating” business plans for potential mentoring. The role of the MKBA site coordinators in this regard will be to assist in identifying champions and facilitate quality control of potential community partnerships on the basis of feasibility and impact in line with ECOFISH goals, with particular attention to gender considerations and mainstreaming objectives.

LGU representatives, such as the Municipal Agriculture Officer (MAO), and local BFAR representatives will also be consulted and engaged throughout the community partnership building stages. Their role will be to ground community partnerships according to local realities and priorities, as well as champion their ownership and sustainability, having participated in critical decision-making and screening processes throughout the various stages.

5.2 Gating Strategic Partnerships

As defined above in Figure 1, ECOFISH will follow a stage-gate approach towards pursuing and managing strategic partnerships. Overall, the process will be oriented along 5 stages with corresponding gates:

Stage 1: Scoping

- *Core Activities:* Partnership Specialist conducts interviews with various Philippine-based and international companies towards identifying potential partnership ideas oriented around ECOFISH goals and sites, while also conducting due diligence as necessary.

- *Core Deliverables:* Rapid Partnership Appraisal (RPA).⁵

Gate 1: HLAG convenes and, on the basis of the Rapid Partnership Appraisal and screening criteria (see Annex C), provides advice and determines which partnerships will go through the next stage of engagement.

Stage 2: Engagement

- *Core Activities:* Partnership Specialist conducts further discussions and negotiations with relevant companies and entities as per the “gated” partnership ideas towards forming a Concept Note, while also conducting deeper due diligence and initial groundwork. LGU and BFAR representatives at the national and local levels will also be consulted
- *Core Deliverables:* Draft Partnership Concept Note.

Gate 2: HLAG convenes and, on the basis of the concept note, provides advice and determines which partnerships will go through the next stage of formalization, or guidance on returning to stage 2 to improve concept note.

Stage 3: Formalization

- *Core Activities:* Partnership Specialist conducts final negotiations with relevant companies and entities as per the “gated” concept notes with particular focus on finalizing operational and resource-related details. This will also include coordination with relevant ECOFISH sites and stakeholders, including BFAR and relevant LGUs.
- *Core Deliverables:* Draft MOU.

Gate 3: HLAG convenes and – on the basis of the draft MOU – provides advice and gives go signal (or hold order) for approval of the MOU. USAID and BFAR will be consulted as possible witnesses for the MOU.

Stage 4: Management

- *Core Activities:* Partnership Specialist monitors roll-out of activities and deliverables as per the signed MOU in coordination with relevant site coordinators, BFAR and LGUs, and reports to partners as appropriate.
- *Core Deliverables:* Management Reports (either quarterly, semi-annual or annual).

Gate 4: HLAG convenes with the participation of BFAR and, on the basis of the management report, evaluates the progress of the partnership and provides guidance, as necessary, for strengthening implementation.

Stage 5: Legacy Management

- *Core Activities:* Partnership Specialist conducts evaluation on sustainability of the project where partnership nears close-out.
- *Core Deliverables:* Draft Continuity/Sustainability Strategy.

⁵ The Rapid Partnership Appraisal compiles the results of desk analysis, key informant interviews with companies, and focus group discussions in Manila and the MKBAs. The RPA serves as the basis for identifying and screening/gating strategic partnership opportunities for further engagement.

Gate 5: HLAG convenes and, on the basis of the draft continuity strategy, evaluates and provides guidance on possible options for continuity and sustainability.

5.3 Gating Community Partnerships

ECOFISH will similarly follow a stage-gate approach as described in Figure 1 towards pursuing and managing community partnerships. This will be oriented along 5 stages with corresponding gates as follows:

Stage 1: Assessment

- *Core Activities:* Partnership Specialist conducts briefing and scoping activities with LGUs and BFAR at the MKBA level and facilitates interviews and focus group discussions with a small group of representative stakeholders (people's organization, local entrepreneurs) pre-selected by the site coordinator. For these discussions, participatory community-based mapping and scoping exercises will be conducted where stakeholders will map existing and potential areas for businesses and partnerships. Participatory network analysis will also be conducted to identify the most strategic set of training participants, in line with ECOFISH gender mainstreaming objectives.
- *Core Deliverables:* Initial list of training participants and short profile of business and community partnership potentials.

Gate 1: Partnership Specialist and Site Coordinator finalizes list of training participants and, on the basis of short profile, modifies community partnership training modules as necessary.

Stage 2: Capacity Building

- *Core Activities:* Partnership Specialist together with Partnership Advisor, Site Coordinator and other relevant resource person(s) conduct community partnership training.
- *Core Deliverables:* At least 30 participants trained per event from people's organizations, local enterprises, and businesses, and 10 from the LGU/BFAR, and submission of a total of 100 business plans from all sites.

Gate 2: Partnership Specialist, Partnership Advisor, and Site Coordinator meet and, on the basis of the business plans, determine which business plans and proposed community partnerships will go through the next stage of preparations or mentorship as necessary, or reverts back to participants for enhancements.

Stage 3: Community Preparations

- *Core Activities:* Partnership Specialist and Site Coordinator conduct any needed due diligence efforts with regards to community business plans, and organizes possible support and mentorship offerings for the most promising business plans. LGU and BFAR representatives will also be consulted and engaged in training activities.
- *Core Deliverables:* Candidate community business plans for mentorship and tailored support.

Gate 3: HLAG convenes with Site Coordinator and, on the basis of the candidate business plans, provides advice and gives go signal (or hold order) for approval of mentorship and tailored support for “champion” community business plans.

Stage 4: Mentoring

- *Core Activities:* Partnership Specialist and Site Coordinator together with potential partner-mentors develop targeted support to champion community business plans, and conimplement mentorship program in coordination with LGU and BFAR representatives.
- *Core Deliverables:* 20-30 champion community business plans mentored.

Gate 4: HLAG and Site Coordinator convene and evaluates progress of the mentorship program.

Stage 5: Legacy Management

- *Core Activities:* Partnership Specialist and Site Coordinator conducts evaluation on potential continuity of champion community business plans, in coordination with LGU and BFAR representatives.
- *Core Deliverables:* Draft Continuity Strategy.

Gate 5: HLAG convenes and, on the basis of the draft continuity strategy, evaluates and provides guidance on possible options for continuity and sustainability for champion community business plans, as necessary.

5.4 Monitoring and Measurement

Key to both strategic and community partnership development will be monitoring and measurement of partnership results. To this end, SSG will measure for both *outputs* and *outcomes* in partnership development. SSG will integrate its monitoring and measurement approach and needs into the overall monitoring and evaluation system of ECOFISH, including its benchmarking and baseline assessment processes, working carefully with the project Resource Economist and the M&E Specialist in the process.

At the strategic partnership level, SSG will incorporate two primary indicators to measure results at the output and outcome levels (box 4).

Box 4. Strategic Partnership Indicators to Measure Results and the Output and Outcome Level.

Measurement Level	Strategic PPP Indicator	Target over LOP
Outputs	MOUs signed with at least one private sector partner	8 MOUs signed
Outcomes	Resources leveraged	\$8 million leveraged through funding and in-kind contributions
Outcomes	As per strategic partnership project goals (e.g. income generated, increase in biomass, support for enforcement, training)	As per strategic partnership project goals (e.g. contribution to 10% increase in income generated, 10% increase in biomass as a result of partnership)

In gauging outcomes, SSG will assure that all signed MOUs require signatory strategic partners to provide resource contribution measurements on an annual basis. Where necessary, pre-partnership surveys will be conducted prior to strategic partnership interventions to baseline biophysical and/or socio-economic conditions in pilot/host communities. Interim partnership surveys and post-partnership surveys will also be conducted to assess impact and potential improvements.

For community partnerships, relevant indicators are given in Box 5. SSG will work closely with the ECOFISH Resource Economist to design critical benchmarking for partnerships and community assets and interests as part of the Community Socio-Economic Baseline Assessment, to be conducted through the Resource Economist's Baseline Assessment. SSG will benchmark and gather Community Partnership baseline data in all 8 MKBAs to determine potential community partnership approaches and modalities to ensure that ECOFISH Community Partnership development reflects on-the-ground realities and is sensitive to the needs of local stakeholders, particularly women.

Box 5. Community Partnership Indicators to Measure Results at the Output and Outcome Level.

Measurement Level	Community PPP Indicator	Target over LOP
Outputs	Communities actively engaged and mobilized	100 communities actively engaged and mobilized
Outputs	Business plan generated	30 business plans generated
Outputs	Letters of commitment from engaged and mobilized communities	100 letters of commitment from engaged and mobilized communities
Outcomes	As per community business plan or action plan (e.g. income generated)	As per community business plan or action plan (e.g. contribution to 10% increase in income generated as a result of partnership)

Towards this end, the Partnership Specialist will engage with community partnerships as part of the mentoring process to identify proper results tracking indicators including both income and employment enhancement and conservation enhancement that resulted from community partnership activities. Detailed planning for Partnership Monitoring and Measurement will occur during the second half of Year 1.

Annex A. PPP Workplan

The following workplan summarizes all expected ECOFISH PPP development activities over the life of the project. Activities are divided by year and according to task. Years 1 and 2 are outlined according to detailed targets, while the work plan also provides a summary for Years 3 through 5. SSG expects partnership development activities in years subsequent to Year 2 to evolve as a result of Year 1's intensive partnership development. As such, SSG will revise partnership work planning on a yearly basis as needed.

In general, ECOFISH PPP development activities will be heaviest and richest in Year 1 and 2, with up to 8 strategic partnerships under development and community trainings completed in all eight MKBAs. Annex B provides a Gantt chart highlighting Year 1 key tasks and targets.

A.1 Year 1

In the first year of the project, the emphasis will be developing and testing approaches, so that ECOFISH PPPs can be successfully expanded in years 2-5 across all 8 MKBAs. SSG will work in the first half of the year to intensively assess major strategic partnership opportunities through the Rapid Public-Private Partnership Appraisal. Over the course of the year, SSG will develop up to 4 strategic PPPs. At the community level, SSG will focus on community partnership capacity building, including community asset mapping, design and conduct of training modules, and oversight of an initial batch of community partnership business plans.

A.1.1 Task 1: Scoping and Assessment

Activities:

- Benchmarking and baseline assessments in line with broader ECOFISH activities.
- Key informant interviews, focus group discussions, community-based mapping.
- Partnership meetings held as required.

Outputs:

- RPA submitted for strategic partnerships.
- Partnership gating and scorecard for strategic partnerships.
- 2 Short profiles of business and community partnership potentials (tentatively for VIP, Calamianes and/or Danajon Reef).
- Initial list of training participants and short profile of business and partnership potentials.

A.1.2 Task 2: Engagement Process for Strategic Partnerships

Activities:

- Partnership meetings held as required towards partnership conceptualization, including due diligence.

Outputs:

- Partnership meetings held as required.

- Up to 4 strategic partnership concept notes drafted and circulated.
- Up to 4 due diligence reports drafted and submitted as required.

A.1.3 Task 3: Formalization Process for Strategic Partnerships

Activities:

- Partnership meetings held as a required.
- Consultation with legal teams as necessary.

Outputs:

- Up to 2 MOUs submitted to partners and revised.

A.1.4 Task 4: Strategic Partnership Management and Measurement

Activities:

- Partnership baseline assessment and benchmarking.
- Design partnership indicators.
- Monitor partnership implementation.

Outputs:

- Overall partnership strategy submitted.
- Overall partnership management report template developed and submitted.
- Overall partnership management reports submitted as needed.
- Due diligence template developed and submitted.
- Setting up partnership governance structures as needed.
- Partnership monitoring and measurement established and operational (including baseline data for each partnership).

A.1.5 Task 5: Community Partnership Building

Activities:

- Conduct Community Partnership Training (tentatively in VIP and Danajon Reef).

Outputs:

- ECOFISH community partnership training modules developed.
- 2 community partnership stakeholder trainings conducted (30-50 participants per training, with 3 facilitators—2 SSG, 1 site coordinator) – Modules 1-2.
- Up to 5 Business Plans generated.
- Up to 10 communities engaged.

A.2 Year 2

During Year 2, SSG will continue the pace of Year 1 activities by updating scoping and gating of strategic opportunities, leading to an additional 4 strategic partnerships. Year 2 will also see the

near completion of all community training activities, with a total of 7 MKBAs trainings conducted by the end of Year 2. In addition, communities will have generated at least 20 community partnership business plans within the first two years of the project.

A.2.1 Task 1: Scoping and Assessment

Outputs:

- RPA updated with new opportunities submitted.
- Partnership scorecard updated with new opportunities submitted.
- Community partnership analysis continued.

A.2.2 Task 2: Engagement Process for Strategic Partnerships

Outputs:

- Partnership meetings held as required.
- Up to 4 strategic partnership concept notes drafted and circulated.
- Up to 4 due diligence reports drafted and submitted as required.

A.2.3 Task 3: Formalization Process for Strategic Partnerships

Outputs:

- Partnership meetings held as required.
- Up to 4 MOUs submitted to partners and revised.

A.2.4 Task 4: Strategic Partnership Management and Measurement

Outputs:

- Overall partnership management reports submitted as needed.
- Due diligence template developed and submitted (as needed).
- Setting up partnership governance structures as needed.
- Partnership results and leveraged resources data collected.

A.2.5 Task 5: Community Partnership Building

Outputs:

- Up to 4 community partnership stakeholder trainings conducted (30-50 participants per training, with 3 facilitators—2 SSG, 1 site coordinator).
- Up to 10 Business Plans generated
- Up to 40 communities engaged

A.3 Years 3-5

In the final three years of the project, SSG will guide strategic partnerships from implementation towards closeout or handover to partners, depending on the life span of the partnership. Community partnership engagement will evolve from completing the training in Year 2 (with up

to 6 training events) towards mentorship of the best business plans in Years 3 and 4. Up to 10 community partnership business plans will be generated, and up to 10 of the best among them will be engaged in SSG's mentorship program, with the goal of strengthening them towards initiation. In addition to closing our strategic partnerships, Year 5 will focus on taking stock of results and impacts for both community and strategic partnerships. SSG will focus its final reporting on measuring partnership results and how partnerships have contributed to the expected results and objectives of ECOFISH.

A.3.1 Task 1: Scoping and Assessment

Outputs:

- RPA updated with new opportunities submitted (Year 3).
- Partnership scorecard updated with new opportunities submitted (Year 3).
- Community partnership analysis continued (Year 3).
- No scoping expected in Year 4-5.

A.3.2 Task 2: Engagement Process for Strategic Partnerships

Outputs:

- Partnership meetings held as required.
- Up to 4 strategic partnership concept notes drafted and circulated (Year 3).
- Up to 4 due diligence reports drafted and submitted as required (Year 3).

A.3.3 Task 3: Formalization Process for Strategic Partnerships

Outputs:

- Partnership meetings held as required.
- Up to 4 MOUs submitted to partners and revised (Year 3).

A.3.4 Task 4: Strategic Partnership Management and Measurement

Outputs:

- Overall partnership management reports submitted as needed (Year 3).
- Due diligence template developed and submitted as needed (Year 3).
- Setting up partnership governance structures as needed (Year 3).
- Partnership results and leveraged resources data collected.
- Transitioning or closing partnership governance structures as needed (Years 4-5).
- ECOFISH mid-term evaluation inputs provided.

A.3.5 Task 5: Community Partnership Building

Outputs:

- Up to 6 community partnership stakeholder trainings conducted (30-50 participants per training, with 3 facilitators—2 SSG, 1 site coordinator) - (Year 3).

- Up to 30 Business Plans generated - (Year 3-4).
- Up to 40 communities engaged- (Year 3-4).
- Up to 10 Business Plans mentored.
- ECOFISH mid-term evaluation inputs provided.

A.3.6 Task 6: Project Close-Out

Outputs:

- Overall partnership management reports submitted as needed (Year 5).
- Final Partnership Report (Year 5).
- Transitioning or closing out partnerships as needed (Year 5).

Annex B: Year 1 PPP Development Timeline

ACTIVITIES	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Draft and Complete Partnership Strategy												
Conduct Rapid Partnership Appraisal (RPA) and Opportunity Analysis												
Initial Gating of Strategic Partnership Opportunities (with ECOFISH High Level Assurance Group)												
Submit Draft RPA												
Developing and Managing Strategic Partnerships (Negotiations, Concept Notes, MOUs)												
• Up to 4 Concept Notes developed												
• Up to 2 MOUs signed												
Deliver 2 Strategic Partnerships												
Develop Community Partnership Training												
• Developing scoping methodology and training modules												
• Community Partnership Scoping (VIP, Calamianes, Danajon Reef, Negros)												
• Testing of training modules in 1 site (VIP)												

Conduct Community Partnership training (Calamianes, Danajon Reef)												
Generate up to 5 Community Business Plans engaging up to 10 communities with letters of commitment												
Manage Community Partnerships for possible mentorship												

Annex C: Partnership Value and Transaction Costs

In determining partnerships for implementation, SSG will work closely with ECOFISH staff to carefully analyze and “stage-gate” partnership opportunities in order to determine the overall value that the public-private partnerships could bring to the project (see Section 4.0). Central to this determination, the project must understand the additional value leveraged as well as relative costs in building partnerships. Some partnerships can be jump-started quickly while others will require longer timeframes and negotiations. The highest value partnerships may take time to mature, but they also could lead to impressive outcomes for the project. At the opposite end of the spectrum, shorter-term partnerships may rapidly lead to tangible activities and deliverables within the first year of ECOFISH, assuming both management buy-in and successful negotiations with the appropriate private sector partners in question.

Partnerships are time-intensive and involve a degree of risk. As such, they are not always the most appropriate development intervention and should not be undertaken for the sake of merely having a public-private partnership. Rather, they should be used selectively in cases in which there are an opportunities to deliver both business value and value for project objectives. SSG’s Partnership Scorecard – developed by SSG Advisors as part of its Sustainable, Transparent, and Effective Partnerships (STEP) methodology – provides ECOFISH and its partners with a ‘stage-gating’ framework designed to determine whether or not a partnership opportunity should be pursued. The purpose of gating opportunities is to review the business value, development value, and risks and transaction costs associated with each partnership opportunity identified in the assessment. The goal is to provide project management with objective analysis regarding the spectrum of opportunities so that managers can focus limited resources on opportunities that align with their strategy, risk tolerance, and capabilities.

It is important to note that the screening process to be used by ECOFISH will be based on SSG’s understanding of private-sector priorities, identified during interviews and research for the ECOFISH Rapid Public-Private Partnership Appraisal, and ECOFISH’s programmatic objectives, as presented in the ECOFISH work planning documents and process. The prioritization factors will be divided into three broad categories: business value, project value, and risks/transaction costs. The following tables outline the methodology and elaborate each of these factors into its component parts.

C.1 Project Value

In determining the relative value of a partnership opportunity for the private sector, it is important to weigh the merits of a public-private partnership as a development intervention. The ECOFISH work plan specifies a series of project results as measures of project success. For a partnership to be considered of the highest value, it must fulfill program goals *above and beyond* what the project could achieve independently.

Over the last several years, SSG has analyzed scores of public-private partnerships around the world to determine the development value that collaboration with the private sector can bring to Agency development objectives. SSG has identified five types of value that a partnership with the private sector can offer development projects such as ECOFISH:

Prioritization Criteria: Project Value

- **Increased Scale** refers to expanded impact as measured through a greater number of beneficiaries or extended geographic or sector reach achieved through the partnership.
- **Improved Effectiveness** denotes an improved technical approach, results, and/or program as a direct result of the private sector's unique knowledge.
- **Increased Efficiency** implies a cost or time savings to the partnership effort simply as a result of private sector contributions.
- **Increased Sustainability/Replication** seeks to define whether activities or impacts of the partnership can continue after ECOFISH support for the partnership or project ends. Replication refers to how feasible it is for ECOFISH or its partners to reproduce a successful partnership activity in other contexts.
- **Systemic Change** refers to whether the partnership has the potential to make a substantial positive impact on a development challenge or an industry-wide bottleneck.

C.2 Business Value

In successful strategic public-private partnerships, private companies typically collaborate with projects because a partnership will help address a key business issue. While there may be a variety of factors motivating a company to forge a partnership with ECOFISH, three of the most common motivators are listed below:

Prioritization Criteria: Business Value

- The partnership solves a **key business challenge**.
- The partnership creates **an investment** or **expanded market opportunity**.
- The partnership creates **Corporate Social Responsibility (CSR)** or **image value for the company**.

In most cases, the first two factors will have much greater importance to a company than CSR/image value. While CSR is gaining in importance globally, relatively few companies successfully integrate CSR as a component of their business strategy. Despite an overall lack of sophistication in a global context, CSR will clearly play a significant role in ECOFISH partnerships. For this reason, this gating process ascribes equal value to CSR as it does to solving business challenges or aiding new investment/ expanding markets, both of which are more clearly related to core business interests of most companies. Using this approach, ECOFISH can determine those opportunities that most successfully address interests of businesses operating or interested in the Philippines.

C.3 Risks and Transaction Costs

The business and project value of partnership opportunities is absolutely critical, but it is important to remember that every partnership opportunity may present ECOFISH with significant risks and transaction costs. The table that follows illuminates the relevant costs of partnering:

Prioritization Criteria: Risks and ECOFISH Contributions

- **Increased Risk** refers to both development and reputational risk that ECOFISH may face as a result of the partnership.
- **Staff Intensity** refers to the level of ECOFISH staff involvement that may be required to bring a partnership to fruition and oversee its successful implementation.
- **Time Horizon** defines the amount of lead-time required to take the proposed partnership opportunity from its present form to the point at which actual partnership activities are underway.

All partnerships and, indeed, development interventions as a whole entail a certain degree of risk. ECOFISH should not seek to avoid risk altogether but rather take calculated risks where the ‘payoff’ in development terms is deemed worth the potential risk to USAID funds and reputation. Having an understanding of the relative risk of a partnership opportunity is critical for management to make an informed decision about moving forward with a partner or partners. Transaction costs get at the heart of one of the most significant constraints ECOFISH faces: *staff time*. For ECOFISH in particular, staff time will be at a premium. Therefore, it is vitally important that ECOFISH management understand how much staff time a potential partnership requires and ensure that workloads, job descriptions, and performance evaluations are adjusted to reflect the time-intensive nature of a partnership. In line with this, staff engagement will ultimately be limited and optimized towards: the participation of key personnel as members of a High Level Assurance Group responsible for “gating” strategic partnerships, and participation of site coordinators on identifying most appropriate communities for partnership and business planning training and “gating” the most promising business plans.