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UNDERSTANDING PRIVATE SECTOR VALUE: An Assessment of How USAID Measures the Value of Its Partnerships

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This report was produced for review by the United States Agency for International Development. It was prepared by Mission Measurement Corporation.

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ACRONYMS, ABBREVIATIONS AND TERMS

GDA	Global Development Alliance. A GDA is a specific type of public-private partnership whereby USAID works with private sector partners to advance mutual interests and increase the impact of our development investments. ¹ The public-private partnerships referred to in this report are all GDAs.
Impact	The term "impact" refers to significant change or progress that occurs over time as a result of or following a series of activities, outputs and intermediate outcomes.
Indicator	A measure of progress, typically numeric or otherwise quantifiable. In this report, "indicator" and "metric" are used interchangeably.
Investment	The term "investment" is used broadly in this report and refers to contribution of both financial and non-financial resources with an expected return – financial or otherwise.
M&E	Monitoring and evaluation. Outcomes measurement or performance measurement is a form of M&E focused on tracking near-term changes in status, condition or behavior.
Market-based	The term "market-based" is used to refer to programs and approaches that incorporate markets, commercial products and services, business models and other forms of commercial activity - formal or informal - as means of achieving development progress.
Metric	A measure of progress, typically numeric or otherwise quantifiable. In this report, "metric" and "indicator" are used interchangeably.
MOU	Memorandum of understanding
Outcome	The term "outcome" is used specifically to reflect near-term changes in status, condition or behavior. Outcomes follow execution of activities and production of outputs; outcomes are predicates to longer-term development progress or impact.
Output	The term "output" refers to the tangible product of a process or activity.
PPP/PPA	Public-Private Partnership or Public-Private Alliance. In this paper, this term is used interchangeably with "alliance," "public-private alliance" or "Global Development Alliance."
Private Sector	The term private sector generally refers to for-profit entities as well as nonprofit and nongovernmental organizations and academic institutions. However, in this report, only alliances that included for-profit entities (companies or businesses) were assessed and, as such, "private sector partners" is used to refer only to for-profit entities. These entities may be of any size and were both local and multi-national.
Sustainability	In this paper, the terms "sustainability," "sustained" and "sustaining" refer not to environmental issues but rather to the likelihood and ability that a development outcome will prevail or continue beyond the scope of a donor or aid-sponsored project.
USAID	United States Agency for International Development
USG	United States Government
Value	This report focuses on value from the USAID perspective: benefit derived from using the alliance approach that enhances development outcomes.

¹ More information can be found at: <http://www.usaid.gov/gda>

I. EXECUTIVE SUMMARY

In 2001, the United States Agency for International Development (USAID) developed the Global Development Alliance (GDA) model to significantly expand and deepen the impact of development assistance by linking U.S. foreign assistance with private sector partners. Since the inception of the GDA model, USAID has typically measured the value of partnering with the private sector using the leverage ratio, or the proportion of private sector resources relative to United States Government (USG) funds invested in a development program. This metric, however, is fundamentally a measurement of an *input* provided by the private sector, but does not give a greater understanding of how working with the private sector leads to better development *outcomes* by improving project performance. Despite the prevalence of input rather than outcome partnership value metrics in official Monitoring and Evaluation (M&E) plans, USAID staff have anecdotally identified a broad array of ways in which engaging the private sector benefits projects and therefore improves development outcomes. However, USAID staff also expressed concern about the amount of time and energy required to develop these alliances.

USAID is seeking to draw from its experience in designing and implementing alliances to better understand when and how best to use an alliance approach as a way of improving development outcomes. As a first step in developing a longer-term learning agenda on private sector alliances, USAID commissioned Mission Measurement to conduct an assessment of how the Agency defines and captures the value of partnering with the private sector. Those findings are used as the basis for suggesting a framework for how to measure such value in future alliances.

During this assessment, Mission Measurement focused on:

- Outlining the metrics that are currently used within USAID alliances to measure the benefit of the alliance approach in terms of incremental advancement of development outcomes; and
- Identifying other types of ways that the role played by the private sector and/or the resources they provided (both financial and non-financial) contributed to improved development outcomes that were not formally tracked in monitoring and evaluation plans.

The research team conducted an in-depth analysis of 70 GDAs. The team found that the metrics captured for each alliance in the sample were varied, difficult to find, and rarely outcomes-based. Few programs used monitoring and evaluation plans to track the benefit of using an alliance approach aside from capturing the quantity of resources provided by partners. However, through extensive stakeholder interviews and review of program documents, the research team found three main types of value that the private sector added to USAID's development programs -- even if this value was not specifically captured in the measurement plans:

I. **Increased Reach:** Engagement with the private sector expanded the reach of USAID's development investments. For example, stakeholders frequently noted how contributions from companies, in particular (though not exclusively) **financial or product contributions**, often allow projects to connect with more beneficiaries either through expanding the reach or scope of project activities. About 37% of the alliances assessed in this research measured and/or identified financial resources as the primary contribution from the private sector, and many of these projects benefited from increased reach and therefore a greater overall development impact.

2. Improved Effectiveness/Efficiency: Engagement with the private sector also, in some instances, leads to an improvement in program effectiveness (beneficiary achievement of intended results) and/or efficiency (reduction in the rate and/or cost of program delivery). This benefit often comes as a result of the private sector providing a **unique set of skills, technologies, or expertise** that is not necessarily available within public or non-governmental organizations. About 33% of the alliances assessed in this research measured and/or identified expertise as the primary contribution from the private sector. Businesses contributing expertise tended to be active strategic partners as well as providers of resources beyond financial capital. Of course, financial and product contributions can also yield increases in efficiency (e.g. via economies of scale) or effectiveness, but initial data suggests that private sector skills, technologies and expertise may offer especially valuable ways to improve effectiveness and efficiency.

3. Increased Sustainability: Certain partnerships engage the private sector in order to **tap companies' core business functions and market presence** in the context of a development challenge. Companies engaged in this type of partnership helped to drive economic growth, leading to greater attainment of sustainable economic development. These partner companies ultimately acted as local employers and income generators; buyers, suppliers and/or distributors of goods, services and technology in local markets; or long-term investors in local public goods and/or economies. About 30% of the alliances assessed identified contribution to business or market-based practices and approaches as the primary contribution of the private sector.

Based on these findings, the research team suggests a simplified framework and set of indicative metrics that can set the stage for better measurement of the value derived from a partnership approach. These value propositions provide additional options to track the ways in which alliances with the private sector enhance development programs, and go beyond merely measuring inputs (i.e., leverage ratio). In addition, the research reflected that alliances benefited from multiple types of private sector engagement which resulted in a variety of ways to express value; these were usually not captured in official monitoring and evaluation (M&E) reports. This new, more nuanced understanding of how and in what ways alliances add value to USAID's development work can help improve the strategic use and design of public-private alliances in the future.

II. INTRODUCTION

CONTEXT

The private sector is an important and critical contributor to development progress, and USAID is committed to building the Agency's capacity to identify and invest in more effective public-private alliances that drive greater development results. For more than 10 years, USAID has utilized the GDA approach to engage with companies and other private sector organizations. Through this model, USAID has entered into over 1,000 public-private alliances to mobilize the ideas, efforts and resources of governments, businesses and civil society to improve social and economic conditions in developing countries.

PURPOSE

Historically, USAID Operating Units and Missions undertaking GDAs have tracked the leverage ratio, or the proportion of private sector funds and in-kind resources (such as equipment and staff time) relative to USG funds invested in a development program, as an indicator of successful partnership. This was done in part because of the requirement that a GDA achieve at least a 1:1 ratio of private sector to USG resources. However, this metric is fundamentally a measurement of an *input* provided by the private sector, but does not give a greater understanding of how working with the private sector leads to better development *outcomes* by improving project performance.

USAID designed and launched the GDA model in 2001 based on the theory that social and economic conditions in poor and transitional countries could be improved in more effective and sustainable ways when the public and private sectors worked together. Over time, through experience and anecdotes, USAID began to identify an array of benefits that come with working in partnership. After a decade of building partnerships, the Agency sought to analyze its experience in order to gain a deeper understanding of the value of the partnership approach in terms of improvements to development outcomes. In order to better track the benefit of using the alliance approach and to focus the Agency's attention on the alliances most likely to significantly enhance development results, in 2010 USAID engaged Mission Measurement to conduct an analysis of alliances in support of the following objectives:

- Outlining the metrics that are currently used within USAID alliances to measure the benefit of the alliance approach in terms of incremental advancement to development outcomes; and
- Identifying how the roles played by the private sector and/or the resources they provided (both financial and non-financial) contributed to improving development outcomes in ways that were not formally tracked in monitoring and evaluation plans.

Ultimately, this research aims to offer insights that can be used by development practitioners to better understand the nature of the value that the private sector can add to development programs; it also suggests an initial research agenda and framework for determining and measuring this additional value.

ASSUMPTIONS AND LIMITATIONS

The following assumptions and limitations should be noted:

- This report builds upon previous research conducted by Mission Measurement and USAID as summarized in their co-authored 2009 paper, “(Re)Valuing Public-Private Alliances: An Outcomes-based Solution,” in which the team articulated a case for private sector alliances as a development approach.

The summary of secondary sources and insights from that literature review can be found in that paper and are not restated in this report.

- Building on prior research and grounded in the philosophies of USAID's approach to building alliances, this report does not address the degree to which alliances improve development results but rather *when* and *how* private sector engagement improves development outcomes and how this added value could be measured.
- As described in the following section, this research considered a wide range and number of alliances. However, it did not use statistical analysis or control groups but rather observation of trends and qualitative assessment of otherwise incomparable quantitative data.
- This research focused specifically on private sector partners. It did not assess alliances that included nongovernmental organizations (NGOs), academic institutions or other nonprofit partners unless a for-profit entity was also involved.
- This report focuses on types of private sector benefits to a development program. It does not consider the management aspects of alliances – such as the strength of the implementing leadership team or the professional relationship between management teams – although the team recognizes that these aspects are important.

Finally, this research is geared toward the development practitioner. It analyzed the value of the alliance approach from the perspective of improving program outcomes. This report does not focus on the value to private sector partners or outline the unique assets or roles of the United States Government (USG) or USAID.

III. METHODOLOGY

The sample of alliances assessed was drawn from an initial pool of 184 active GDAs reported by USAID Missions and Operating Units for which USAID or partner financial contributions were reported for FY2009 (excluding Development Credit Authority projects). This set was narrowed to approximately 113 alliances that included at least one for-profit, private sector partner (a business). Alliances were also screened for start date: they needed to be at least two years old to ensure availability of data in order to be included in the sample. These two filters yielded the final sample set of 70 alliances. For each of the 70 alliances in the sample, the research team examined available documents including quarterly, annual and final project reports, qualitative success stories, program assessments and other monitoring and evaluation (M&E) related documents through USAID's Development Experience Clearinghouse. From this document review, the team compiled a dataset of information about each alliance including information about the partners, their contributions, the intended outcomes of the alliance and related programs, the metrics used to report results, and results data, where available. Documentation proved to be difficult to obtain and was often inconsistent.

Given the irregularity of performance data and limited document availability, the research team augmented the assessment through interviews with Mission and Operating Unit staff and alliance builders. Approximately 50 alliances were targeted for interviews. It is worth noting that this outreach was as much opportunistic as it was scientific: the team interviewed USAID and implementer contacts across a loose distribution of development challenges and geographies, while making the most of the interview respondents still in close contact with USAID and with recent alliance experience. The result of this process was 26 interviews (some individual, some small group) and supplemental M&E documentation from approximately 30 alliances. Interviews were

conducted by the three-member research team using a consistent interview guide and with at least two of the three team members participating in each interview. The interviews focused on the interviewees’ objectives in engaging with partners, the results of the partnership, the metrics being used to measure alliances, and the benefit of working collaboratively with private sector partners.

Figure 1: Distribution of 70 Alliances Reviewed

	Agriculture	Democracy/ Governance	Economic Growth/ Trade	Education/ Workforce Training	Energy/ Environment	Global Health	Humanitarian Assistance	Total
Africa	1	2	1	3	2	5	0	14
Asia	2	0	2	3	6	7	0	20
Latin/South America	3	2	6	3	2	3	1	20
Middle and Near East	1	0	3	2	1	1	0	8
Europe and Eurasia	0	2	1	1	1	1	0	6
Global	0	0	1	0	0	1	0	2
Total	7	6	14	12	12	18	1	70
Practitioner Interviews	2	3	6	4	5	5	1	26

IV. FINDINGS

The findings of this research are two-fold. First, the team assessed the state of alliance measurement within USAID and found opportunities to enhance M&E practices to better track both development outcomes as well as the unique benefits of the alliance approach. Second, this analysis elucidated the fact that the value of using the alliance approach varies greatly – there is no single metric or indicator to capture the value of working in partnership with the private sector. Rather, the benefit of collaborating with the private sector is a product of several factors: the development outcome that is desired; the unique assets that companies can contribute towards that outcome; and the way in which the corporate partner is engaged in partnership with USAID. This section details what the team observed during its research.

THE STATE OF ALLIANCE MEASUREMENT

What matters is what’s measured. The research team began its research with this assumption in mind. By compiling and examining the specific metrics captured for each alliance, the team assumed that the preponderance of outcomes that were measured would indicate the types of development outcomes that are most important, as well as the private sector contributions that are most critical and highly valued. However, the team learned that this assumption was incorrect: in fact, ***the metrics captured for each alliance in the sample were varied, difficult to find, and rarely outcomes-based.***

Among the 70 alliances for which documents were gathered and examined, nearly all (87%) tracked descriptive or compliance metrics that captured descriptive information relevant to an alliance. Compliance measures include the role of partners, the presence of a memorandum of understanding (MOU), and alliance objectives. Most alliances (73%) also tracked process metrics that provide information on the execution of activities and

funding including the ratio of resource partner funds to USAID funds. This means that a large majority of the alliances tracked the types of metrics that are often required by USAID to demonstrate accountability and execution of plans. However, these metrics provided neither a basis by which to assess the development impact of the alliance nor a measure of the private sector's contribution to development outcomes. Due to these data limitations, this paper presents initial observations that serve to establish a framework for understanding private sector engagement, and suggests a future research agenda to more fully understand the extent to which private sector engagement improves development outcomes under various circumstances.

Fewer than half (39%) of the alliances presented outcomes-based measures in the documentation that the research team obtained for this analysis. Outcomes were defined as near-term changes in status, behavior or condition that also indicated meaningful progress toward longer-term impact. Lack of outcomes metrics made it difficult to extrapolate the degree to which alliances contribute to development progress. Furthermore, only about a quarter (26%) of the alliances applied any form of metric to capture the benefit to a project of engaging the private sector. In instances where this benefit was measured, the metrics varied greatly even within a development sector. In many instances, the benefit of working with the private sector was defined as leverage or the ratio of partner funds invested to USAID funds invested. Of course, tracking the added investment of partner funds is fundamentally a measurement of inputs, and does not address the benefit of private sector engagement in terms of changes to program outcomes. In some instances, metrics extended to include the value of technical assistance in terms of cost savings or increased project reach, and in others, economic calculations such as value of products provided. ***Overall, few programs used monitoring and evaluation plans to track the development benefit of using an alliance approach.***

To be clear, lack of outcomes metrics in formal alliance reporting does not equate to lack of results. Rather, this gap highlights a simple misalignment between measurement practices and partnership performance. This disconnect became clear when the team analyzed the *stated* outcomes of alliances – those that were discussed in interviews or reviewed qualitatively in success stories – against the *measured* outcomes – those that were tracked through quantitative measures and documented in formal reports. It became clear that ***the intended goals and results—and the partnership's achievement of these results—were articulated qualitatively through interviews but they were not captured in the formal documents or measures used to report alliance performance.*** In quantitative terms, only one third (33%) of alliance practitioners interviewed stated outcomes as their objective and actually measured these outcomes with formal metrics. The same was true for private sector value: interviewees stated and described in detail the significant benefit of partnering with companies even though this benefit was not captured through formal measures. Only about a quarter (27%) of alliances interviewed measured the value they claimed to have derived from their private sector partner. The “Future Research Agenda” section at the end of this paper provides suggestions for how USAID could address this knowledge gap going forward.

Types of Metrics and Their Prevalence among GDAs

Compliance: 87%

Logistical, descriptive or administrative data relevant to an alliance

Process: 73%

Measurement of activities, execution and implementation

Outcomes: 39%

Near-term changes in status, condition or behavior

Private Sector Value: 26%

Benefit of the private sector including improvements in reach, effectiveness, efficiency, or sustainability

While this analysis did not produce the information it was initially designed to yield, it did uncover some important insights. First, measurement as it was applied to the alliances considered for this study tracked inputs and outputs and measured project performance in terms of completed execution. It was not, however, consistently capturing development outcomes. Further, even when outcomes were well-defined and articulated by alliance managers, they were not always translated into outcomes metrics or built into reporting processes. Finally, inputs and contributions from private sector partners, when measured, were often captured in terms of financial resources or the valuation of in-kind support. In some cases, this measurement ***underestimated or wholly omitted the provision and contribution of non-financial, sometimes intangible support and thus did not allow for consideration of the implications of such contributions for the broad and/or more lasting development impact of the partnership.***

THE INTERSECTIONS OF OUTCOMES, VALUE, AND PRIVATE SECTOR CONTRIBUTIONS

Unable to specifically assess the value (i.e. the added development benefit) of private sector engagement through existing metrics and reported data, the research team developed an alternative approach. The team hypothesized that, given a codified set of development outcomes, it could evaluate the role and value of the private sector in the context of desired results. As such, the team revisited each alliance in the sample to determine the primary development outcome that the alliances *aimed* to achieve, setting aside whether or not this outcome was specifically tracked through reported metrics. The team identified the most common development outcomes that were of primary importance across the 70 alliances in the dataset. In order of prevalence in the dataset, the top five most common outcomes² were:

- Increase commercial growth and value chain development (prevalence in sample: 26%)
- Improve health/reduce disease and mortality (20%)
- Increase employment and income (17%)
- Increase access to products, services and technology (16%)
- Improve education and training (9%)

With desired development outcomes codified, the team next evaluated the ***intended role of private sector partner(s)*** in the alliance, again setting aside whether or not partners' contributions were formally measured. Reviewing alliance documentation and revisiting interviewees, the team quickly observed that the role brought to programs by private sector partners were not consistent and singular but instead diverse and multi-faceted. For each desired development outcome, companies large and small contributed a variety of assets: financial donations and matching grants; instruction, volunteers and other human capital; technical expertise, technology, processes improvements as well as other expertise and intellectual capital; products and other tangible in-kind donations; use of distribution channels, supply chains, marketing capabilities, and other business functions, to name a few.

While the development objectives of the alliances were as diverse as the tangible and intangible contributions made by the private sector partners, this analysis did identify some common and strong themes. Namely, ***the team noted potential relationships between the nature of the private sector engagement (e.g. the***

² Other (13%): "Building local government capacity," "Reduce corruption, fraud and illegal practices," "Reduce use of energy and natural resources," and "Increase public awareness"

specific type of contribution that companies made to an alliance) and the type of improvement in development outcomes achieved as a result of having a private sector partner. The next two sections outline the types of private sector contributions and the additional program outcomes that were viewed as being derived from such contributions.

V. THE ADDED VALUE of PRIVATE SECTOR ENGAGEMENT

The team’s assessment identified three types of added value in achieving development outcomes that emerged from private sector engagement: increased reach; improved effectiveness and efficiency; and increased sustainability.

INCREASED REACH

Increased reach – meaning, more constituents receiving a product, service, or training - was cited by alliance builders as a common benefit from partnering with companies through the alliance approach. Though reach can be increased by engaging the private sector through various means, the research and interviews revealed that this value generally stemmed from a private sector partner’s role in providing financial support and/or product donations. The “*Afghan e-Quality Alliance*,” for example, engaged Cisco Systems and Springer as private sector partners to enhance the capacity of Afghan universities through financial contributions and donating technology equipment. Additionally, in the “*Centers of Excellence in Teacher Training – Scholastic Books*” alliance, the private sector partner, Scholastic, contributed books for classroom libraries using containers contributed by another private sector partner, Sterilite. In other cases, the financial resources provided by the private sector partner could expand a program through funding complementary activities that were outside the scope and/or purview of USAID’s funding.

The private sector partner’s role in achieving broader reach appeared in alliances within a variety of sectors and program sizes. Alliance managers working across all sectors as well as in each of the top five common development outcomes articulated a desire to reach more constituents and used alliances as a means to achieve this result.

Suggested Metrics

A metric for measuring this added value could be the percent change or incremental number of constituents served (or a similar change in another desired output, such as geographical area covered) via the program using the alliance approach relative to a non-alliance project of a similar nature. In the absence of comparable programs or reference points, the alliance could estimate incremental program reach based on the percentage of program budget provided by the private sector partner(s).

INCREASED REACH

Suggested Metric: Percent change in number of program constituents relative to non-alliance approach

Example Alliance:

Centers of Excellence in Teacher Training – Scholastic Books (Latin and South America)

Development Outcome: Increase in number of people with access to products, services and technology

Private Sector Partners: Scholastic Books, Sterilite

Partner Contribution:

Product donation of educational books and storage containers to build classroom libraries.

IMPROVED EFFECTIVENESS AND EFFICIENCY

Another improvement identified by interviewees was greater program effectiveness and efficiency through private sector engagement. Improved program effectiveness took two forms: 1) more program constituents achieved a desired outcome or result; and/or 2) program constituents achieved a different, more desirable outcome as a result of program enhancements. Improvements in efficiency related to reduced cost and/or delivery time on a “per beneficiary” or “per outcome” level due to factors such as improved project systems or processes, or achievements of economies of scale.

One example of improved effectiveness was noted in Sri Lanka’s “*Unlimited Potential Partnership*” wherein private sector partners supplemented educational programs with specialized training to help individuals not only increase their level of education but also become more job-ready and qualified for the local job market. In the Philippines, the “*Alliance for Mindanao Off-Grid Renewable Energy (AMORE 2)*” incorporated private sector expertise to enhance trainings and certification programs that would support rural electrification.

As in the case of reach, improvements in program effectiveness and efficiency were noted across a variety of development challenges, scenarios, and geographies. A common thread among alliances that drove program efficiency and effectiveness was the contribution of intellectual capital, technology, and/or other expertise that is uniquely the domain of the private sector rather than USAID, and that was employed to enhance programs, often in the context of training or process improvement.

Suggested Metrics

The increase in program effectiveness could be measured as the percent change in program constituents that achieve the desired outcome as a result of the alliance approach or relative to non-alliance interventions of similar nature. Gains in efficiency could be measured by calculating the change in overall cost per outcome (or cost per beneficiary that achieves the desired outcome) relative to non-alliance interventions of similar nature.

INCREASED SUSTAINABILITY

Finally, enhancing local economic development and implementing enduring, market-based solutions was the target of many programs that engaged private sector partners in value chain development, local product and service offerings, or other local, in-country commercial activity. In these instances, the benefit of the partnership approach often included improved reach and effectiveness and efficiency, but also, in many instances, local business development or other economic activity that supported or sustained development outcomes.

IMPROVED EFFECTIVENESS/ EFFICIENCY

Suggested Metrics:

Effectiveness: percent change in number of program constituents who achieve desired outcome relative to non-alliance approach

Efficiency: percent change in cost per outcome relative to non-alliance approach

Example Alliance:

ICT in Education (Kenya)

Development Outcome: Improve education and training

Private Sector Partners: Cisco Systems, Intel Africa, Microsoft Africa, Multichoice

Partner Contribution: Provide technical assistance and technology training to teachers and to promote the use of technology in the classroom

Ecuador's "*Productive Network Alliance*" is one such example that engaged the private sector to increase sustainability. This alliance focused on developing sustainable value chains in cocoa industry the by connecting large, established companies with local businesses as a way to facilitate market linkages.

Suggested Metrics

Private sector partners increase sustainability by taking on core business roles, include acting as an employer, buyer, supplier, and investor. As an employer, companies increase jobs and income. As a buyer, companies purchase locally produced materials (i.e., raw materials, agricultural outputs, manufactured goods, and processed materials). As suppliers, companies increase access to products, services and technology. Finally, when acting as investors, companies increase private investment in mutually beneficial public goods and local markets.

The measurement of the benefit of these roles can be captured, then, in terms of the jobs created and change in income, increase in the number of people with access to products and services through sustained commercial channels, and the value increase in sustained private sector investment in local economies and public goods.

INCREASED SUSTAINABILITY

Suggested Metrics:

Income: Number of jobs created and value of income generated

Access: Number of constituents with increased access to products and services through commercial channels

Investment: Value of sustaining private sector investment in local economies or public goods

Example Alliance:

Sustainable Cocoa Enterprise Solutions for Smallholders (Asia)

Development Outcome: Increase employment and income

Private Sector Partners: Mars, Inc., Cargill, Olam

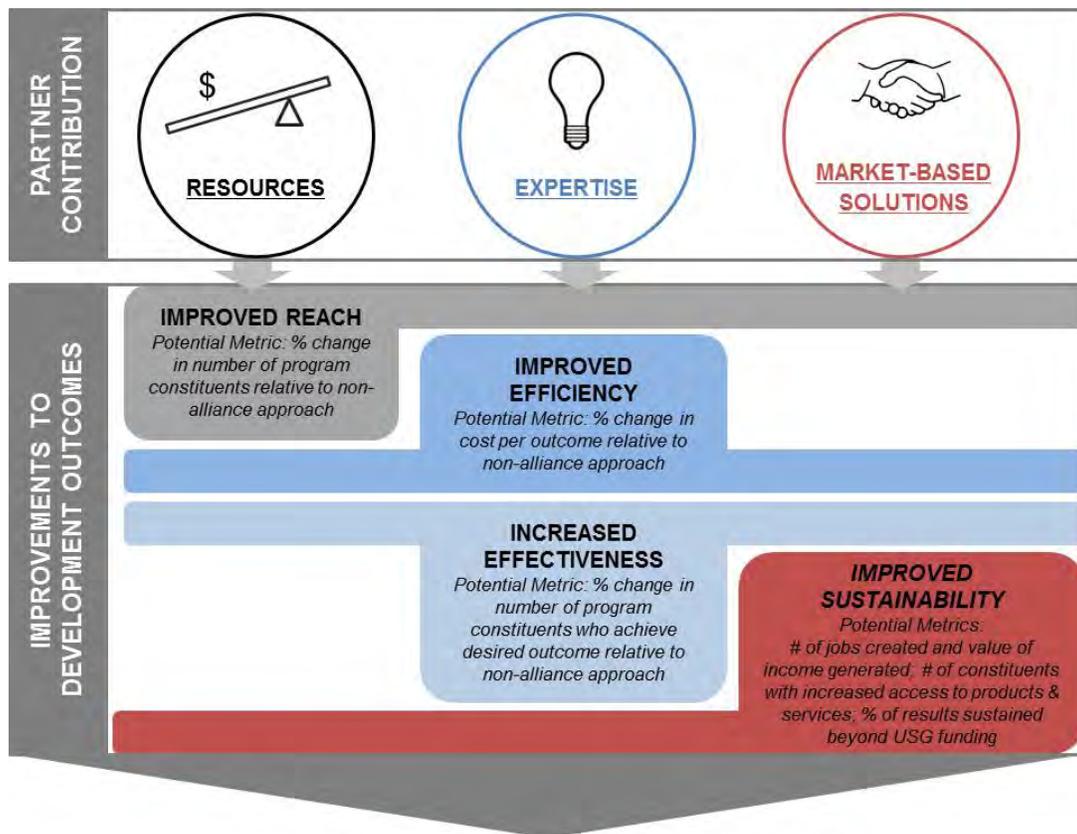
Partner Contribution: Investment in improved cocoa production and harvesting systems; purchase cocoa for product, distribution

VI. TYPES OF PRIVATE SECTOR CONTRIBUTION

As described in the findings of the assessment, there was not one but several ways in which partnerships with private sector partners contributed to USAID’s programs. These contributions can be categorized into three main types:

- **Financial/Product Resources:** monetary support and/or product donations (often used to extend the reach and/or scope of a program);
- **Expertise:** unique skills, capabilities and/or specialized assets (often used to improve the efficiency and/or effectiveness of a program); and
- **Market-Based Solutions:** companies execute a core business function through their role as employers and income generators; buyers, suppliers and/or distributors of goods, services and technology; or long-term investors in mutually-beneficial public goods (often used to improve the sustainability of a program).

Each type of alliance contribution is distinct in terms of the role of the private sector partner and the benefit, in development terms, most likely to be associated with or generated through the partnership. However, *our research found that these contributions were neither mutually exclusive nor completely exhaustive.* That is, alliances that primarily generated additional development benefits from market-based solutions sometimes included financial and expertise contributions from the private sector as well (see graphic below). As a tool for development practitioners, the definition of these contribution categories offer a more nuanced landscape for the ways private sector partners add value to USAID’s development work.



The following section provides a summary of the different types of alliance contributions based on the team's research findings, and provides suggestions for how each could be incorporated into the design of future alliances.

FINANCIAL/PRODUCT RESOURCES

Definition

Financial/Product Resource contributions occur when companies are co-funders and/or co-contributors to one of USAID's programs through providing financial support or product donations; for example, a pharmaceutical company may provide free or subsidized drugs or a consumer goods company may donate water purification devices. By mobilizing additional resources, alliances were able to achieve increased reach and/or scope for USAID programs and serve incrementally more constituents (or incrementally increase the reach of other relevant outputs) than would otherwise be served.

Observation

About 37% of the alliances assessed in this research identified and/or measured financial/product resources as the primary contribution offered by the corporate partner. The predominance (11 out of 26) of these alliances occurred in the global health sector, although they were observed across the spectrum of development outcomes.

Types of Partners

A wide range of partners provided this type of contribution, and from multiple entry points: partners included corporate foundations; individual departments within a company, such as public affairs, government affairs or corporate social responsibility; or a company's business unit leadership. Some partners were engaged after the development project was defined, and they did not necessarily play a significant role in designing the programs or interventions to be carried out.

Suggested Application for Future Alliances

Financial/Product Resource contributions from the private sector can be an effective way to expand the number of outputs (such as constituents reached) during the program timeframe by increasing the pool of resources available during the program's implementation. Conceivably, for every dollar that USAID puts into a program, it could reach at least twice as many people if the private sector financially matches USAID's resources – and ideally, through economies of scale, reach could increase by an even greater proportion than the corresponding increase in funding provided by the private sector. Of course, other types of private sector involvement can also increase reach, but further research is needed to more fully understand the various ways in which private sector engagement can increase reach.

This type of alliance contribution can also be an appropriate way to test or pilot the relationship with a new partner, given the lower transaction costs involved in donating resources compared to the contribution types that may require a higher degree of trust, collaboration and risk-taking.



FINANCIAL/ PRODUCT RESOURCES

Observation: 37% of alliances assessed in this research

Common Benefit to Alliances: Increased program scale or reach

The alliances that primarily incorporated Financial/Product contributions from the private sector happened along various stages of USAID’s program cycle, and partners often were identified by the implementer or approached by USAID. Typically corporate partners were approached by implementers or learned about a program that USAID was considering implementing and agreed to provide financial resources or product donations to support the program. The main consideration for USAID was whether or not the implementer could absorb these resources (due to factors such as a USAID program budget ceiling), and if these additional resources were useful inputs for expanding the reach of the program given the time and effort it would take USAID staff to modify program budgets and activities.

EXPERTISE

Definition

USAID alliances often engage the private sector so that a development intervention will benefit from the unique expertise, set of skills, technologies, or other in-kind or specialized assets of a certain partner. Businesses partnering in these kinds of alliances tended to be more actively involved in the program, as well as providers of financial resources. While the benefit of tapping private sector expertise may include increased reach and sustainability, the main added value is often derived from businesses enhancing development outcomes by contributing to **more effective and/or efficient** programs.

Observation

About 33% of the alliances assessed in this research identified and/or measured the private sector’s Expertise as the primary type of contribution. They incorporated and measured the specialized skills or products the corporate partner(s) contributed to the development programs. For example, private sector partners to the “*Philippines’ Private Practice Expansion Project*” offered expertise to improve the quality of training and services available to midwives. Examples of this type of alliance were found in a number of sectors: six were in education and workforce development; five fell in economic growth and trade and another five were in energy and environment.

Types of Partners

Alliances where the contribution was primarily Expertise required a greater investment of time and energy to identify partners with the needed intellectual, technological, or human resources. Partners were engaged earlier in the alliance-building process relative to partners providing financial/product resources since fully harnessing a business’ technical capacities typically required their involvement in the intermediate design stages of a program or intervention. Furthermore, accessing partner resources beyond financial support typically required relationships that extended into individual business units and their leadership. Partners and specific business units tended to stay engaged throughout the course of the intervention as their role in delivering value often required direct involvement in the delivery of training, capacity building, technology implementation, or other hands-on programs.

It is critically important to note that tracking an alliance’s ability to drive relative gains in program effectiveness and efficiency from an outcomes perspective requires the program itself to track its success in terms of outcomes. As previously noted in this report, less than half of the alliances assessed in this research included



EXPERTISE

Observation: 33% of alliances assessed in this research

Common Benefit to Alliance: Increased program effectiveness and/or efficiency

outcomes metrics – those that track changes in status, behavior or condition rather than simple program participation or activity execution. This gap in measurement must be closed in order to more effectively track program success, in addition to measuring the benefit of using the alliance approach in development programs.

Suggested Application for Future Alliances

For these types of alliances, the private sector tends to be consulted and engaged early on in USAID's strategic planning process. Later, in the project design phase, USAID can also work with the private sector to consider the types of private sector products, services or knowledge that would enhance USAID's desired development results. For example, an alliance can improve constituents' skills to ensure job readiness by incorporating the private sector's perspective on desirable employee skills and capabilities, or to improve supply chain practices by aligning them with industry-wide standards and/or creating greater efficiencies. Partners can also introduce technologies and products to enhance the development outcomes of a program, along with providing the relevant training to ensure proper and effective use of those inputs.

Alliances where the primary contribution is expertise can require more time to identify the right partner, and partners need to be engaged earlier in the project design process. One beneficial practice observed in the alliances considered in this assessment was having USAID, the implementer, and the partner(s) sit down early on in the program to map out what success looks like for each organization, and the roles and responsibilities each partner would take on.

MARKET-BASED SOLUTIONS

Definition

Alliances that engage private sector partners in advancing market-based solutions draw on private sector contributions that are aligned to a company's **core business role or roles**: as employers and income generators; buyers, suppliers and/or distributors of goods, services and technology; or long-term investors in public goods. In this context, development outcomes are enhanced through the private sector's unique ability to:

- **create jobs, employment and income;**
- establish **value chains** and distribution channels;
- increase access to commercially-available and affordable **products, services and technology;** and
- increase **economic development through long-term investment** in local economies and public goods.

Alliances where the contribution was primarily a market-based solution are distinguishable from alliances where the primary contribution was Expertise in that the desired value of the partnership is more directly, explicitly, and/or intentionally linked to core business roles as described above. For example, the West Africa Sustainable Tree Crop program (2001-2003) brought together numerous major global chocolate producers (including Mars, Cadbury, and Nestle) in order to improve the quality of cocoa farms in West Africa, creating sustainable improvements in the companies' core supply chains while driving economic development in the local communities. In contrast, a similar project with an expertise alliance contribution might include the advice of a commodities purchaser without integrating beneficiary farmers into its supply chain.

Observation

About 30% of the alliances analyzed in this research centered on the private sector partners contributing to a market-based solution—they tapped into and/or measured the inherent roles and functions of businesses to advance the development outcomes of a program. For example, the “*Responsible Asia Forestry and Trade (RAFT) Alliance*” brought partners together—ranging from government actors to donors to corporations—to establish a sustainable wood value chain in Asia. In our sample, market-based solutions alliances were most prevalent in agriculture with six alliances of the total 21 observed. An additional five examples were in economic growth and trade and four more were observed in energy and environment.

Types of Partners

Alliances centered on market-based solutions presented the greatest need for early engagement, deep involvement and broad coordination across partners, but they also presented the strongest opportunities for longer-term transformative development impact. These alliances worked best when partnership ideas were discussed with private sector partners in the earliest phases of development strategy. It is also important to consider that companies’ contributions will likely extend beyond the scope and time horizon of an individual USAID project, enhancing the need for thoughtful up-front consideration of sustainability issues.

Suggested Application for Future Alliances

Alliances built around market-based solutions provide a powerful approach to creating development impact that can ideally be eventually sustained with little to no donor support. For example, if USAID conducts a sector or country assessment – that ideally involves private sector consultations – and identifies that a significant development challenge involves creating employment opportunities, increasing access to beneficial goods and services, or increasing the flow of investments in targeted enterprises, then this type of role for the private sector partner should be considered. Overall, this approach to alliances is well-suited to development interventions that target local economic development and involve commercial activity as a component of development program activities.

Working with private sector partners to build market-based solutions may require some changes from USAID’s traditional partnership approach. In contrast to alliances that appeal to the philanthropic tendencies and reputation management needs of a business, the market-based solutions contribution must appeal to **core business needs** through a business case that presents commercial opportunities or removes commercial barriers. This will require USAID to forge relationships with business unit leaders, to develop a more compelling value proposition with regard to the unique assets that the government contributes, and to work with corporations in defining the specific business return that companies can expect as a result of their investment in this type of alliance.



MARKET-BASED SOLUTIONS

Observation: 30% of alliances assessed in this research

Common Benefit to Alliance: Increase in sustaining economic activity and/or commercial development

VII. CONCLUSIONS AND FUTURE RESEARCH AGENDA

For more than a decade, USAID has collaborated with private sector companies to advance its development goals. During this time, the Agency, its staff and its on-the-ground partners and implementers have piloted, improved on, and learned from USAID's evolving approach to partnerships. These rich experiences present an opportunity for the Agency to identify patterns, codify learnings and make forward-looking decisions about its investment of resources, both financial and human.

This assessment focused on how USAID could more thoughtfully define the way it measures the value of partnering with the private sector. Historically, USAID partnerships have primarily focused on measuring the leverage ratio, or the proportion of private sector resources relative to United States Government (USG) funds invested in a development program. This metric, however, is fundamentally a measurement of an *input* provided by the private sector, but does not give a greater understanding of how working with the private sector leads to better development *outcomes*. As this study's research points out, USAID in fact already engages with companies in many different ways. The identification of the three main types of alliance value and types of private sector contributions can help development practitioners define clear private sector roles, align development goals with alliance design, and maximize the desired benefit of working collaboratively with the private sector.

While the research team discovered few systematic practices for measuring the value of an alliance approach, they did discover an appetite among USAID staff for standard metrics around alliance value and the types of development outcomes that alliances are better suited to produce. The research team recommends the development of additional guidance to help translate these types of alliance value into standard measurement approaches that can be embedded into monitoring and evaluation plans.

Additional research can further enhance the findings of this report. First, a complementary analysis on the value that USAID brings to the private sector via alliances could complete a holistic portrait of alliance value and strengthen USAID's ability to attract partners, particularly for alliances where expertise and market-based solutions are the primary contributions.

More importantly, although this paper identifies the types of value that the private sector can bring to alliances, the evidence of this value remains largely anecdotal and based on data from one-off case studies. It is crucial to understand not only the *ways* in which engaging the private sector can lead to additional developmental impact but also the *extent* to which private sector engagement empirically and consistently does or does not produce this additional impact. Research on this issue could include a comparison of the outcomes of projects that have similar development objectives but differ in their engagement with the private sector (ideally through "natural experiment"-type settings in which differences in decisions to engage the private sector do not reflect other consistent underlying differences between projects). This research should also include an examination of the costs (such as staff time and financial resources) associated with engaging the private sector in order to provide a more comprehensive comparison of the potential net benefits of engagement given both the added value and increased costs of alliance building. The conclusions from this further research will fill a strong demand among development practitioners to understand how best to engage the private sector in a way that maximizes the development impact they are trying to achieve.

VIII. COMPENDIUM: SECTOR PROFILES

Agriculture

Alliances in the agriculture sector focused primarily on engaging the private sector in ways that develop market-based solutions to development challenges. In the alliances researched in this study, the primary development outcomes sought included increased employment and income, and increased commercial growth and value chain development.

Alliances in the agriculture sector comprised 10% of the total sample (seven alliances) spanning countries such as Bolivia, Colombia, East Africa, Egypt, India, Nicaragua and Vietnam. Of these alliances, five alliances involved only multinational private sector partners while two alliances involved only locally based private sector partners. No alliances studied had both multinational and locally based partners. These partners included Heinz, Alimentos Bolivia Natural, Mars Inc., Cargill, Ecopetrol, and multiple trade associations.

“The challenge was ‘how we can develop a value chain for farmers here’...we want to help them compete with agriculture export companies and shift local agriculture to a market-based activity so that local foods show up in local grocery stores.”

– USAID Program Development Officer, Asia

Alliances focusing on agriculture show evidence of measuring outcomes and private sector value more often than the dataset as a whole. With agricultural development posing potential direct benefits to private sector partners, capturing progress made towards outcomes and private sector value is likely more applicable in this sector compared to other issue areas. This is especially evident in that six of the seven alliances studied were designed to develop or enhance a market-based solution to development.

<i>Sample Alliances</i>	Four Thousand Tons Per Day Alliance - Egypt	Sustainable Cocoa Enterprise Solutions for Smallholders - Vietnam
Initial Year	2008	2003
Project Description	The objectives of this alliance are to enhance the capability of small farmers, predominantly in Upper Egypt, to serve as reliable suppliers of high value horticulture to processors and other buyers, and to integrate 8,000 farmers into a sustainable and competitive high-value horticultural value chain anchored by Heinz.	The partnership will promote environmentally sound, improved cocoa production systems and post-harvest processing that meet the quality standards of international buyers, while improving small producers' income.
Partner Contributions	\$450,090	\$753,300
USAID Contributions	\$1,750,000	\$1,624,795
Partner Composition	Only Multinational	Only Multinational
Sample Partners	Heinz	Mars Inc., Cargill and Olam
Development Outcome	Increase employment and income	Increase employment and income
Primary Private Sector Contribution	Market-Based Solution	Market-Based Solution

Democracy and Governance

Alliances focused on improving democracy and governance primarily engaged the private sector in helping to expand efforts and improve government capacity. In the alliances researched in this study, the primary development outcomes sought included building government capacity, reducing corruption/fraud/illegal practices, and increasing employment and income.

Alliances focused on developing democracy and governance comprised 9% of the total sample (six alliances) spanning countries such as Russia, Angola, Democratic Republic of Congo, Ecuador and Guatemala. Of these alliances, one alliance involved only multinational private sector partners while two alliances involved only locally based private sector partners. Three alliances studied had both multinational and locally based partners. Partners included Citicorp, Chevron, and multiple trade associations.

Alliances focusing on democracy and governance primarily show an emphasis on capturing compliance and process metrics as opposed to outcome and private sector value metrics. Private sector partners were sought after to both provide resources to scale the promotion of democracy and governance efforts, as well as lend their technical expertise to enhance government capacity.

“[Democracy and Governance] D&G programs usually focus on output indicators because our impact is hard to quantify and qualify. But we realized reporting on these indicators isn’t conveying success so we shifted to telling stories about the outcomes our D&G grantees had.”

<i>Sample Alliances</i>	Anti-Money Laundering Training - Russia	Extractive Industries Alliance - DRC
Initial Year	2006	2005
Project Description	This public-private partnership supports the development of anti-money laundering and combating financing of terrorism policies and procedures in Russia. Through this partnership, the United States and Russia are collaborating on international efforts to stem the flow of illicit funds.	The objective is to promote sustainable and equitable economic recovery and improved governance in Katanga and the DRC, by: (1) establishing a regional development fund; (2) implementing sustainable and participatory community development projects; (3) supporting improved governance.
Partner Contributions	\$2,593,133	\$20,026,525
USAID Contributions	\$700,000	\$3,350,000
Partner Composition	Only Multinational	Both Multinational and Local
Sample Private Sector Partners	Citigroup	AngloGold Ashanti Mining Company, Anvil Mining, First Quantum Mining, Freeport McMoRan
Development Outcome	Other: Reduce corruption, fraud and illegal practices	Other: Build local government capacity
Primary Private Sector Contribution	Expertise	Financial/Product Resources

Economic Growth and Trade

Alliances focused on enhancing economic growth and trade primarily focused on engaging the private sector in ways that developed market-based solutions to development by leveraging financial resources, technical expertise, and market creation. In the alliances researched in this study, the primary development outcomes sought included increasing commercial growth and value chain development, increasing employment and income, and increasing access to products/services/technology.

Alliances focused on economic growth and trade comprise approximately 20% of the total sample (fourteen alliances) spanning countries such as Bolivia, Timor-Leste, South Africa, Peru, Ecuador, Afghanistan, Mongolia, Jordan and Serbia. Of these alliances, two alliances involved only multinational private sector partners while twelve alliances involved only locally based private sector partners. Given the implications of strengthening the local economic activity where these alliances operate, locally based businesses have direct incentive to further develop commercial activity. No alliances studied had both multinational and locally based partners.

Alliances focusing on economic growth and trade primarily captured compliance metrics, as opposed to development outcomes and the value of the private sector. Private sector partners supported economic growth and trade development priorities in a number of ways, and offered a range of value.

“This was a very successful PPP – usually, once the support of USAID goes away, the value chain dies. So, getting larger anchor firms involved helps the value chain survive longer.

- USAID Economic Growth Specialist and

<i>Sample Alliances</i>	Productive Network - Ecuador	Small Business Trade and Competitiveness - Bolivia
Initial Year	2007	2005
Project Description	The objective of this alliance is to improve the business environment and private sector leadership to tackle the root obstacles to trade and investment-led growth in Ecuador.	These alliances improve the productivity and competitiveness of small Bolivian textile and clothing businesses to take advantage of trade and export opportunities.
Partner Contributions	\$11,704,553	\$1,208,924
USAID Contributions	\$5,485,000	\$237,263
Partner Composition	Only Local	Only Local
Sample Partners	IRIS y CARANA, Ten Private Sector Productive Cluster	Alma de los Andes, America Textil, American Textil, American Trade, Bogama, BolBrands, Cano y Gallardo, Consorcio Alfa, Coproca, Coproca 4, Country Kids, Grupo Larcos, Hogartex, L'Artigliano 2, L'Artigliano 3, Les Tricots de Maman, Makitesa, Milos, Olive Sport, patra, Rey Wear, Val Fal
Development Outcome	Increase commercial growth and value chain development	Increase commercial growth and value chain development
Primary Private Sector Contribution	Expertise	Market-Based Solution

Education and Workforce Training

Alliances focused on the education and workforce training sector focused primarily on engaging the private sector in ways that developed employable skills. In the alliances researched in this study, the primary development outcomes sought included improving education and training, increasing access to products/services/technology, increasing commercial growth and value chain development, and increasing employment and income.

Alliances in the education and workforce training sector comprised approximately 17% of the total sample (twelve alliances) spanning countries such as Afghanistan, Nigeria, Kazakhstan, Philippines, Kenya, El Salvador, Senegal, India, Peru and Sri Lanka. Of these alliances, seven alliances involved only multinational private sector partners while one alliance involved only locally-based private sector partners. Four alliances studied have both multinational and locally based partners. Partners included Cisco, Microsoft, Lucent Technologies, Pluspetrol, and Scholastic.

“It took us six months to develop the PPP, finding the right technology companies, but it was important because education was at the intersection...they helped make people more employable and increased the productivity of people who already had jobs by helping them with technology skills.”

– USAID Program Specialist, Asia

Alliances focused on education and workforce training showed evidence of measuring outcomes more often than the dataset as a whole. With educational development posing potential direct benefits to private sector partners in terms of a skilled and employable workforce, there is opportunity to capture the unique value of the private sector. Private sector partners were primarily sought after for resources and technical expertise in the education and workforce training alliances in this study.

	Centers of Excellence in Teacher Training - Latin America	ICT in Education - Kenya
Initial Year	2007	2008
Project Description	This alliance provides high-quality classroom libraries through the Scholastic corporate in-kind giving initiative. In FY 2009 eight countries received books through the USAID/Scholastic partnership. Classroom libraries were packaged in containers through with Sterilite.	The objective is to produce an adequate number of teachers, teacher trainers, and education managers equipped to teach or train in an increasingly demanding world driven by environment and technology.
Partner Contributions	\$462,104	\$4,500,000
USAID Contributions	\$462,104	\$1,000,000
Partner Composition	Only Multinational	Local and Multinational
Sample Private Sector Partners	Scholastic, Sterilite Corporation	Cisco Systems, Inc., Intel Africa, Microsoft Africa, Multichoice
Development Outcome	Increase access to products, services and technology	Improve education and training
Primary Private Sector Contribution	Financial/Product Resources	Expertise

Energy and Environment

Alliances in the energy and environment sector focused on engaging the private sector in ways that developed market-based solutions to development challenges. In the alliances researched in this study, the primary development outcomes sought included increasing commercial growth and value chain development, increasing access to products/services/technology, and reducing the use of energy and natural resource.

Alliances in the energy and environment sector comprised approximately 17% of the total sample (twelve alliances) spanning countries such as the Philippines, Angola, India, Guatemala, Kenya, Macedonia, Bangladesh, Bolivia, Afghanistan and China. Of these alliances, none involved only multinational private sector partners while nine alliances involved only locally based private sector partners. Three alliances studied included both multinational and locally based partners. Partners included Knowledge Channel, Mirant, Philippine National Oil Company, Banglalink GSM, Shell Solar and multiple small and medium-scale enterprises.

“We worked with supply chain actors to respond to market and policy signals ...and to changes in American market demand. We wanted to stimulate and respond to interest in legally sourced and certified timber. This work reduced emissions by 30-50% through improved forest management practices and stabilized livelihoods and employment.”
 – USAID Chief of Party,

Alliances focusing on energy and environment showed evidence of measuring outcomes and private sector value more often than the dataset as a whole. Private sector partners were sought after primarily for their technical expertise in these sectors but also contributed to alliance success by providing resources to scale efforts and market creation.

<i>Sample Alliances</i>	Responsible Asia Forestry and Trade (RAFT) - Asia	International Small Group and Tree Planting Program - Kenya
Initial Year	2006	2009
Project Description	The RAFT program aims to reduce the rate of forest loss and degradation in Asia through an integrated approach that promotes responsible timber trade and sustainable forest management.	Empowers small groups of subsistence farmers to combat the devastating effects of deforestation, drought, disease and famine. Small groups plant trees, adopt new approaches and implement sustainable methods.
Partner Contributions	\$12,252,572	\$700,000
USAID Contributions	\$1,000,000	\$1,100,000
Partner Composition	Local and Multinational	Only Local
Sample Private Sector Partners	APP, APRIL, DLH Nordisk, Home Depot, Indonesian Forestry Industry, Lowe's, ScanCom, Sumalindo, Xerox	Dow Chemical Foundation, Clean Air Action Corporation, Solar Oven Society, Institute for Environmental Innovation.
Development Outcome	Increase commercial growth and value chain development	Increase commercial growth and value chain development
Primary Private Sector Contribution	Market-Based Solution	Financial/Product Resources

Global Health

Alliances focused on the global health sector focused primarily on engaging the private sector in ways that scaled efforts to increase access to health products and services. In the alliances researched in this study, the primary development outcomes sought included improving individual health/reducing disease and mortality, increasing access to products/services/technology, improving education and training, and increasing public awareness.

Alliances in the global health sector comprised approximately 26% of the total sample (eighteen alliances) spanning countries such as India, Egypt, Nicaragua, Uganda, Kenya, Ghana, the Philippines, Malawi, Russia and El Salvador. Of these alliances, six alliances involved only multinational private sector partners while seven alliances involved only locally based private sector partners. Five alliances studied had both multinational and locally based partners. These partners included Procter and Gamble, GlaxoSmithKline, Roche, United Company for Pharmacists/Middle East for Chemicals, and Vacsera.

“In health awareness alliances, reach is the number one objective. Soap is the fundamental product of the world; USAID isn’t going to make it so companies are key to making the world a healthier, more educated place on the back of market forces. USAID just wants to grow the market.”

- USAID Deputy Director, Middle East

Alliances focusing on global health showed evidence of measuring compliance, process, and outcome metrics. However, few global health alliances captured private sector value. Most of the global health alliances in this study focused on engaging the private sector as a scaling partner.

	Communications for Healthy Living – Egypt	Private Practice Expansion - Philippines
Initial Year	2006	2007
Project Description	The aim of this alliance is to improve the health and lives of people in Egypt through developing and implementing programs that result in behavioral change and improved health in areas of: maternal and child health; lifestyles as related to the of mother and baby; and family planning and reproductive health.	Partner non-government organizations, midwives, and health professionals’ associations will work with midwives to upgrade and strengthen their clinical and entrepreneurial skills towards the accreditation of 300 midwives and their birthing homes in the country.
Partner Contributions	\$1,075,175	\$572.261
USAID Contributions	\$4,958,521	\$841,040
Partner Composition	Local and Multinational	Only Local
Sample Private Sector Partners	B-Connect, EFG-Hermes, Orascom Telecom, P&G, Roche, United Company for Pharmacists/Middle East for Chemicals, Vacsera	Midwife Trade Association, Center for Young Adults, Midwife Clinic, Institute for Maternal Health, Integrated Midwives Association of the Philippines
Development Outcome	Improve individual health and reduce disease and mortality	Improve education and training
Primary Private Sector Contribution	Financial/Product Resources	Expertise

Humanitarian Assistance

Few alliances focused on humanitarian assistance fit the criteria for the purposes of this research. As such, only one alliance was included in the dataset focusing on humanitarian assistance. While no definable conclusions can be made based on the analysis of one alliance, descriptive information for the Procter and Gamble Children’s Safe Drinking Water Initiative can be found below.

The alliance seeks to develop an activity to pre-position safe drinking water, using Procter and Gamble's PUR water purifier for emergencies, in up to three countries. The alliance focused its activities primarily in Latin America and worked only with a multi-national private sector partner. The alliance sought to make clean water available for emergencies but was also charged with developing a market for Procter and Gamble products towards the development outcome of increasing access to products/services/technology. This alliance captured compliance, process, outcomes and private sector value metrics since it was intentionally designed to create development and business impact.

Procter and Gamble Children's Safe Drinking Water Initiative – Latin America	
Initial Year	2008
Project Description	The alliance seeks to develop an activity to pre-position safe drinking water, using P&G's PUR water purifier for emergencies, in up to three countries.
Partner Contributions	\$200,000
USAID Contributions	\$0
Partner Composition	Only Multinational
Sample Private Sector Partners	Procter & Gamble (P&G)
Development Outcome	Increase access to products, services and technology
Primary Private Sector Contribution	Market-Based Solution

IX. APPENDIX

Table 1. Private Sector Partner Composition

Note: Multinational partners refer to partners based outside of the country where the alliance operates. Local partners refer to partners based within the country where the alliance operates.

	Multinational Only	Local Only	Both Multinational and Local Partners
Agriculture	2	5	0
Democracy / Governance	2	1	3
Economic Growth and Trade	3	11	0
Education / Workforce Training	7	1	4
Energy / Environment	0	9	3
Global Health	6	7	5
Humanitarian Assistance	1	0	0

Table 2. Type of Metrics Captured by Sector

	Compliance	Process	Outcomes	Value of Alliance Approach
Agriculture	6	5	4	3
Democracy / Governance	5	5	2	1
Economic Growth / Trade	13	9	4	3
Education and Workforce Training	11	9	5	2
Energy / Environment	10	10	5	5
Global Health	15	12	6	3
Humanitarian Assistance	1	1	1	1
Total	61	51	27	18
% of Total Sample	87%	73%	39%	26%

Table 3. Alliance Contribution Type by Sector

	Financial/Product Resources	Expertise	Market-Based Solution
Agriculture	0	1	6
Democracy / Governance	2	3	0
Economic Growth / Trade	5	5	5
Education / Workforce Training	5	6	1
Energy / Environment	4	5	4
Global Health	11	3	3
Humanitarian Assistance	0	0	1
Total	27	23	20
% of Total Sample	39%	33%	29%

Table 4. Sample Alliance Value Metrics by Outcome and Type

Table 4a: Standard Alliance Metrics		
Reach	Effectiveness/Efficiency	Sustainability
- Reach: Percent change in number of constituents as a result of using the alliance approach	- Effectiveness: Percent change in number of people achieving desired outcome as a result of using the alliance approach - Efficiency: Percent change in total program cost per person achieving desired outcome as a result of using the alliance approach	- Income: Number of jobs created and value of income generated - Access: Number of constituents with increased access to products and services through commercial channels - Investment: Value of sustaining private sector investment in local economies or public goods

Table 4b: Sample Alliance Metrics: Outcome: Increase commercial growth and value chain development		
Reach	Effectiveness/Efficiency	Sustainability
- % change in reach of services or programs relative to reach without partner	- % increase in individual or commercial entity outcomes achieved relative to non-alliance intervention - % reduction in cost of outcome per individual or institution due to improved technology, expertise, or other partner asset	- % change in income for individuals - # of new commercial entities (formal or informal) established - % change in revenues for commercial entities - Total \$ value of goods purchased by private sector partner - Total \$ private sector investment in sustainable value chain infrastructure - % of private sector investment that will sustain beyond funder project

Table 4c: Sample Alliance Metrics: Outcome: Improve individual health and reduce disease and mortality		
Reach	Effectiveness/Efficiency	Sustainability
- % change in reach of services or programs relative to reach without partner	- % increase in individual or institutions outcomes (i.e. reduced disease, healthy habits, healthcare provider practices, etc.) achieved relative to non-alliance intervention - % reduction in cost of outcome per individual or institution due to improved technology, expertise, or other partner asset	- # people purchasing commercial healthcare products or services - % increase uptake of healthcare products and services - # healthcare institutions or providers opening, growing or sustaining commercial practices - # of sustainable (non-funder driven) healthcare institutions (e.g. hospitals) established or improved - Total \$ private sector investment - % of private sector investment that will sustain beyond funder project

Table 4d: Sample Alliance Metrics:

Outcome: Increase employment and income

Reach	Effectiveness/Efficiency	Sustainability
<p><i>- Typically an end result of alliances or interventions focused on education, training, commercial growth and value chain development, please see metrics above and below as they relate to employment and income generation</i></p>		

Table 4d: Sample Alliance Metrics:

Outcome: Increase access to products, service and technology

Reach	Effectiveness/Efficiency	Sustainability
- % change in reach of programs	<ul style="list-style-type: none"> - % of target population achieving desired outcome of product, service or technology (i.e. increased yield, improved skill, health outcomes, etc.) - % reduction in cost of outcome per individual or institution due to improved distribution, marketing or other private sector asset 	<ul style="list-style-type: none"> - # of individuals or communities with market access (i.e. for sale, not funder donated) to products, services or technology - % of target population adopting product, service or technology through market-based acquisition (i.e. purchase) - Total \$ private sector investment in local operations to produce, market, distribute and/or sell products, services or technology - % of private sector investment that will sustain beyond funder project

Table 4f: Sample Alliance Metrics:

Outcome: Improve education and training

Reach	Effectiveness/Efficiency	Sustainability
- % change in reach of training or education program relative to reach without partner	<ul style="list-style-type: none"> - % increase in students or trainees who achieve desired outcome (i.e. job placement, certification, etc.) relative to non-alliance interventions - % reduction in cost of training per trainee due to improved technology, expertise, or other partner asset 	<ul style="list-style-type: none"> - # of individuals employed through or following training by private sector partner - % change in income of individuals employed

X. REFERENCES

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XI. GDA ALLIANCE BIBLIOGRAPHY

The primary source of quantitative data used in this research was gathered from the Development Experience Clearinghouse (DEC), which is the largest online repository of documentation for USAID funded programs and alliances. As mentioned earlier in this report, documentation for the 70 alliances in the research sample varied greatly in availability and regularity. Below is the full research sample of alliances included in this study. Documents gathered for these alliances were based on reasonable exploration through the DEC and included the following types of documents when available: performance monitoring plans (PMPs); quarterly, annual and final project reports; program assessments; evaluation results; USAID sector guides; media coverage and qualitative commentary.

Global Development Alliance: Agriculture	Initial Year	Country
Agribusiness (MIDAS)	2005	Colombia
Alliance to Create Opportunities for Rural Development Through Agro-enterprise Relations	2007	Nicaragua
COMPETE in East Africa	2009	East Africa
Four Thousand Tons Per Day Alliance	2008	Egypt
Partnership for Innovation and Knowledge in Agriculture - World Vision	2008	India
Partnership with Alimentos Bolivia Natural	2006	Bolivia
Sustainable Cocoa Enterprise Solutions for Smallholders (SUCCESS)	2003	Vietnam

Global Development Alliance: Democracy and Governance	Initial Year	Country
Anti-Money Laundering Training	2006	Russia
Balkan Trust for Democracy	2003	ENE Regional
Extractive Industries Alliance	2005	DRC
Municipal Development Program	2007	Angola
Municipal Support, Infrastructure Development and Health Services Program	2007	Ecuador
Crime Prevention for Vulnerable Youth	2004	Guatemala

Global Development Alliance: Economic Growth and Trade	Initial Year	Country
Alliance for Sub-National Infrastructure Financing	2006	Global
Business Trade and Competitiveness	2005	Bolivia
East Timor Investment Alliance	2007	Timor- Leste
Evensen Dodge International Municipal Development	2007	South Africa
Huancavelica Economic Service Center	2002	Peru
Local Business Development	2007	Ecuador
Mir Brothers Herat Marble	2008	Afghanistan
Mongolian Credit Information Bureau	2007	Mongolia
Poverty Reduction and Alleviation Alliance	2006	Peru
Destination Development and Marketing	2005	Jordan

Productive Network	2007	Ecuador
Small Business Trade and Competitiveness Textiles and Clothing	2005	Bolivia
Small Enterprise Assistance Fund	2005	Serbia
TOFA.AF Diaspora Remittances	2007	Afghanistan

Global Development Alliance: Education and Workforce Training	Initial Year	Country
Afghan e-Quality Alliances	2005	Afghanistan
Higher Education for Development	2007	Nigeria
Centers of Excellence in Teacher Training - Scholastic Books	2007	Latin America
Environmental Management Masters of Science Degree Program	2005	Kazakhstan
EQuALLS II	2006	Philippines
ICT in Education	2008	Kenya
Continuous Improvement in the Central American Workplace (CIMCAW)	2004	El Salvador
USAID/Senegal Microsoft Partnership	2005	Senegal
One Laptop Per Child	2007	Afghanistan
QUEST	2005	India
The Andean Center for Excellence in Teacher Training	2007	Peru
Unlimited Potential Partnership	2007	Sri Lanka

Global Development Alliance: Energy and Environment	Initial Year	Country
Alliance for Mindanao Off Grid Renewable Energy 2 (AMORE2)	2005	Philippines
Angola Electricity Support Program	2007	Angola
Eco-Housing in India	2004	India
Forestry Enterprises in Guatemala	2006	Guatemala
International Small Group and Tree Planting Program	2009	Kenya
Philippine Sanitation Alliance	2008	Philippines
Plastic Recycling Project	2005	Macedonia
Public Private Conservation Alliance for Protected Areas Management	2004	Bangladesh
Responsible Asia Forestry and Trade (RAFT)	2006	Regional
Small Business Trade and Competitiveness Wood Manufacturing	2005	Bolivia
Structural Insulated Panels	2008	Afghanistan
U.S.-China Clean Energy Partnership Program	2008	China

Global Development Alliance: Global Health	Initial Year	Country
AIDS Prevention and Control Project	2007	India
Handwashing Initiative	2002	Global
Anti-Trafficking in Persons Pan-Asian Alliance	2006	Asia Region
Avert	2007	India
Communications for Healthy Living	2006	Egypt
Guyana HIV/AIDS Education and Prevention Public-Private Sector Partnership	2005	Guyana
Health and Education Alliance	2006	Nicaragua
Health Initiatives for the Private Sector (HIPS)	2008	Uganda
LifeWorks	2009	Kenya
PlumpyNut Partnership	2008	Ghana
Private Practice Expansion	2007	Philippines
Project Peanut Butter	2006	Malawi
Promotion of Zinc in Diarrhea	2007	India
Russian Professional Development in HIV/AIDS Medicine	2007	Russia
Samastha	2009	India
Alianzas - Health	2006	El Salvador
Sustainable Healthcare Enterprise Foundation	2008	Kenya
Vistaar	2007	India

Global Development Alliance: Humanitarian Assistance	Initial Year	Country
Procter & Gamble Children's Safe Drinking Water Initiative	2008	Latin America

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