USAID
FROM THE AMERICAN PEOPLE

PRIVATE SECTOR PARTNERSHIPS IN AGRICULTURE VALUE CHAINS

BUILDING EFFECTIVE RELATIONSHIPS TO SUSTAIN RESULTS

September 2017

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CONTENTS

ACRONYMS

ACI – African Cocoa Initiative

AMC – Alliance Management Committee

AMSAP – Advanced Maize and Seed Adoption Program

AOR – Agreements Officer Representative

ATA – Agriculture Transformation Agency (Ethiopia)

BRANA – Brasserie Nationale d'Haïti, S.A.

CDCS – Country Development Cooperation Strategy

CNFA – Cultivating New Frontiers in Agriculture

CSR – Corporate social responsibility

EPI – Economic Prosperity Initiative

FLA – Fair Labor Association

FTF – Feed the Future

GDA – Global Development Alliance

GFSS – Global Food Security Strategy

G-HIP – Georgia Hazelnut Improvement Project

HEPA – Hazelnut Exporters and Processors' Association

ICT – Information and communications technology

ISP – Investment Support Program

KPI – Key performance indicator

LEVE – Local Enterprise and Value Chain Enhancement

M&E – Monitoring and evaluation

MOA – Ministry of Agriculture

MOU – Memorandum of understanding

POC – Point of contact

PSP – Private sector partner

RM – Relationship manager

SDG – Sustainable Development Goals

SMASH – Smallholder Alliance for Sorghum in Haiti

TFA 2020 – Tropical Forest Alliance 2020

WCF – World Cocoa Foundation

ABOUT THIS GUIDE

The purpose of this guide is to provide USAID staff with lessons and guidance on building and maintaining strong relationships for effective private sector partnerships in agricultural value chains.

Over the course of the last decade, USAID has developed more than 1,500 strategic alliances involving more than 3,500 private sector partner organizations.[1] Many of these partnerships are between USAID and private sector partners (PSPs) working in agriculture. Most partnerships within agriculture value chains aim to (i) graduate smallholder farmers into the commercial sector, (ii) integrate farmers into value chains, (iii) improve farmer skills and productivity, and (iv) increase farmer access to technologies. Effective private partnerships can, therefore, meaningfully improve development outcomes for smallholder farmers while realizing the business interests of PSPs.

Both USAID's internal research as well as academic literature consistently highlight that strong relationships with PSPs are essential for effective partnerships and that healthier relationships are associated with better program outcomes. This guide illustrates how USAID can foster these relationships in order to create impactful agricultural private sector partnerships; it also offers a series of questions and considerations for staff to reflect on at each stage of the relationship, from prospecting to sustaining results.

The insights and recommendations provided here are drawn from a careful study of a sample of USAID's portfolio of public private partnerships in agricultural value chains in 2016. The insights reflect (i) desk research, (ii) a survey of USAID staff involved in 22 of these partnerships, (iii) 17 interviews with actors across these partnerships for a non-USAID perspective (15 PSPs and two implementing partners) and (iv) in-depth case studies on four of these partnerships, comprised of in-country interviews with USAID staff, PSPs, implementers, sub-grantees, government officials, external stakeholders, and beneficiaries.

[1] USAID 2014 From Smallholders to Shareholders: A Guide to Optimizing Partnerships with the Private Sector for Smallholder Impact

1. EMERGING TRENDS: WHY THIS GUIDE IS IMPORTANT

1.1 ROLE OF THE PRIVATE SECTOR IN SUSTAINABLE DEVELOPMENT

Partnerships between USAID and private sector partners (PSPs) are becoming more frequent and important, driven by a changing business environment and market dynamics. Private companies are proactively choosing to run their businesses in ways that can help ensure lasting sustainability. These firms collaborate and co-invest with USAID in activities that are designed to simultaneously achieve development objectives and address key business interests.

The United Nations Sustainable Development Goals (SDGs), adopted in September 2015, place particular emphasis on the role of the private sector. Unlike their predecessors, the Millennium Development Goals, the SDGs explicitly call on all businesses to apply their creativity and innovation to solve sustainable development challenges. Covering a wide spectrum of sustainable development topics relevant to companies—such as poverty, health, education, climate change, and environmental degradation—the SDGs can also help to connect business strategies with global priorities.

Company commitments to the SDGs, which are fundamentally more integrated than previous corporate social responsibility (CSR) commitments, require multiple partners to be effective. In a 2014 survey, 90% of a sample of 38,000 executives, managers, and thought leaders surveyed agreed that effectively addressing sustainability issues could not be carried out in isolation.[2] For example, in keeping with *SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture*, Walmart, the world's largest food retailer, works with suppliers and many others along the food chain to strengthen sustainability.[3] Unilever has also been an active proponent of public private partnerships and has consistently championed the SDGs. "We know that the SDGs cannot be achieved without business," Unilever CEO Paul Polman has stated. "At the same time, businesses cannot thrive or survive long-term without the SDGs."[4] As part of its commitment, Unilever launched a "Sustainable Living Plan" that includes the goal of sustainably sourcing 100% of its agriculture raw materials by 2020.[5] This appreciation of the value of collaboration is also explicitly built into the design of the SDGs, with SDG 17 outlining various targets for cross-sector partnerships.[6]

Companies also face sustainability-related threats to the viability of their business models; these threats are often best addressed by working with a range of different partners. Vulnerabilities in the supply chain pose a threat that impacts products ranging from chocolate to beer. Working with partners to strengthen quality and increase volumes of raw inputs is critical for long-term sustainability. For example, the Brasserie Nationale d'Haïti, S.A. (BRANA), a subsidiary of Heineken, is the foremost brewery and bottler in Haiti. BRANA traditionally has relied on imported commodities for its

[2] United Nations Global Compact 2015 'SDG Compass – The Guide For Business Action on the SDGs'
[3] http://www.businessfor2030.org/goal-2-end-hunger
[4] https://www.unilever.com/news/Join-in/2017/reaping-the-rewards-of-the-sustainable-development-goals.html
[5] https://www.unilever.co.za/Images/uslp-brochure_tcm1262-483484_en.pdf
[6] United Nations Global Compact 2015 'SDG Compass – The Guide For Business Action on the SDGs'

beverages. In 2013, BRANA and USAID launched a partnership to strengthen the local sorghum value chain, which for decades had been challenged by low-quality seeds, antiquated processing and storage facilities, and unreliable off-takers. This Haitian-grown sorghum is now used in one of BRANA's key non-alcoholic malt beverages, the production of which no longer relies on the availability and affordability of imported commodities.

Disease and environmental degradation take a heavy toll on agriculture value chains and require a collective response. Coffee rust has ravaged large parts of Latin America and the Caribbean, forcing countries like Guatemala, Honduras, and El Salvador to declare the disease a national emergency. Between 2012 and 2015, coffee rust caused over $1 billion in damages throughout Latin America and the Caribbean.[7] The complexity of the challenge requires a coordinated response of both public and private actors. In June 2014, USAID, along with Keurig Green Mountain, Cooperatives Coffees, Starbucks, and Root Capital, created a $23 million Coffee Farmer Resilience Fund to address this challenge.[8] Also in 2014, USAID partnered with Texas A&M and the World Coffee Research Center to combat coffee rust, addressing the lack of disease-resistant seedlings and providing support for regional institutions to monitor and respond to the disease.

Changing consumer expectations are pressuring companies to address social impact issues along their supply chains, creating opportunities for new alliances. Companies such as General Mills, Walmart, and Unilever are part of the Consumer Goods Forum, established in 2009 to develop a common approach to key challenges and operational issues across consumer goods supply chains.[9] The Tropical Forest Alliance 2020 (TFA 2020) is a global public-private partnership that seeks to reduce deforestation affiliated with sourcing commodities such as beef, palm oil, paper and pulp. The TFA 2020 works with host governments, civil society, and the private sector to enhance the planning and management of tropical forests, promote the use of degraded lands and reforestation, and improve the monitoring of tropical deforestation.[10]

These trends have resulted in companies focusing much more strategically on building a sustainable business. Olam, for example, undertakes independent assessments of labor standards across its supply chain. The Fair Labor Association (FLA) has been monitoring a portion of the cocoa-producing cooperatives and farms in its Ivory Coast supply chain since 2014. In 2015, Olam reported it had traced 100 percent of the cooperatives supplying cocoa for Olam in the Ivory Coast, which represents 117 cooperatives and about 53,000 farmers.[11] Mars has also developed its own sustainable sourcing strategy that tackles environmental (land use, greenhouse gas emissions, and water use) and social factors (income and human rights).[12]

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[7] http://observer.com/2015/09/central-americas-slow-recovery-from-coffee-ravaging-epidemic/

[8] https://www.usaid.gov/news-information/press-releases/june-19-2014-usaid-keurig-green-mountain-starbucks-root-capital-coffee-rust-crisis

[9] http://www.theconsumergoodsforum.com/sustainability-strategic-focus/sustainability-resolutions/deforestation-resolution

[10] https://www.tfa2020.org/en/about-tfa/objectives/

[11] http://www.fairlabor.org/affiliate/olam

[12] http://www.mars.com/global/sustainability/sustainable-sourcing-plan

1.2 MAXIMIZING USAID'S IMPACT IN ALLIANCES WITH THE PRIVATE SECTOR

Agriculture value chain partnerships are especially relevant to USAID's Global Food Security Strategy (GFSS), which seeks to build strong private sector-led value chains to strengthen agriculture and food systems that sustainably reduce poverty. To meet the needs of a burgeoning global population, agricultural production must double by 2050. The urgency for food security has accelerated the need for USAID and agribusinesses to focus on the crucial link between successful development and successful business in emerging markets—and to recognize that each can make a vital contribution toward forging that link.

Opportunities abound for USAID to use its capabilities to support the private sector in agriculture value chains. These range from using its convening power to help set standards in a more collaborative way to managing distrust between companies and governments or companies and beneficiaries to providing technical know-how. For example, the Ethiopian government had limited relations with private sector actors, and farmers relied solely on the government for inputs and support services. USAID saw the benefits that the private sector could bring, and facilitated relationships between the Ethiopian government and DuPont. The government became convinced of the effectiveness of DuPont's seed processing and distribution capabilities and subsequently supported its entry into the Ethiopian market. On reflection, one interviewee noted the following: "The government has a long-standing relationship with USAID. They have been investing money in the country for years. This made it easier for DuPont to come through."

Using its full range of capabilities and assets and honing its ability to match partnerships to challenges will help the Agency to maximize its impact. Potential partnerships need to be assessed according to how they can best align with USAID strategy, leverage USAID's broad range of strengths, and contribute to a PSP's business objectives. Alliances with the private sector should not simply leverage financial and intellectual resources, but should also serve to broker fair, long-term, and productive relationships between corporate shareholders, smallholders, and government.

Successful partnerships should seek to drive sustainable, inclusive practices beyond the direct engagement of USAID. Understanding what PSPs value in USAID, and tailoring the engagement accordingly, can enhance the partnership. Results are more likely to be sustainable if USAID's intervention focuses on solving an issue that hinders long-term financial sustainability. A focus on technical support to improve agricultural techniques and build capacity can fundamentally shift the business case to make it profitable (and likely to remain so).

As these partnerships become more mainstream, empowering and building capacity of USAID staff to optimally design, drive, and manage them will increase efficiency and impact. USAID staff are not always certain that they have the right skills and experience to engage effectively with the private sector. Providing them with the tools to guide them through initial conversations and each subsequent step of the process can increase their level of comfort. In parallel, a staff member who is new to private sector partnerships may have concerns about their viability, often underpinned by a belief that a good partnership can only be achieved when the objectives and outlook of the partners are identical. In fact, perfect agreement is not required—complementarity, however, is essential. To achieve this, all parties need to clearly understand each other's various contributions and perspectives, and based on this understanding, enter into a partnership rooted in mutual respect and trust. To effectively empower USAID staff in partnership-building with PSPs, the Agency will need to equip staff with skills and tools to nurture long lasting relationships, and foster a culture shift to encourage understanding of and alignment with private sector motivations that complement the work of USAID.

2. PURPOSE OF THIS GUIDE: WHAT IT IS AND IS NOT

This guide is not a technical guide on how to undertake partnerships in agriculture value chains for smallholder impact. It does not seek to understand different business models, identify opportunities for partnership, or provide instructions on the technical aspects of partnership alignment, design, implementation, and performance monitoring**.** Other resources such as USAID's publication 'From Smallholders to Shareholders' serve this purpose.[13]

This guide focuses first and foremost on the key elements needed to achieve effective, healthy, and productive relationships in agriculture value chain partnerships. Healthy relationships are a unique and essential element of successful private sector partnerships. Relationships are related to but distinct from the formal agreements, activities, and outcomes that underlie a partnership. This guide presents insights from a cross-section of partnerships and outlines key questions to be considered in prospecting, designing, implementing, and sustaining results of a private sector partnership.

The overall approach to these partnerships should be "fit-for-purpose;" in other words, there is no "one size fits all." This guide does not just present a set of universal rules to follow or actions to take. Rather, it teases out important factors and considerations to pay attention to, particularly around agriculture value chain partnerships.

Throughout this guide, private sector partnerships are defined as USAID's collaborations with companies that involve co-creation and a co-investment on the part of the private sector partner. In line with policy priorities and a desire to create leverage, this guide focuses on situations wherein USAID and a private sector partner are co-funding and co-designing specific activities. Ideally, USAID and the private sector partner jointly to identify and define compelling business and development problems. They then collaborate to determine how to solve those problems and achieve the greatest degree of sustainable impact. They share risks and responsibilities and work together to mobilize, leverage, and more effectively apply one another's respective assets, expertise, and resources. In an effort to enhance the prospects of sustainable development impact, and foster the development of market-based approaches, this guide focuses on partnerships that leverage private sector assets, expertise, capabilities, and resources.

[13] An updated version of the 2014 report will be available online in early 2018

3. BASIS OF THE GUIDE: HOW THE INSIGHTS WERE DEVELOPED

3.1 ANALYSING A CROSS-SECTION OF PARTNERSHIPS

The insights provided here are drawn from studying a sample of USAID's portfolio of public-private partnerships in agricultural value chains. The research included (i) desk research, (ii) a survey of USAID staff involved in 22 of these partnerships, (iii) 17 interviews with actors across these partnerships for a non-USAID perspective (15 PSPs and two implementing partners),[14] and (iv) in-depth case studies on four of these partnerships. The case studies represented a diverse range of public-private partnerships in agriculture value chains, spanning multiple geographies. The four case studies included in this study are the African Cocoa Initiative (ACI), with a focus on its activities in Côte d'Ivoire; the Advanced Maize and Seed Adoption Program (AMSAP) with DuPont in Ethiopia; the Georgia Hazelnut Improvement Project (G-HIP); and the Smallholder Alliance for Sorghum in Haiti (SMASH).

Summary of case studies

ACI: The African Cocoa Initiative is a public-private partnership, bringing together the World Cocoa Foundation (WCF), cocoa industry members, the Sustainable Trade Initiative (IDH) and USAID in concert with key government institutions in the four countries of Cameroon, Côte d'Ivoire, Ghana and Nigeria. Its goal is to institutionalize effective public and private sector models to support sustainable productivity growth and improved food security on diversified cocoa farms in West and Central Africa.

AMSAP: The Advanced Maize and Seed Adoption Program is a public-private partnership between USAID, DuPont, and the Government of Ethiopia. The program's goal is to sustainably increase more than 100,000 smallholder farmers' yields and enhance income potential while also improving nutrition outcomes in 15 districts over four regions of the country. The program uses demonstration plots to show farmers the appropriate performance and result of improved high-quality hybrid maize seed varieties by providing training on use of agricultural inputs and improved technologies to increase productivity and support the marketing system to improve the overall maize value chain activities and processes.

G-HIP: The Georgia Hazelnut Improvement Project is a five-year Global Development Alliance implemented by USAID, Ferrero, and CNFA. The partnership seeks to transform and streamline the hazelnut value chain and incentivize growers and processors to produce and export high quality "Georgian" hazelnuts. The vision for G-HIP is that by 2020, the partnership will have supported the hazelnut value chain through strengthening two existing associations that assist growers and processors in exporting high quality, dried, traceable hazelnuts that sell at a premium to international buyers, improving the economic livelihoods of more than 50,000 hazelnut growers.

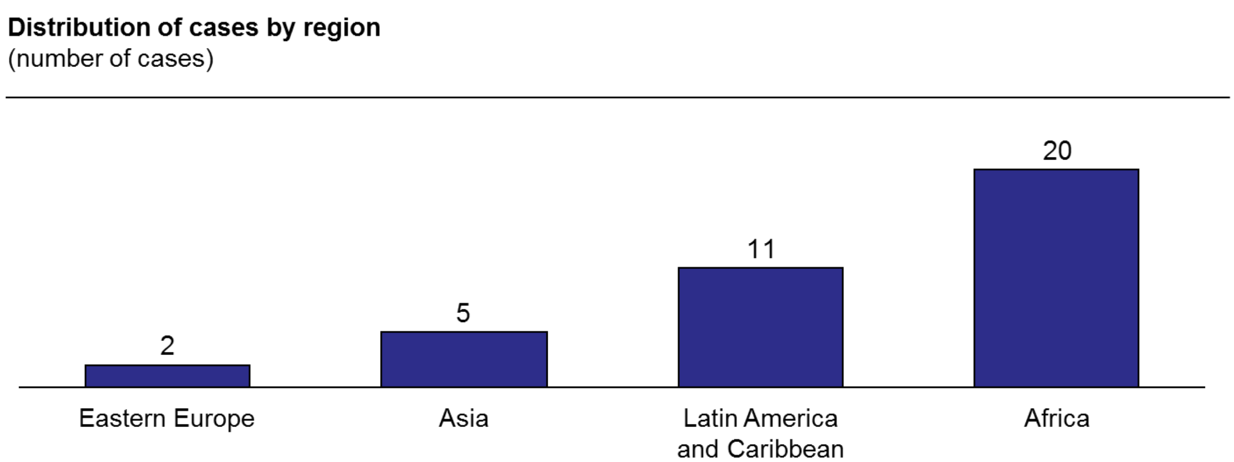
[14] For six of these partnerships, the authors both conducted a PSP interview and received a USAID AOR survey, allowing for comparison between PSP and USAID AOR perspectives for this subset.

SMASH: Sorghum is one of the most cultivated cereals in Haiti, and a major staple among its subsistence farmers. BRANA, a local subsidiary of Heineken in Haiti, has largely been reliant on imports in the production of its beverages, but decided to source local sorghum for its non-alcoholic beverage, Malta H. Together USAID and BRANA developed the Smallholder Alliance for Sorghum in Haiti to strengthen the sorghum supply chain and create a reliable off-taker, while addressing issues such as low-quality seeds and antiquated processing and storage facilities.

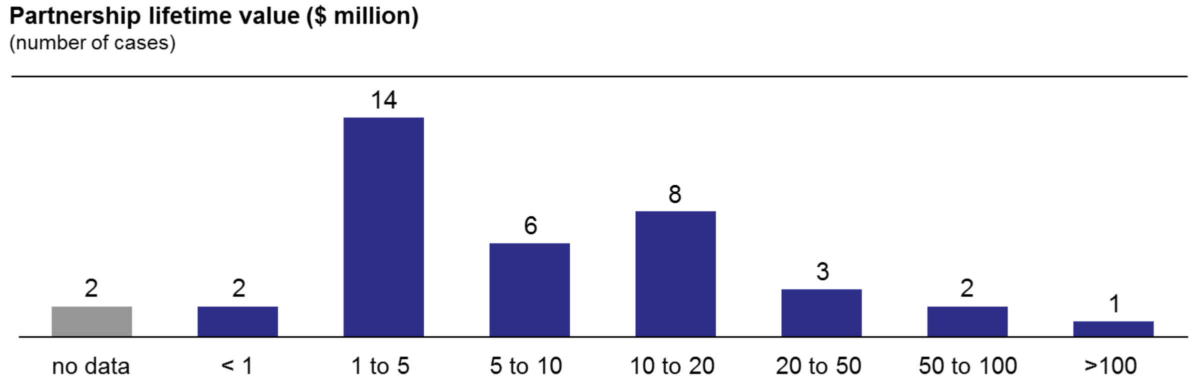
To assess each of these partnerships, a number of in-person interviews were conducted in each country of focus. Interviews were conducted with a range of key actors, including with USAID staff, implementing partners, smallholder farmers, extension agents, and government officials. Each of these four case studies and their insights will be referenced throughout this guide. The non-case study surveys and in-depth interviews were anonymous, and therefore partner names will not be referenced. These insights are complemented by discussions of emerging trends, as observed by senior partnership specialists, and general best practices for building and implementing partnerships identified in the broader literature.

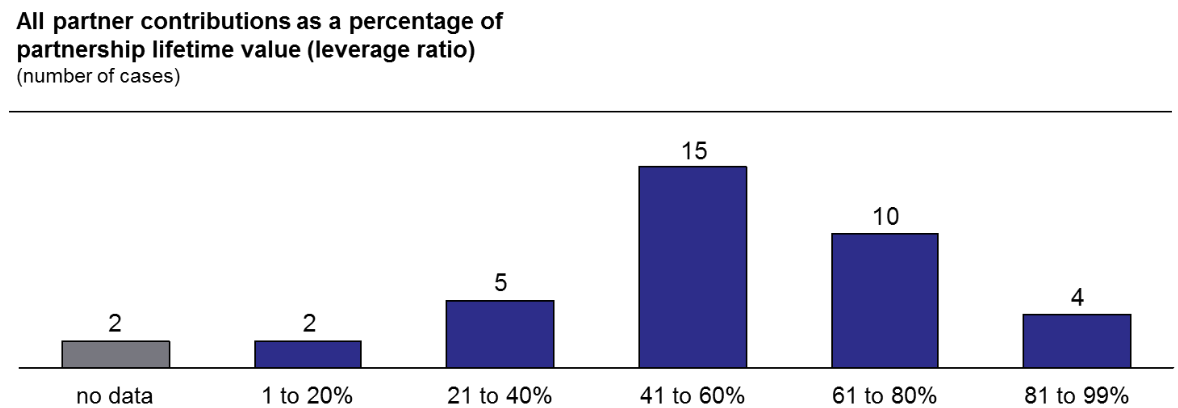
The 38 partnerships studied vary across a range of characteristics, as illustrated in Figures 1 – 3.

Figure 1: The partnerships analyzed had a global spread; the majority were focused on Africa



Figures 2 and 3: The partnerships represent a range of sizes (in terms of value) and a variety of leverage ratios





3.2 PARTNERSHIP ARCHETYPES AND IMPLICATIONS

In studying the partnerships, we identified three main archetypes across the social and business value spectrum, each defined by the PSP's motivation for engaging in the partnership. Across the many characteristics tracked in this study, PSP motivation was the factor that most influenced the lessons learned from the partnership about how to successfully partner and engage with the PSP.

Social and Business Value →

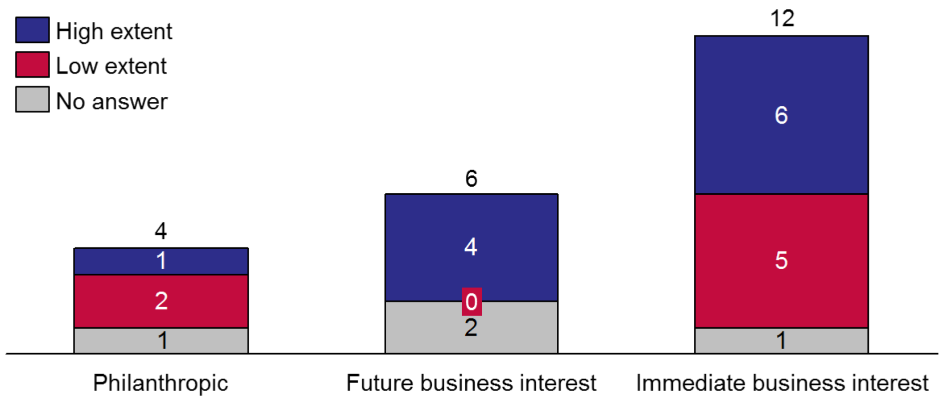
Philanthropy	Future commercial interest	Current commercial interest
Philanthropy or traditional volunteerism to "do good" in the company's local communities	*Engaging on social impact issues that are aligned to business strategy and operations*	*Intentional investments into social impact issues to strengthen competitive advantage*
Describes PSP initiatives aimed at strengthening value chains in a manner that is separate from the PSPs core business operations in the market. This category includes multi-stakeholder alliances for social impact and holistic value chain strengthening initiatives.	Describes PSP interventions in a value chain or market that do not affect present business operations, but are part of a market development effort that paves the way for future operations. Examples include CSR initiatives that build our a local supply chain or potential customer base.	Describes PSP interventions in a value chain or market where the PSP is also conducting core business operations. In this case the PSP's partnership activities are driven by both developmental and commercial objectives.

These partner archetypes have implications for partnership design and implementation as well as the success factors relevant for partnership health. Survey results from 22 partnerships show that the PSP archetypes impact the expected level and type of contribution (financial and non-financial) of each partner, the level of engagement of the partner in implementing activities, the extent of communication required, and the partner's interest in jointly developing monitoring and evaluation (M&E) frameworks, among other characteristics. In light of this, the guide that follows highlights moments in which it is important to consider the PSP archetype in partnership initiation, design, and implementation.

When a business interest is at play, PSPs tend to be more actively involved. This is visible in a number of specific actions and touchpoints:

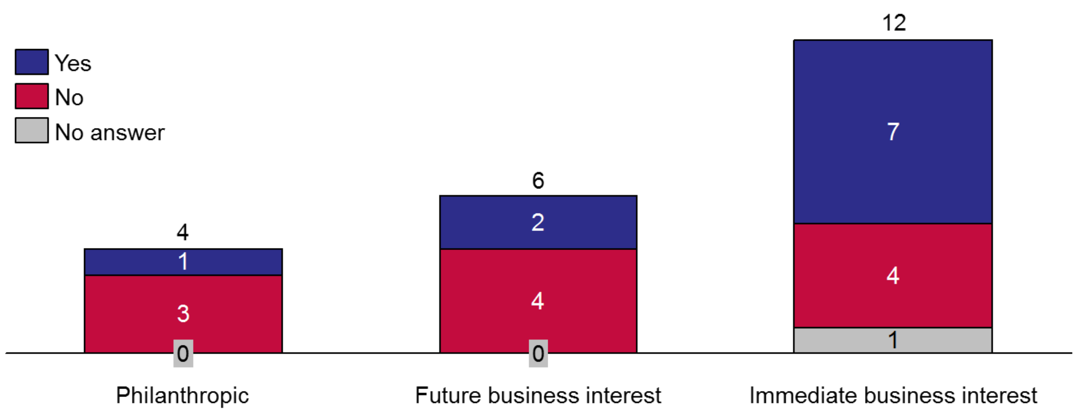
Partnerships with an immediate or future business interest are more likely to carefully define the PSP responsibilities up front.

To what extent did the formal sign-off of the partnership address the role and level of involvement of senior leadership of the PSP?



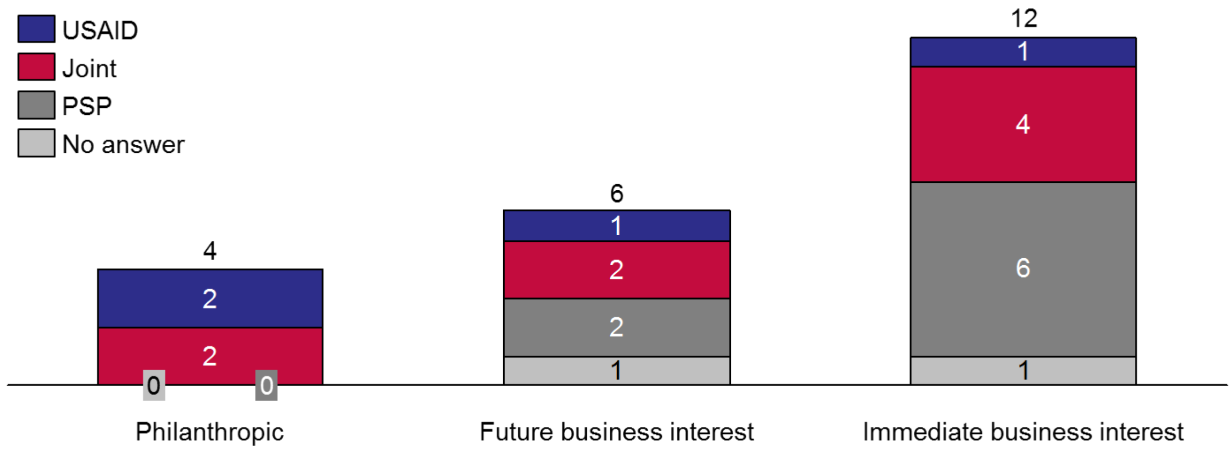
The more immediate the business interest, the more likely the partnership is to include the PSP's business goals in the M&E framework.

Did the program's M&E framework contain metrics related to the key business goals that the private sector resource partner wanted to achieve?



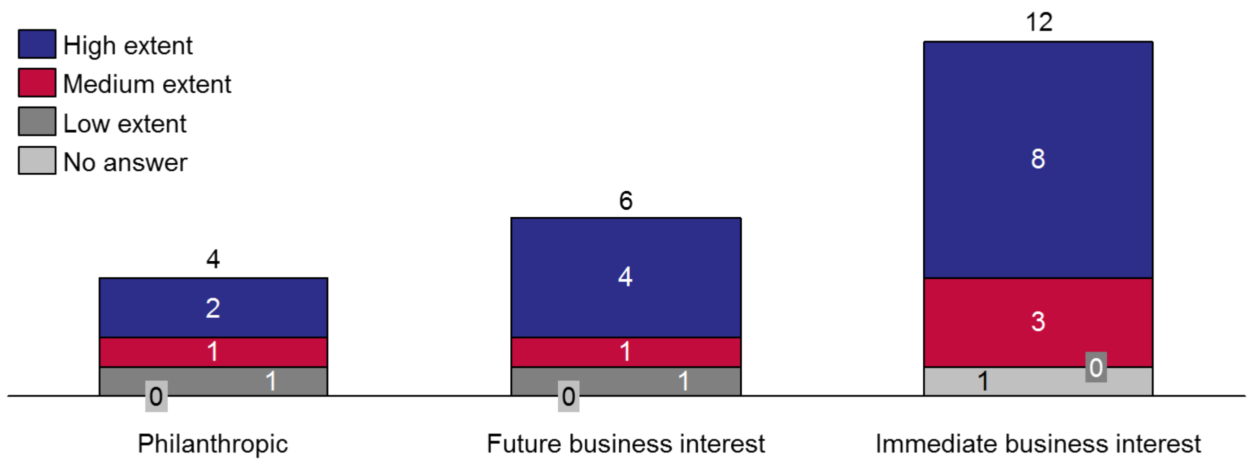
The more immediate the business interest, the more likely it is that decisions to include other PSPs in the partnership are made solely by the PSP or jointly with USAID; in the case of philanthropic motives this decision is typically made solely by USAID or jointly by USAID and the PSP.

Who decided about selection of other private sector entities that will help in the roll out of the partnership's activities?



The more immediate the business interest, the more involved the PSP tends to be in the development of the planning documents.

To what extent was the PSP involved in developing the planning documents for the partnership?



The above data point to the fact that partners with current commercial interests are more likely to approach the partnership with a sense of urgency and direct involvement and ownership than are those with a purely philanthropic interest in the partnership. Hence, partnership governance and communication need to be structured based on the needs of the PSP under each archetype such that partners meet with right level of frequency and receive the desired level of engagement, flexibility, and transparency.

4. IMPORTANCE OF RELATIONSHIP HEALTH

Relationships are related to, but different from formal agreements, activities, and outcomes that form the bedrock of partnerships. The former focuses on *how* partners work together, whereas the latter describe *of what* the partnership consists. Both USAID's internal research and academic literature consistently highlight that healthy relationships are essential to effective partnerships and that healthier relationships are associated with better program outcomes. For example, partnerships in which points of contacts were satisfied with the relationship were significantly more likely to be seen as meeting or exceeding performance expectations.[15] In addition, healthy relationships allow partnerships to progress and adapt even in times of uncertainty and in the face of challenges.

That said, relationships are highly personal and can, at times, be difficult to institutionalize. Consistently investing in the 'people side' of partnerships positively influences their relational health. The partnerships studied demonstrate how specific actions and decisions have affected the dynamics between partners. The soft skills—attitudes and approaches of USAID staff reported as positively influencing the existing portfolio—are presented as the starting point for partnership success. A core set of activities has been shown to further strengthen relationship health over the life of the partnership. For example, creating multiple avenues for formal and informal communication, designing appropriate governance structures, and actively managing for change can address many sources of misalignment and tensions that have arisen from different types of partnerships. Previous USAID research cites six factors as having a clear effect on relationship health:[16]

- **Trust:** Mutual belief in the truthfulness, competence, and reliability of each partner
- **Alignment:** Shared understanding of objectives, working culture, and expectations
- **Commitment:** Shared satisfaction with each partner's engagement level, dedication to the relationship, and dedication to the goals of the partnership
- **Mutuality:** Reciprocal dependence built upon shared rights and responsibilities between you and your partner
- **Efficiency:** Mutual ability to accomplish activities in partnership with a minimum of unnecessary time, resources, and effort
- **Performance:** Shared perceptions of progress toward the partnership's outcomes

The agricultural value chain partnerships studied confirm the importance of these six factors; however, not all factors are of equal importance, and their relative weight differs at each stage of the partnership.

4.1 TRUST

Across the partnership experiences studied, establishing trust appears to be of overarching importance—and issues arise quickly when trust erodes. This pertains mainly to trust in each party's *competence*—issues around trust in each party's *truthfulness* were rare. Examples from the partnerships on how trust can be strengthened or weakened include the following:

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[15] USAID Global Development Lab - Center for Transformational Partnerships (CTP), "Private Sector Partner Relationship Health Guide", September 2015

[16] Ibid

- **Close collaboration can strengthen trust.** In G-HIP, extensive collaboration on activities in the field—and the corresponding culture of proactive, informal communication that is built up around these activities—helped the partners to build trust. Beyond this, maintaining continuity from previous initiatives, development of a common vision, and co-creation of follow-on activities also contributed to a trusting atmosphere.
- **Competitive concerns may reduce trust unless the partnership is explicitly designed to mitigate these concerns.** The participation of multiple PSPs in ACI limited the scope of partnership conversations and activities. WCF's dual roles as industry representative and implementing partner, as well as the partnership's focus on pre-competitive issues, helped to counter this.
- **Power dynamics may reduce trust.** Power dynamics were very important in ACI, especially where government was involved. In addition to the initially guarded attitudes towards competitors, PSPs did not always feel at liberty to candidly express their views in fora with government in the early days of the partnership. PSPs also felt that in certain instances USAID was a "privileged partner" in the partnership, with WCF reporting to USAID more frequently than industry partners. USAID, however, similarly felt that ACI members were privileged partners.
- **Insufficient sharing of information may reduce trust.** This arose in both the AMSAP and ACI partnerships. In both cases, there were times when the PSP(s) desired a more proactive system for pushing information out to partners on a regular basis.

4.2 ALIGNMENT

Whereas *trust* seemed *most important*, the *most frequent* relationship issue to arise appeared to be lack of **alignment**, which, in turn, can drive the deterioration of the other aspects of relationship health. At best, lack of alignment leads to a loss of **efficiency** if additional efforts are required to restore alignment or to work around differences in culture. At worst, lack of alignment can diminish the sense of **mutuality**—and with that, reduce **trust,** which can ultimately lead to a reduced **commitment** and directly impact the potential for partnership success**.**

Factors that have strengthened alignment in recent partnerships include:

- **Understanding private sector motivations.** Five of the six of partnerships with comparable Agreements Officer Representative (AOR) survey and PSP interview results showed strong alignment between the PSP's motivations for pursuing the partnership and USAID's perception of why the PSP wanted to partner. In the one case where there was some misunderstanding, the PSP later reported in the case study feeling misaligned on the scope of the initiative, and that the potential value of the partnership was not being maximized.
- **Establishing a shared big-picture vision for the partnership at the outset.** This provides a common reference point for aligning on individual issues over the lifetime of the project. As shown by the G-HIP case study, a firm foundation of mutual interest and shared vision eases and incentivizes collaboration and compromise on the details. In PSP interviews, AgriGeorgia pointed out USAID's flexibility of approach and contribution to programmatic design as helpful for alignment of the two organizations on project direction. Co-creation of the initiative with key partners is an important activity in this regard. WCF learned this lesson from the experience of designing ACI with only a certain amount of PSP engagement; concerns expressed by industry members during the life of the partnership ultimately led to a much more inclusive process for the design of the proposed follow-on.
- **Learning from and building on prior experience with partners.** As a result of building a strong relationship during initial phases of G-HIP, AgriGeorgia was able and willing to strike compromises based on an understanding of the USAID perspective during the negotiation and

design of follow-on work, and felt this understanding was reciprocated. A key lesson from both ACI and AMSAP was the importance of recognizing the motivations of each partner and the nature of pre-existing relationships between stakeholders in accounting for likely points of misalignment. Focusing collaboration on high-potential areas of alignment between industry competitors secured strong agreement on initiatives for the partnership to pursue.
- **Communicating empathy toward private sector needs.** In G-HIP, the PSP was more willing to compromise on small things when it felt that the USAID contact understood its vision and was sensitive to its priorities. A lesson to draw from ACI was the need for both formal communication mechanisms with clear roles and norms and, at the same time, investment in a culture for informal communication, troubleshooting, and direct negotiations between partners.

One factor, in particular, emerged in the partnership studies as having the potential to reduce alignment:
- **High staff turnover and poor internal handovers.** In the case of SMASH, the handover suffered from limited documentation and communication of the origins and vision of the partnership to incoming staff. In a high turnover environment, this led to internal confusion and frustration regarding the nature of the agreement and the reporting responsibilities of partners. In the case of G-HIP, the issues with handover had to do with strong stakeholder relationships that centered on individuals and were not fully institutionalized. When one of the individuals left USAID, the inter-organizational relationship was limited to communication on procedural matters; and reduced alignment on anything beyond the tactical level—such as future activities and the sustainability of impact.

4.3 COMMITMENT

Smooth partnership experiences have in common a joint sense of **commitment.** At times, this sense of commitment may no longer feel balanced (typically because one partner questions another's dedication to the partnership or level of engagement), yet this challenge can be relatively easily overcome, provided that underlying **alignment and trust** are present. Without these qualities, the relationship tends to rely on formal processes, which cannot replace alignment and trust and hardly ever sustain success over the course of the partnership.

Three examples from the partnership study show how commitment can be strengthened:
- **Building the partnership over multiple phases of collaboration.** In the hazelnut value chain, AgriGeorgia's commitment to its first partnership with USAID was much lighter than its commitment to G-HIP; this first partnership formed the basis of much stronger commitments in the subsequent G-HIP partnership. Similarly, in cocoa, private sector support and involvement grew over the course of multiple iterations of the Sustainable Tree Crops Program with USAID, as well as other industry initiatives, all of which lead to the successful launch of ACI, as well as the subsequent development of ACI II.
- **Institutionalizing partner commitments.** Ninety-five percent of AOR survey respondents had secured a formal commitment to participate in the value chain in a manner aligned with the partnership's primary motivation. Using the G-HIP Steering Committee to oversee and enforce the roles and responsibilities in the partnership document helped to hold all members accountable. Similarly, there were no questions around each partner's commitment to SMASH due to their consistent investment of time and money, in accordance with expectations set at launch and accession. On the other hand, the ACI steering committee played a more limited role in establishing accountability, and partners reported that the post-award changes in a donor's contribution weakened partnership feasibility and commitment.
- **Setting the tone—leading by example.** One PSP interviewee pointed to USAID's follow-up and ownership of responsibilities as a shining example of setting the bar for partners. In another

partnership, the PSP appreciated USAID's clarity on the exact nature and extent of USAID's financial commitment. In ACI, private sector partners reported that the drive and passion of donor partners made a difference in whether or not they joined the partnership. In G-HIP, changes in the AOR that resulted in a different USAID approach to the partnership affected the perceived commitment level of the Agency, causing partners to limit their own engagement. These responses strongly suggest that not only is sharing technical details critical to the successful transfer of relationships—so, too, is communicating the nuances of the relationship and each party's goals and specific priorities.

4.4 MUTUALITY

Mutuality—that is, reciprocal dependence built upon shared rights and responsibilities between partners—is an excellent quality to have in a partnership, but its absence appears to be more a nuisance than a fundamental problem.

One major contributor to mutuality stood out in the study of 38 partnerships:

- **Regular proactive communication.** This was used to great effect with G-HIP. Both USAID and AgriGeorgia made an effort to acknowledge and discuss activities outside of the specific Global Development Alliance (GDA). There are often areas of potential alignment that USAID are not aware of, or additional opportunities that could arise as a result of AgriGeorgia's activities.

Several factors, on the other hand, negatively affected the sense of mutuality and reciprocity in a partnership:

- **Disproportionate influence.** Where partners have equal voice in principle, it is important that this is reflected in practice. PSPs involved in ACI expressed that they did not feel they had an equal seat at the table with USAID. Rather, USAID appeared to some to be a privileged partner—particularly because WCF reported to USAID while certain PSPs felt that they were not always kept in the loop. Conversely, a sense of equality was reported as a positive aspect of G-HIP.
- **Lack of alignment on contingencies.** It is important to explicitly engage and reach an understanding on how and when the roles and responsibilities of each partner within the partnership can shift in response to the environment. This became clear when disagreements around responsibility influenced the sense of mutuality in AMSAP.
- **Low empathy.** Misunderstanding or lack of expressed concern for each partner's critical success factors reduced the sense of mutuality and reciprocity in SMASH. USAID did not always express an appreciation of how PSPs' willingness to engage in partnership activities is influenced by private sector business dynamics. BRANA, for its part, had less interest in USAID's need for Feed the Future (FTF) indicators, as these had limited relationship to its core business.

4.5 EFFICIENCY

Efficiency, like mutuality, is very nice to have but its absence is a nuisance more than it is a fundamental problem.

The research on the 38 partnerships yielded only factors that negatively impact efficiency:

- **Inconsistent communication.** The lack of a positive, regular pattern of communication between the partners in G-HIP led to unnecessary delays in the completion of small tasks (e.g., necessary approvals for media publicities, etc.). These delays can lead indirectly to reluctance on the part of the other partner to be responsive and helpful.
- **Duplication of effort.** It is important for USAID to be aware of other programs being implemented so that it can avoid some of the overlaps experienced with ACI. The existence of

several cocoa industry initiatives at a time led to some confusion among PSPs and overstretching of state and partnership resources. This doesn't just pertain to USAID programs – donor coordination remains a challenge across sectors and geographies and in many cases, multiple initiatives by multiple donors (multilateral, bilateral and/ or private foundation-driven) run in parallel. This can pull actors into conflicting directions as not all programs are aligned in objective, approach and emphasis.

- **Governance structures.** In SMASH, the structure of the governing board (AMC) and individual agreements created some limitations to direct communication between several partners. This hampered efficiency, as implementation decisions could be made only at quarterly AMC meetings, and often several meetings were required to conclude an issue. In ACI, the steering committee was overly expansive, including many stakeholders beyond the resource and implementing partners, which slowed debate and decision making.

4.6 PERFORMANCE

Lastly, **performance** does not seem to be as important a driver of relationship health as are the factors discussed above. In all partnerships, the different partners recognize that they measure success in different ways. The most serious impact of these different success measures can be a sense of lack of collaboration—for example, if the efforts to collect metrics that matter to USAID are perceived to be onerous by partners while little consideration seems to be given to the metrics that matter to the PSP. Such differing approaches to measurement showed up most clearly in the SMASH partnership. In this, USAID is primarily accountable for delivery on its stated goals of training 18,000 farmers, BRANA's business success, and Papyrus' ability to positively influence the value chain actually depend on factors beyond the training – namely farmer adoption of yield-enhancing methods; their increased access to markets; and actual sale of sorghum in commercial quantity and quality to SMASH. Where USAID feels that its interests with regard to indicators have not been properly addressed, BRANA feels a sense of urgency in securing a sustainable sorghum supply.

4.7 OVERALL PARTNERSHIP SUCCESS

Although the study did not focus on identifying overall success factors for partnerships and instead focused on understanding drivers of *relationship health,* a few factors in how partnerships were structured and how partners behaved in them, were quoted consistently as being important in driving the overall success of the partnership.

Factors positively affecting performance of partnerships included:

- **Leveraging each partner's unique contributions.** In all six of the partnerships for which both surveys and interviews were completed, AORs and PSPs agreed that each other's contributions had been leveraged effectively. In the G-HIP partnerships, specific contributions included insights on the needs of the farmers and local population, technical expertise, relationships, and resources. Partners looked beyond finances to see how the private sector and USAID could bring additional expertise, be it in the form of technical knowledge or brokering of relationships. Five PSP interviewees mentioned technical knowledge as a unique strength USAID contributed, while in the SMASH case study, BRANA also mentioned that more thought partnership from USAID would be a key contribution to improving performance.
- **Using USAID's unique ability to broker relationships.** Recognizing the potentially conflicting incentives of the cocoa industry and government regulators in ACI, USAID and WCF identified a well-respected neutral broker to bring industry and government together. Partners subsequently participated in national value chain platforms—organized by USAID—to seek

alignment with the Ivorian and Ghanaian governments on priority initiatives. USAID also took on this brokering role in AMSAP by facilitating DuPont's engagement with the Ethiopian government.

- **Greater awareness of private sector contributions.** In G-HIP the PSP made contributions over and above the committed amounts. Recognizing these investments made by the PSP can increase USAID's perception of engagement progress beyond measurement of line item expenditures.

Factors negatively affecting performance of partnerships included:

- **Poor communication norms.** In ACI, PSPs would have liked to have participated more in field activities, but were limited by lack of communication on opportunities and needs.
- **Poor due diligence.** In the case of a partnership with a multinational corporation, the speed and priority of launching the partnership hampered communication within and across organizations on adequate research on appropriate interventions. As the partnership was promoted by very senior officials in USAID and the PSP, the project was pushed through with limited examination and planning from USAID expert personnel. Likewise, there was little engagement from PSP management in the design of the program. This led to overestimation of the partnership's progress and viability.
- **Differing reactions to change.** These surfaced in both ACI and AMSAP, leading to some confusion between partners and implementers. These gaps can be avoided by communicating necessary pivots clearly to implementers to avoid confusion and damaged relationships. In order to effectively manage for change during implementation, it is important to ensure that the process for creating alignment on a pivot in activities is fully fleshed out in the design of the partnership.

5. LESSONS AND 'HOW-TO' CONSIDERATIONS AT EACH STAGE OF THE PARTNERSHIP

This section examines the partnerships along a four-stage process: 1) prospecting, 2) design, 3) implementation, and 4) sustaining results. Each of the four stages highlights a number of relationship health concerns that should be considered and addressed; the discussion of each stage includes:

(i) The main lessons and concepts extracted from the partnerships and case studies reviewed
(ii) 'How-To' considerations and tactics for USAID to consider that strengthen relationships and maximize impact

To provide respondents with anonymity, specific PSP interviewees are not named. However, the detailed case studies from which much of the evidence is drawn (AMSAP, G-HIP, ACI, and SMASH) are presented in Chapter Six.

5.1 PROSPECTING

While USAID has much to gain from the private sector, maximizing the impact of partnerships and mitigating risk requires strategic alignment and proactive due diligence. It is essential to understand both the commercial and development opportunities of a potential partnership as well as the organizational makeup of the potential partner. This is the basis of the prospecting phase.

Prospecting is something that can be considered on a continuous basis by both relationship managers (RMs) and Mission staff more broadly. It is a way of engaging with one's environment rather than an activity centered on a single point in time. A USAID RM for the 40 companies with which the Agency most frequently engages will likely have a deep understanding of each company's ambitions and goals, as well as a clear responsibility for identifying future collaboration opportunities. That said, most other USAID staff (at Missions and in Washington) have a different role in partnership formation and have a different range of responsibilities of which engagement with private sector partners is only a subset. They may have fewer private sector relationships in a particular country or technical sector or their relationships may not be formed on shared value principles, but deep country and technical sector knowledge. These relationships however can be complementary to the RM's. As such, Mission staff should include prospecting as a core part of their ongoing strategy implementation activities. Missions may consider initiating a country-level RM structure with key companies. And even if a new contact does not result in a full-fledged partnership in the short term, it could become a future partner, or serve as a useful partner for adjacent work and information sharing in a broader and more diverse network.

First and foremost, USAID needs a clear objective on what it hopes to achieve through a partnership. This requires initial research in order to understand how an industry functions in a given market and identify the positive and less desirable aspects of that market's dynamics. Private sector partnerships are not only about engagement with individual companies but also serve as demonstrations and catalysts in shifting industries into more sustainable practices overall.

Proactive prospecting allows USAID to be strategic about partnerships. It enables Missions to understand the private sector needs, as well as identify opportunities for long-lasting partnerships that align with USAID's in-country strategy and leverage the Mission's capabilities. Prospecting consists of three key stages: (i) diagnosing the problem(s) in line with USAID objectives; (ii) understanding private sector incentives and identifying areas of strongest alignment, and (iii) building commitment and trust.

'How-To': Considerations and Tactics

A Mission's leadership and overall orientation toward partnerships impacts the extent to which staff have the motivation, if not the mandate, to dedicate the time and resources needed to explore and nurture partnership opportunities.

- What definitive steps can the Mission take to dedicate the resources and staffing needed to effectively engage and partner with the private sector (e.g., emphasizing private sector engagement in the Country Development Cooperation Strategy)?
- How can Mission leadership instill a partnership ethos and create space for prospecting within people's day-to-day jobs?
- What are the actions leadership can take to empower and support staff in pursuing partnerships?

Diagnose the problem(s) in line with USAID objectives

Partnerships should be formed based on their ability to help tackle a specific problem, or problems, that USAID seeks to address. The greatest potential for development impact occurs when USAID can form partnerships in line with its strategies and that leverage its assets.

In the AMSAP partnership, USAID had identified maize as one of its target value chains and wanted to increase productivity of smallholder farmers. It also recognized that its productive relationship with the Government of Ethiopia was one of its key strengths. It was able to identify a partnership with DuPont that used this asset and aligned with USAID's strategy. As a result, the outcomes of the partnership (which to date has benefitted 250,000 farmers[17]) contributed directly to USAID development objectives. In the words of a USAID interviewee, "The important thing is to design the program with full knowledge and alignment on the problem you are trying to solve. You have to identify the biggest problems that the farmers face and match this with the relevant partners that can address them."

In Haiti, USAID was interested in securing a market for smallholder sorghum farmers. Haiti's sorghum supply chain has historically been challenged by a range of issues, including low quality seeds, antiquated processing and storage facilities, and unreliable off-takers. BRANA put forth the goal of improving the incomes of up to 18,000 Haitian farmers. Ensuring a steady and sustainable supply of sorghum and improving the lives of Haiti's farmers was attractive yet ambitious. BRANA took up this challenge, but acknowledged that it could not achieve its vision alone. Doing so would require other partners who could help provide farmer extension services, organize the supply chain, and introduce new varieties. USAID was attracted by this vision and found it aligned well with its own strategy and activities. USAID could provide training to farmers to help ensure the quality and quantity of sorghum needed for BRANA's Malta

[17] https://www.usaid.gov/sites/default/files/documents/1860/Press_Release_USAID-DuPont_Partnership_5-8-17.pdf

H. The SMASH partnership was initiated with alignment on both commercial interests and development impact.

Prior to the G-HIP partnership, USAID had launched the Economic Prosperity Initiative (EPI), a four-year project to improve enterprise competitiveness at the industry and country level in Georgia. EPI targeted value chains across a number of crops, including hazelnuts, providing farmers with technical assistance, training, and study tours. The design of G-HIP built on the successes of EPI and therefore targeted a specific problem USAID was focused on. Both USAID and AgriGeorgia felt that G-HIP could make further strides toward sustainability and improving the entire hazelnut value chain through training farmers; strengthening the capacity of the Hazelnut Exporters and Processors' Association (HEPA); and increasing productivity of the sector by improving post-harvest handling, enhancing the capacity and operation of husking, drying, and storage centers, and facilitating access to credit for producers.

'How-To': Considerations and Tactics

There are several questions that USAID should consider in order to effectively prospect for partnerships. Under the implementation of the GFSS, now is the opportune time to begin undertaking these activities. USAID should be clear on its priority areas before exploring partnerships, ensuring that an opportunity aligns with its goals and capitalizes on its core strengths. Prospecting is the time both to demonstrate interest and to set the tone for the overall relationship by instilling healthy relationship characteristics in USAID's interactions.

- What are USAID's strategic objectives in agriculture in a given country/region?
- What are the issues within target value chains that USAID is trying to address?
- How does the industry operate in target value chains? What are the key risks?
- What are the opportunities for more sustainable practices in the industry?
- Who are the key private sector players active across each value chain?
- How are these companies currently engaged?
- What are their main pain points / bottlenecks?
- What are their growth aspirations (new products, new markets, new investments, etc.)?
- How can incentives be aligned so that these growth aspirations contribute to USAID development objectives?
- How can USAID use a partnership to catalyze industry change to accrue more benefits for USAID beneficiaries?

Understanding private sector incentives and identifying areas of strongest alignment

When USAID is able to effectively listen to and understand the PSP's perspective it enhances alignment and buy-in on the part of the company.

Recently, through constructive dialogue, USAID and an American manufacturing company were able to identify where private sector objectives overlapped with development objectives and build a partnership around that sweet spot. While USAID would have liked to focus on certain countries in the region from a development perspective, the PSP wanted to focus on those countries where they sourced the most product. In the words of the company representative, "USAID listened and agreed, which created strong alignment and appreciation from us. There was compromise on both sides. [USAID] did a good job of understanding market dynamics and context within countries." The company saw willingness on the part of USAID to adjust its assumptions on how the value chain worked, and therefore what would help improve it. “USAID was humble and took the time to learn from the industry and listen to the private sector partner,” the company representative added. “[USAID] wanted to learn more about and understand the market better.”

Under the AMSAP partnership, USAID’s investment in understanding the needs of DuPont and intentionally seeking to address them resulted in stronger relationship health, and specifically greater commitment and trust. USAID’s relationships with the Ethiopian Government were of significant value to DuPont, which wished to extend the company’s reach across Ethiopia by distributing improved seeds and increasing farmer productivity. Since DuPont hoped to build trust and improve its relationships with key government ministries and agencies, USAID could aid the company by facilitating relations with these actors whose support would be essential to DuPont’s expansion efforts. In the end, the partnership had full government buy-in; DuPont highlighted this facilitation as USAID’s most significant contribution to the partnership.

In situations when, in the estimation of the private sector, USAID was unable to fully appreciate the private sector viewpoint, companies felt that potential for commercial and development impact was left on the table.

Under one partnership, USAID limited its engagement to the north of the country, in line with its strategic focus. However, from a business perspective, this was not aligned with the PSP’s ambitions. The partner company felt that the extension support would have been more profitable in areas where farmers are more entrepreneurial and less focused on subsistence. “USAID needs to recognize that a private business is not a development organization,” the PSP interview explained. “Rather than be made to work in a geographic area that is part of USAID’s development focus, they also need to look at the business perspective. If we could have undertaken the program in both the north and south of the country, that would have been better.”

Another PSP in a partnership also felt that the USAID Mission was very focused on its own designated plan and what it wanted to fund, but was not always open to aligning with the private sector. Furthermore, in the view of this partner, the Mission struggled to communicate a clear strategy for the sector. The Mission focused on the contracting mechanism and put out a call for proposals to impact the whole sector, rather than considering how a mechanism could be used to respond to the strategic needs identified by the industry. The Mission refused to engage with private sector actors on the role(s) that they could play in a collaboration, unless the private sector was part of a bidding team. In this instance, the company in did not want to be part of a bidding team, but wanted to support USAID and the sector in making the program a success. Where the company aligned with USAID, it was more by coincidence than as the result of collaboration on the most strategic issues.

‘How-To’: Considerations and Tactics

Effectively understanding private sector incentives and identifying areas of alignment requires research, open dialogue, and frequent communication. It’s important to understand not only the parameters of the partnership opportunity but also how the company is structured, how its different business units engage, and how it makes decisions.

- Have conversations with different company representatives (and, if possible, representatives of the broader industry, e.g., suppliers) to understand the company’s structure, motivations, business model, decision making, value proposition, skin in the game, and time horizon. Use these conversations as a way to get a direct insight into different business opportunities and how the industry works as a whole.

- Assess the company's current relationships with beneficiaries. How does its business proposition align with beneficiary goals and how does it differ? What are the implications in terms of the development objectives?
- How much does the company 'need' what USAID can bring to the table to execute on its commercial ambitions?
- If there is no direct commercial opportunity, does the company have a future commercial interest?
- How does the company envision working with an implementing partner? Does it intend to delegate? Does it want to be involved day to day? Will it be implementing using its own staff?

Listen with an open mind and manage expectations. Once you have an initial sense of the opportunity and a good understanding of the company, go back to USAID's strategic objectives, identify areas of alignment, and think of all options for collaboration (and the tradeoffs), before jumping into a partnership.

- What are the key challenges and gaps that are preventing companies from achieving their commercial objectives?
- Which of these challenges does the USAID Mission have the assets and capabilities to address?
- What is the estimated development impact that could be created through addressing the challenge?
- Does it make sense to have a bilateral relationship or are multiple companies able to come together in a pre-competitive space?
- What is the short list of potential areas for collaboration, and what are the pros and cons of each?

Building commitment and trust

USAID should use the prospecting conversations to set the tone for the relationship and relationship health. Developing commitment and trust requires a recognition of what the PSP needs—which becomes clear through honest, genuine interest and communication. Many small things help—they all contribute to signaling that *this partnership* and *this partner* matter to USAID.

As the G-HIP case study demonstrated, a firm foundation of mutual interest and shared vision eases and incentivizes collaboration and compromise on the details. In interviews, AgriGeorgia pointed out USAID's flexibility of approach and contribution to programmatic design as helpful for alignment of the two organizations on project direction. Under AMSAP, DuPont also appreciated how USAID treated it as an equal and fair partner over the course of the collaboration through frequent, honest, and open dialogue. As a DuPont interviewee pointed out, "USAID was an integral partner throughout the process and none of the successes would be possible without them."

Another PSP also noted how USAID used the opportunities presented by several conventions to nurture the relationship. USAID also invited the PSP's chief executive officer to a talk given by former President Obama. Bringing the PSP to different events in Washington, DC contributed to building commitment and trust.

Conversely, under another partnership, detailed conversations on the design were led by the implementing partner, and the PSP only had a few bilateral conversations at a high level with USAID to align on objectives. All of the 'nitty gritty' conversations were through the implementing partner rather than directly with the Agency, which hampered the ability to build trust. Similarly, the PSP in an information and communications technology (ICT) – agriculture partnership highlighted that it felt that USAID (and the company itself) should have made more effort to get buy-in at the local level instead of focusing all the attention on headquarters discussions. This would have served to build trust and commitment at all relevant levels of the organizations.

In addition to communication, USAID can signal trust in the PSP by engaging with it as an equal. Too much rigidity—and an exclusive focus on USAID's needs or limitations—tends to erode trust.

Under G-HIP, the private sector partner was more willing to compromise on small things when it felt that the USAID contact understood the partner's vision and was sensitive to its priorities. AgriGeorgia's initial participation in an ongoing USAID project allowed the two parties to test out their relationship and areas of interest before committing to a stand-alone partnership. The measured process of partnership building allowed the partners to develop trust. It also allowed time for AgriGeorgia to get used to the "bureaucracy" and various processes associated with working with USAID. When it came to initiating G-HIP, all partners were aligned in terms of goals, expertise, and incentives. AgriGeorgia had a business and CSR imperative to assist smallholder farmers and was able to bring the right experts to the trainings. USAID's (EPI's) mandate was to assist smallholder farmers and, through its extensive experience working with the local farmers, it was able to organize effective training programs. Given the well-established working relationship, AgriGeorgia had a strong sense of ownership once G-HIP was being conceived.

Conversely, a lack of expressed concern for each partners' critical success factors reduced the sense of commitment under the SMASH partnership. USAID expressed a limited appreciation of how business dynamics influence the PSP's willingness to engage in partnership activities. BRANA for its part, was less interested in USAID's need for Feed the Future indicators. The most frustrating aspects of the partnership mentioned by the PSP were the complications of working with USAID's "bureaucracy orientation," as opposed to a results orientation.

'How-To': Considerations and Tactics

Successful partnerships require an investment of time in building relationships with company counterparts. The goal is to establish a bond or rapport where both parties are at ease. You need to be able to speak intelligently about what your counterparts care about and the challenges they face. Listening and putting aside your viewpoint to try and see things from their perspective will help you communicate empathy toward private sector needs. Effective ways to do this include:

- Undertake a site or field visit to understand a day in the life of your counterparts and what their priorities are. Learn how their business works; as well as demonstrating interest and consideration, a firm grasp on their business will help you understand their perspective on the partnership.
- Develop a mutual understanding of the norms and values of each other's organizations and use this as a basis to determine the most effective way to communicate.

- Explore ways in which you can use USAID's unique ability to broker relationships between different actors to add value to the PSP and explore multi-lateral partnerships in a pre-competitive space.

5.2 DESIGN

The design stage refers to the process by which USAID builds on the opportunities identified during prospecting and works with the PSP to develop the idea into a structured partnership agreement that leverages and applies the respective assets and expertise of each partner, both to advance core business interests and to achieve USAID's development objectives.

In the agriculture sector, USAID's role is to broker fair relationships that promote shared benefits between the company and the beneficiaries. Partnerships should offer USAID a compelling value proposition. They should offer a return on investment—in this case, in terms of level of efficiency and impact—that exceeds what could be achieved by investing resources alone. Co-creation is therefore fundamental to ensuring that development impact is maximized. Optimizing for commercial return and maximizing development impact under a partnership with the private sector not only requires a detailed exploration of the feasibility, sustainability, and scalability of the opportunity but also a deep understanding of each partner's assets and expertise and how they can be leveraged at each stage of the partnership.

The design process is critical for gaining mutual understanding and setting the overall tone of the relationship. It allows USAID to hear from the PSP what it is hoping to get out of the partnership, articulate desired results and the means to achieve them, identify how to share risks and responsibilities, and ascertain how it will work with the PSP to mobilize, leverage, and most effectively apply one another's respective assets, expertise and resources.

Co-creation

Effective co-creation requires a significant time investment by all parties. All partners should jointly engage in project design to build early trust and set the stage for later problem solving. The depth and time spent on different aspects of design will vary based on each individual's knowledge and experience. Limited engagement in the design of a partnership leads at best to tension and delays, and at worse to program failure and negative development impacts as farmers lose faith in the concept.

The G-HIP partnership is an example of the time investment—it took a year in total to design. G-HIP's design was driven by both the Director of the Economic Growth Office at USAID/Georgia and the Director of AgriGeorgia. They both spent significant time discussing their plans and aligning on a vision for the association. The Director of AgriGeorgia reported that these frequent interactions contributed to a strong working relationship between the two parties. The USAID representative had previous experience working on a coffee GDA and brought those insights to the collaboration with AgriGeorgia. This included a deep understanding and appreciation for brand protection and experience demonstrating to shareholders why it is important for businesses to pay a premium for quality inputs. Her insights were deeply appreciated by AgriGeorgia's Director and set the foundation for a trusting relationship. He then socialized this design with Ferrero (AgriGeorgia's headquarter company), getting buy-in from the leadership, while the USAID representative worked to elevate the importance of AgriGeorgia as a USAID partner within USAID/Georgia.

Under the ACI partnership, USAID took a more hands-off approach to project design. The fact that the Bureau of Food Security had only recently been established may have been a contributing factor as well, with organizational restructuring taking up time and attention from the USAID team. As a result, USAID's experience in designing and executing partnerships was not fully applied to issues that came up later, such as how to best structure ACI governance or in setting PSP expectations about communication frequency and process. When these concerns did emerge, it was late in partnership implementation, at which point they are typically harder to resolve and, in this case, were exacerbated by the absence of a Chief of Party for the first nine months of ACI's implementation.

'How-To': Considerations and Tactics

Building an effective partnership requires a mutual understanding of USAID and private sector interests and priorities. Drawing on the research and engagement developed under the prospecting stage, co-creation provides USAID with an opportunity to re-visit certain assumptions in more depth and more concretely discuss and align on the parameters of the partnership. By taking the time to understand the core skill sets of the PSP, USAID can increase project efficiency, increase buy-in, and potentially improve project outcomes. Key questions to consider include:

- Is there a clear articulation and understanding of partner interests and objectives?
- To what extent and how do those interests and objectives overlap with or complement USAID's development objectives?
- Is the partner uniquely positioned to address relevant issues? Or does it make sense to have a multilateral partnership? Should USAID be seeking input from others? If so, whom?
- How feasible is this idea? (Consider the enabling environment, proposed combination of partner assets, resources, and expertise)
- What is this company seeking to gain from the partnership with USAID that it wouldn't be able to achieve alone?
- What are the bottlenecks that the PSP is experiencing in the business enabling environment? Which government institutions influence these bottlenecks? How can these institutions be engaged to alleviate the bottlenecks?
- What are the PSP's current relationships with beneficiaries? What's the vision moving forward? How is the partnership going to strengthen those relationships to achieve both partners' visions and development objectives?
- Does the PSP business case express a long-term commitment to the target markets / beneficiary communities?
- Does the business seek to strengthen local capacity and generate opportunities for target beneficiaries over the long term? Are there things USAID can pay attention to in order to ensure that skill transfer is sustained over the long term?
- What opportunities are there for scaling the program? What would be the right timeline for scaling? Who are other partners that are needed to make this happen at scale? If partners are competitors, how can USAID assure that it is collaborating in pre-competitive space?

A key part of the co-creation process is determining the appropriate partnership modality (e.g., a GDA or collaboration agreement) and making sure the arrangement is well understood by all those involved, especially when the mechanism is less familiar.

- What are the advantages and limitations of the different partnership modalities for USAID?
- Does the PSP fully understand the requirements of the modality(ies)?

- Within the chosen modality agreement, are requirements on funding, reporting, role of implementer, decision making, M&E, etc., clearly stated and agreed upon?

Roles and responsibilities

Coordination between local and headquarters levels (within USAID and the PSP) is critical during the design phase in order to align on expectations and capacity to deliver. Lack of internal coordination leads to lack of alignment—which, at best, creates inefficiency; at worst, it leads to a loss of trust and commitment. Aligning from the beginning on roles and governance structure between organizations will help build trust and encourage an efficient flow of information.

USAID tends to play three main roles in its partnerships: project oversight, relationship manager, and decision-maker. An individual in charge of project oversight may not be a decision-maker, but it is important that these three functions be clearly defined, aligned with one other, and connected to appropriate counterparts in partner organizations.

For one partnership, the relationship was initiated at a senior level between USAID and the PSP but the Mission was not initially looped in. As a result, the partnership plan did not make allowances for sufficient research and challenges emerged in translating the high-level vision into action. Midway through the initiative the parties had to revisit and change the partnership goals.

In another instance, approval for the partnership was granted (and finalized) with the larger PSP group, and then operations took place at the local market level. Getting after-the-fact buy-in at the local level proved difficult, and this led to challenges in implementation. Another PSP also commented that it often did not know when it was supposed to address an issue or comment to the mission and when to HQ.

Conversely, under AMSAP, a merger brought staff change at all levels in the company, including the two primary touch points—which could have endangered the entire relationship. However, because the relationship had been socialized at multiple levels, and because there was so much institutional involvement across staff who supported the direct points of contact, the relationship between the PSP and USAID did not suffer.

'How-To': Considerations and Tactics

Starting with the early stages of a partnership, USAID should be thinking about how to coordinate and institutionalize the relationship beyond any two individuals engaged in day-to-day or preliminary discussions. Key questions to consider include:

- Who 'owns' the overall PSP relationship within USAID?
- What are the expectations across leadership tiers?
- Who at the Mission is best placed to drive day-to-day activities?
- What are the appropriate communication flows between the local and headquarters levels for both USAID and the PSP?
- Which USAID roles match to which PSP counterparts? What are the sensitivities / extra steps you need to take based on who your counterpart is? How do you compensate for lack of symmetry in the relationship?
- Which decisions can USAID POCs make on their own and which do they need to seek buy-in from leadership?

- What support does the USAID POC need in order to fulfill his or her role? What skill / experience is needed to contribute to the design? (e.g., country knowledge, value chain expertise, business expertise, pre-existing relationships)
- What is the overall timeframe for design?
- Which decisions need to be made by when?

Engagement and communication around the contracting process is not enough. To effectively nurture a relationship during the early stages you should layer on 'softer' tactics:

- Informal check-ins with partners after meetings provide them with a safe space to raise both positive and negative issues
- Responsive email etiquette is important: acknowledge and thank partners for correspondence within 24 hours
- Whenever possible, hold in-person meetings at the partner's premises rather than scheduling conference calls
- Thoroughly review materials that the PSP shares with you
- Make yourself available on short notice if issues arise.

Leveraging USAID assets

USAID should leverage the value of its assets and networks in partnership design conversations. Ensuring that the partner understands the full value of USAID's contribution will enhance mutuality and commitment.

Over the course of the AMSAP partnership, USAID introduced DuPont to the Ministry of Agriculture and helped develop that relationship. In initial discussions, the Ministry expressed concerns about supporting DuPont, a for-profit player seeking to further its own business interests. USAID, with the support of the Agriculture Transformation Agency (ATA), was instrumental in helping the Ministry and DuPont align on the vision. Both ATA and DuPont commented that USAID played an important role in overcoming this tension. USAID achieved this in part through facilitating numerous conversations between the parties, leveraging its role as a respected third party with a long track record of working with the government and investing in Ethiopia's development.

USAID also helped facilitate a number of relationships across its other partnerships. AgriGeorgia appreciated USAID's efforts to foster its relationship with the government of Georgia—as the PSP interviewee described USAID's role, "They open the door and we walk through it." A manufacturing PSP ranked USAID's ability to work with other organizations, particularly on the ground, as the second most important thing the Agency brought to the partnership (after the financing). In another partnership, the PSP was impressed with USAID's ability to bring the government on board to use the company's technology to implement other social protection services. The company appreciated USAID's ability to open these doors, as well as gain the company access to an external network of experts to help design the technology. Finally, as a PSP in a coffee partnership explained, "USAID brought structure. It also lends credibility. In the private sector, you run the risk of being seen as pursuing your own commercial objectives. In this case, we could show a credible public organization validating the work that's being done."

'How-To': Considerations and Tactics

- What experience / expertise can USAID inject into partnership activities, and how?
- What relationships does USAID already have that can contribute to the partnership, and how?
- How critical are these to the success of the program overall?

Establishing decision-making mechanisms

Establishing the governance structures at the design stages of the partnership sets the tone for decision-making, dealing with conflict, and aligning on project strategy and direction. Having mechanisms to adjust alignment where needed will in turn drive a sense of commitment and trust.

Interviews with DuPont and the other partners (implementers, ATA, and MoA) revealed that, through a steering committee established early in the process, they had aligned on the workplan, the roles and responsibilities of each partner, and a conflict resolution process. The PSP in another partnership also emphasized that setting up a steering committee that was empowered to resolve issues arising between partners was an important success factor. Committee meetings took the form of "regular governance sessions and allowed issues to be raised and addressed in a timely and consistent manner."

In ACI, multiple partners noted that steering committee meetings tended to be "report oriented" without clear decision points and outcomes, partly as a result of their infrequency—biannual—and partly due to the number of participants—at times up to 80 people. To better understand PSP priorities and build consensus among partners, WCF set up individual calls with members to understand their interests and concerns. For effective senior-level decision-making, future partnerships should consider a process that allocates enough time for discussion and action by those with authority to make decisions. This can be entirely through the steering committee or, more likely, through a combination of the formal steering committee and other mechanisms, such as individual and informal calls. Without this frequency and the flexibility for partner input to be shared beyond formal steering committees, partnerships risk missing out on a full and nuanced view of partner priorities and concerns. Some less vocal partners may also be side-lined, particularly on steering committees that are noted for their "unwieldy" composition.

'How-To': Considerations and Tactics

Even when formal structures are agreed upon, it is important to agree on channels for discussing issues as they arise. For example, a mechanism should be in place that allows partners to force a decision outside of the regular steering committee schedule. Questions to consider include:

- What are the key decisions to be made?
- Who needs to be involved in which decisions?
- What formal approvals are needed, and by whom, to comply with USAID and PSP requirements?
- What are the most effective ways to manage meetings? These might include sharing agendas and reading materials in advance for input, providing space for all participants to voice their opinions, identifying the right stakeholder to lead the meeting, etc.
- What informal communication channels can be established to build trust among partners?

Integrating the beneficiary voice

USAID should ensure that the voice of the beneficiary is integrated into the partnership design process. USAID's technical expertise and global experience in supporting smallholder farmers is valued by partners and should be leveraged during partnership design.

BRANA highlighted that USAID's technical expertise is more valuable than its financial resources. "USAID has had limited involvement [in SMASH] in addressing the challenges faced by smallholder farmers," The PSP remarked. "Too often, the technical expertise that USAID brings is overshadowed by the day-to-day details of project management. USAID's must actively bring its global experience with and expertise on smallholder farmers into all phases of the partnership."

Farmers and farmer organizations were not always full participants in the ACI partnership and, at times, their interests, were not represented by the cocoa companies and the Ivorian government. For example, although the position of 'Vice President' of the official platform where companies engage the Ivorian government (the Public-Private Partnership Platform, or PPPP), is reserved for a farmer representative, the position has remained vacant. This is due to a confluence of factors: relatively poor organization amongst Côte d'Ivoire's ~5,000 farmer organizations; USAID's limited actions, in this case, to integrate the farmer voice; and the challenge of ACI being managed out of Washington, DC—far from the actual farmers. The net result is that, without farmer voices being represented directly, farmers' needs and priorities risk being subsumed by the interests of the companies and the government, who are actively part of the discussion and may not be fully aligned with farmers.

Under AMSAP, given that the PSP is an input provider, the smallholder farmer is not only a beneficiary but also a future client of the PSP. Therefore, to guarantee the commercial success of the program, the clients' needs should be among the biggest considerations in designing the intervention. AMSAP recognized that the success of its partnership depended on alignment on the problems the partners were trying to solve: a) the quality and quantity of farmers' produce and b) the price farmers receive for their produce.

'How-To': Considerations and Tactics

Beneficiaries such as farmers are not usually very well organized and don't have strong national representation. It is therefore important for USAID to take extra steps to identify where and how the beneficiaries' interests align with the private partner and where they differ. Key questions to ask include:

- Who are the target beneficiaries?
- What are their specific problems that the program is trying to solve?
- How do these needs differ (by region, gender etc.)?
- What are their aspirations (short, medium, and long term)?
- What are their concerns with the proposed program, and how can these be addressed?
- To what extent do the beneficiaries' and PSP's interests align? Where they align, what are the steps USAID can take to enhance value for and benefits to both partners?
- To what extent do their interests differ? What does USAID need to pay special attention to in order to ensure that it is protecting beneficiary interests?
- How can you ensure that farmers retain their ability to choose within the program (i.e., not get locked into unfair deals)?
- What decisions should farmers be involved in, and how might this work?

Role of the implementing partner

The role of the implementing partner in value chain partnerships—typically that of "go-between" between the private sector and the beneficiaries—is a determining factor in partnership success.

The working relationship between resource partners and the implementing partner is central to program implementation. Likewise, the ability of the individual resource partners to hold the implementing partner to account, and the flows of information between the resource partners and the implementing partner, are key to a collaborative and transparent relationship across stakeholders. When only one partner is responsible for defining and managing the relationship with the implementing partner, it can be a source of tension in the relationship.

In the case of G-HIP, USAID and AgriGeorgia jointly conducted a formal application and review process to choose the implementing partner, ultimately selecting Cultivating New Frontiers in Agriculture (CNFA). For SMASH, in contrast, BRANA had selected Papyrus as the implementing partner one year prior to USAID's official involvement. The past experiences highlighted above gave BRANA confidence that Papyrus had both the cultural understanding and the technical expertise necessary to effectively operate in rural Haiti. However, the nature of the partnership mechanism meant that BRANA become the party responsible for oversight and influence of all implementation activities, while USAID was forced to rely on BRANA to ensure that its priorities and concerns were relayed to and acted upon by the implementer, Papyrus. This created challenges in monitoring and evaluation. Papyrus designed an M&E document based on its own project management experience and approach to implementation, which was later updated with USAID standards in mind, but neglected USAID's request to capture Feed the Future indicators.

'How-To': Considerations and Tactics

- What role is the implementing partner required to fill?
- What are the desired characteristics of the implementing partner?
- Does the PSP have prior experience with the implementing partner?
- What are some of the anticipated risks and ways of mitigating them?
- What is the reporting relationship between USAID and the implementing partner?

Deciding on desired results and how to measure them

It is important to agree on desired results (and how to measure them) early in the process. Building an M&E framework with buy-in from all parties is a critical step in fostering trust, alignment, and mutuality. Private sector approaches to M&E frameworks, indicators, and success metrics are markedly different from those of USAID—PSPs typically select indicators that are directly linked to their primary business interests and targets.

According to PSPs surveyed, 38% were involved in the design of the M&E framework and 54% were generally interested in the M&E indicators.[18] Those that were interested in the indicators but were not involved in the design attributed this to their lack of expertise in this area, but appreciated learning from USAID. The 46% of respondents that were neither involved nor interested described the M&E function

[18] 13 interviewees responded to this question

as "USAID's thing." Some of these PSPs explained that they were interested in different metrics, which they measured themselves (e.g., the sale of their seeds, in the case of inputs providers, and the improvement in the quality of the output, in the case of future off-takers). Most of these PSPs mentioned that USAID's Feed the Future indicators were not relevant to what the PSP wanted to track, and some respondents went as far as to label this function as one of the biggest 'pain points' in the partnership and a source of frustration.

In practice, not all the partnerships included metrics related to the PSP's key business goals. In fact, only 45% of the USAID respondents indicated that they included any business goals from the private sector in their M&E framework.[19] Of the ones that did, three reasons were most commonly given: (i) to track the investment of resources from the private sector, (ii) to measure the rollout and scale of the core commercial interest, and (iii) to measure the achievement of the pilot stage of a project in order to help USAID decide if it should scale based on successes / failures.

BRANA in SMASH felt that the burdensome process of having to collect indicators for USAID did not feel collaborative and was a cause of relationship strain. The PSP in another partnership felt that M&E frameworks should have been designed earlier in the project and could have been more granular. According to this PSP, the very high-level key performance indicators (KPIs) were designed almost as an afterthought. Overall, the PSP felt that the M&E reports were highly qualitative, the output was not particularly helpful, and very little quantification of impact was possible.

For the ACI partnership, a 2015 evaluation highlighted several issues with the logic of the program, the results framework, and the choice of indicators. First, the FTF indicators were not specifically designed for cocoa, yet ACI was required to choose indicators to track from among them. ACI and its partners do track other more relevant indicators, such as hectares of seed gardens, extension agents trained, and farmers reached, but these are not included among the official project indicators. Instead, they are peppered through various semi-annual reports and partners' reports to ACI. These indicators are much better suited to measuring project success, yet they appear less important than USAID-mandated indicators.

'How-To': Considerations and Tactics

USAID should leverage its technical expertise in M&E, as this is usually much stronger than that of the PSP. It should make sure to select performance indicators in a collaborative fashion so that they are relevant for both partners. By illustrating how metrics can help 'narrate a story,' USAID can help build PSP enthusiasm for monitoring. During design conversations, USAID and the PSP should consider outlining the impact and development story they want to tell through the intervention. Once this has been articulated, they can link these to the progress indicators. At the same time, it is crucial to make sure that the PSP's primary interests are also captured in the selected indicators. In partnerships wherein the PSP's primary incentive is commercial, for example, indicators should reflect this directly (in addition to whichever indicators are required for USAID). If the PSP is an off-taker and wants to improve the production of coffee, its foremost concern will be to understand how farmers have improved their practices to increase the quality and/or quantity of coffee beans produced.

[19] 22 respondents answered this question

- Are there specific business terminologies or processes that USAID should consider in aligning all parties on approaches to data capture, learning, and results?
- Does the capacity to support building an M&E framework exist 'in house' or will it be brought in from experts (either within USAID, the implementer, or a third-party consultant)?
- Are there any indicators that USAID is required to gather?
- Where do commercial needs overlap with beneficiary needs? What are the key indicators that capture these goals?
- How can these indicators, and their relative importance, be socialized with the PSP to increase its understanding and willingness to support?
- What value does collecting data on these indicators bring to the PSP and USAID? Who will be responsible collecting the data? Is there a way to minimize the burden on the PSP?
- How will the data be used and disseminated?
- How will ongoing input into M&E be provided?

5.3 IMPLEMENTATION

The manner in which the partnership is designed and then carried out in implementation will impact relationship health and overall results. Effective implementation will determine the success of the partnership in terms of reaching both its commercial and development objectives. Throughout the implementation period partners should be in regular contact to co-ordinate implementation, provide support as needed, and, in some cases, agree on new approaches.

Engagement in the day-to-day implementation of the partnership varies widely within and across PSPs and USAID depending on the partnership design. In most cases, an implementing partner manages most of the day-to-day activities, while USAID and the private sector partner participate in a steering committee, periodic review sessions, and periodic site visits. In one partnership, the PSP mentioned that it engaged with USAID minimally during implementation, but that it did not mind this, remarking, "We are not agricultural experts so we were happy with [USAID] taking the lead." Another PSP was satisfied with its limited role in implementation and with the updates provided by USAID—it wanted to partner with strong organizations that would take the lead; it did not need information on day-to-day activities. On the other hand, under the ACI partnership, a lack of engagement on the part of the PSPs resulted in these companies feeling that they didn't get the results they wanted out of the partnership.

Three cross-cutting themes carry though from the earlier phases (prospecting and design) that anchor how USAID should approach the implementation phase overall. First, softer skills, including flexibility, transparency, trust, and humility, are important to PSPs. Second, frequent, direct communication between partners or implementers is an effective means of ensuring progress, alignment, and flexibility. And third, a deep understanding and appreciation of the nature of the PSP's business (e.g., the pace of work, the technical requirements, key deadlines) can diffuse tensions and minimize delays.

Importance of softer skills, including flexibility, transparency, trust, and humility

In ACI, it was harder to establish mutual trust as the private sector partners had not been able to effectively come together in the design phase. They did not have sufficient avenues to articulate what was important to them beyond steering committee meetings, which resulted in missed opportunities to build trust.

Other partnerships had a more positive experience. "We really appreciated how USAID was able to be a learning partner," one PSP shared. "They had the humility to listen to us rather than steamroll over us, and not undermine our relationship with other stakeholders." Another PSP emphasized that it was happy with how USAID "was open to ambiguity and figuring out as we go"—and this wasn't the only partner to value USAID's flexibility. "During the implementation phase, plans changed and we had to find a new partner," one PSP recounted. "USAID's flexibility and ability to react to changes was appreciated. There was also a misallocation of budget because we underestimated the cost of technology. We really appreciated USAID's flexibility in the process of realigning budgets."

'How-To': Considerations and Tactics

USAID is a large bureaucracy, and often so are the private companies it partners with. The individual points of contact within USAID and the PSP cannot change that, but they can work to minimize pain points. Being proactive can help—for example, by explaining your efforts to move a project along, and spelling out how long this process should take. Clear lines of communication with your partner on what information they can provide that will help to push things through internally (and vice versa) will also facilitate this process. Other considerations include:

- Increase the level of person-to-person contact—for example, moving to phone calls over emails, or in-person meetings over phone calls; interpersonal contact often reveals unexpected issues that have gone unaddressed and are producing a lack of candor.
- Ask more questions about the partner's motivations for being involved in the partnership; try to understand this person's individual aspirations within his or her organization.
- Invite your partner to USAID events (e.g., sector conferences, networking events) that may not be directly linked to the activities of the partnership.
- Offer your partner help or assistance that falls outside the technical bounds of a given agreement (e.g., introduce him or her to another partner, provide advice / technical assistance on a specific issue).
- Acknowledge, and express appreciation for, your partner's efforts and contributions in a way that is authentic to your relationship.
- Inform your partner of delays or 'bad news' directly rather than waiting for the partner to hear from someone else.
- When possible, share information on how resources are being spent and what activities are being done when.

Frequent, direct communication between partners or implementers is an effective means of ensuring progress, alignment, and flexibility

One of the things that AgriGeorgia mentioned as a positive attribute of the USAID relationship manager was her ability to collaboratively solve problems and hold spontaneous discussions on a number of issues. AgriGeorgia noted that the RM was "kind, listened, and reacted to what we were saying," and that she understood the "vision and the benefit of the program to the community." AgriGeorgia's director and the USAID RM spoke regularly on the phone. Under another partnership, the PSP was very happy with the level of communication with USAID. The representative mentioned they would reach out at least once a week and worked in a collaborative way on the ground.

In AMSAP, DuPont dedicated a fulltime staff member to the partnership, who sat in the same office as the implementer. This greatly improved transparency and collaboration among these partners. At some points in the AMSAP partnership there was not full transparency on budget allocations, or how and when the funds were being spent. This created unnecessary concerns for DuPont, which could be addressed through proactive communication and increased visibility into one another's work.

'How-To': Considerations and Tactics

- Understand what types of information (e.g., day-to-day details, high-level overview, technical progress reports) the PSP wants to be informed about and how (e.g., copied on emails, invited to meetings, pick up the telephone).
- Regular calls and meetings build a warm atmosphere for collaboration, enable real-time troubleshooting, and build in partnership responsiveness to needs and opportunities arising in the field.
- Particularly effective is the habit of communicating proactively—to check in, and not simply call when things are amiss.

A deep understanding and appreciation of the nature of the PSP business (e.g. the pace of work, technical requirements, key deadlines) can diffuse tensions and minimize delays.

Several of the companies interviewed highlighted issues in this area. Under the ACI partnership, the companies were sometimes frustrated by the lack and timeliness/relevance of information sent to them around budgets and planning materials. Under another partnership there was a change in government, which affected planning and some of the assumptions around project implementation. USAID was too slow to respond to these changes. "USAID hides behind saying 'this is who we are and this is how we work.'" the PSP stated. "But then they need to also understand how the private sector works. We cannot take these long turn-around times." The company in a third partnership highlighted that USAID's timelines in reacting to issues that needed attention were "too long."

'How-To': Considerations and Tactics

- Have open, candid conversations with your partner about their business operations. Showing a deep interest will not only keep you well informed but is also a strong sign of commitment.
- Identify business cycles, timelines, and decision points that your partner is bound by internally.
- Understand who the decision makers are (people and departments / business units) and where your POC sits within that. You might need to cultivate more than one relationship in a company.
- Identify potential risks and ways of mitigating them.
- Communicate empathy toward private sector needs and express an appreciation of how business dynamics influence the PSP's approach to partnership activities.

Staff transitions

The need to mitigate the impact of high levels of staffing turnover—and the additional work it creates for relationship building and realigning on vision—is a well-established issue in partnerships;[20] it emerged as a challenge across three of the four case studies.

Every partnership will undergo major changes over its lifetime, ranging from unexpected staff turnover to organizational changes that affect one or more core partners. When partnerships are built with a strong reliance on the relationships between key individuals, such changes present a particular risk for continuity.

Soon after the GDA was awarded for G-HIP, the USAID counterpart involved in all stages of the design and negotiation process had to leave the country permanently and unexpectedly. The task of managing the partnership was handed over to another USAID official, who assumed the role of AOR. The USAID team acknowledged that this handover was rushed due to constraints outside of anyone's control. This transition was thus not proactively managed by either partner, resulting in a dramatic curtailing of communication between USAID and AgriGeorgia. More broadly, the turnover slowed momentum as fresh personnel needed to be brought up to speed. This reduced the inter-organizational relationship to communication on procedural matters and created poor alignment on anything beyond the tactical level—such as future activities and sustainability of impact.

In the case of SMASH, the handover suffered from limited documentation and communication on the origins and vision of the partnership to incoming staff in a high-turnover environment. This led to internal confusion and frustration on the nature of the agreement and the reporting responsibilities of each partner. SMASH has had a number of important partnership changes occur during project implementation. First, each partner has had significant staff turnover, affecting the continuity and ability of partners to build and maintain meaningful relationships. In its first two years alone, there have been three AORs at USAID, three USAID representatives on the AMC, three relationship managers at BRANA, and two chiefs of party at Papyrus. Every partner has noted the impact on the partnership; the time taken to get new partners up to speed has slowed momentum and eroded traction toward achieving project goals.

Early investments in multiple points of contact, with continued proactive engagement over the partnership lifetime, can set the stage for efficient and low-stress management of partnership changes.

AMSAP benefited from a high-level of partner alignment and engagement throughout implementation, in part because the Washington-based relationship managers had deep support from the DuPont and USAID representatives on the ground in Ethiopia. There was further support at the highest levels between the USAID Administrator and the DuPont Executive Vice President who signed the 2013 MOU. These close relationships helped promote open discussion and alignment during periods of change and transition.

'How-To': Considerations and Tactics

To ensure that the vision of the partnership conceived in the co-creation process can be sustained, it is important to document why (e.g., intention) and how (e.g., degree of flexibility) decisions are made, and ensure that early project documents, such as concept notes, are available to subsequent staff. Actions to consider include:

[20] Private Sector Partner Relationship Health Guide prepared by the USAID Global Development Lab – Center for Transformative Partnerships (CTP) with the support of a Dalberg team

- Ensure that partner alignment extends beyond the relationship manager level. This means establishing and agreeing on clear norms of communication between the stakeholders so that positive relationships are not limited to particular personalities. To lessen the impact of any one person's departure, work with your partner to set up multi-person "POC teams" that have some level of ownership on each side of the relationship.
- Ensure that the incoming USAID representative has background information on the project and is aligned on the PSP's vision. When possible, this should be facilitated by the outgoing representative through personal introductions to the private sector counterpart. Work with your private sector partner to develop written informal "primers" on the partnership to be passed between transitioning staff on each side of the partnership.
- Ensure that all parties understand the need to provide as much advance notice as possible on staff transition times and who the replacement staff member will be.

Unexpected challenges

In agriculture value chain partnerships, unexpected issues tend to surface as a result of the contexts in which the partners operate. These include the impact of market forces, policy change, and environmental shocks such as drought or disease. Building in processes to allow for strategy pivots, careful management of information, and proactive norm setting can help mitigate the effect on partnership activities of changes in the project environment.

Regardless of how aligned partner motivations are, there will almost inevitably be instances where a change of strategy is required. Likewise, uncontrollable and unexpected events can create significant disruptions in partnership implementation. A natural facet of partnering with the private sector is that it is subject to market forces. A quarter of the partnerships from which partners were interviewed either underwent fundamental strategic shifts or faced significant leadership uncertainty as a result of business dynamics outside the partnership.

In one partnership, a major off-taker that had played a central role in the partnership withdrew significantly after it was purchased by an international investor. In a second example, another off-taker found itself with high inventories facing low international prices, and, as a result, limited its buying role in the partnership. The challenge was compounded by an arrangement to provide the partnership with a second funding stream based on a certain price per pound—due to the change in market conditions, the funding resulting from this stream was not as high as expected. Under AMSAP, managers on the ground realized that there was a need to focus on post-harvest support as well as improved inputs. Reaching a decision on the shifting of resources across activities proved to be a difficult process. In a slightly different scenario, also in AMSAP, company leaders were unwilling to make further investments in the partnership following the uncertainty introduced by a merger.

In contrast, the ACI partnership was able to undergo a substantive change during implementation without noticeably suffering. Two ACI members left the partnership—Noble Resources left as a result of an internal restructuring and ADM Cocoa was acquired by Olam, also an ACI partner. These departures did not have any significant impact on the project or partner relationships, indicating either the robustness of the partnership structure, in this case, or a relatively low level of reliance on these particular partners.

For future partnerships, however, recognizing the potential for major changes to occur among the partner group only reinforces the importance of documentation and clear decision-making processes. These will allow partnerships to remain nimble and to adapt to changes without suffering a loss of momentum in implementation.

'How-To': Considerations and Tactics

While USAID cannot influence market forces or company decisions made at a senior level, it can mitigate the fallout from unexpected challenges.

- When the potential for a major shift emerges, USAID can communicate proactively with the PSP to help manage expectations on timelines and revised contributions. Similarly, actively engaging with the PSP on the changes in resource contributions and roles, and being willing to shift the targets appropriately, can make it possible for the partnership to remain fruitful—in both the Peru and the coffee partnerships, for example, the partnerships continued despite the private sector shift and produced meaningful development outcomes.
- Think in advance about other resources that could be brought to bear to address unexpected issues. This is particularly important in situations where the private sector partner has an immediate commercial interest and speed and agility are critical. Under SMASH, USAID was able to draw upon its other Haiti-focused capabilities—in this case, through Local Enterprise and Value Chain Enhancement (LEVE)—to address a serious and pressing challenge: the insufficient quality and quantity of sorghum. This rapid response also gave USAID increased credibility among SMASH partners, who appreciated USAID's sense of urgency, willingness to jointly problem-solve, and ability to bring in new resources.
- In the event that the shift is initiated by USAID, (1) convene a meeting to discuss the reasons for the shift, (2) outline a menu of options for the resource partner, and (3) offer to help the resource partner navigate the shift.
- In the event that the shift is initiated by the private sector resource partner, quickly engage peers and leadership at USAID to discuss the impact of the shift on the project's joint activities.
- Ensure that senior leadership at USAID and the partner organization are aware of the tradeoffs that come with this shift in scope / strategy, and of the investment that will be required to reorient the joint activities; managing expectations of key external stakeholders is important in order to avoid overcommitting or otherwise stressing the relationship.

Formal and informal decision making

Governance structures need to be designed in such a way that the appropriate people are engaged at the appropriate frequency for different types of decision-making. Formal governance structures are necessary but not sufficient; they need to be supplemented by informal structures.

Formal governance structures help bring a level of consistency to a partnership and create a safe space for partners to convene. While in some cases there might initially be no apparent need for a formal structure—if, for example, the partners have a good working relationship—in practice, lack of structure can jeopardize the overall partnership, particularly in the event of changes in circumstances of any of the parties. However, a formal governance structure is not sufficient on its own. Many partnerships that did have formal structures nevertheless suffered from a lack of as-needed, informal, ad hoc engagements. As a result, partners missed opportunities to build trust, governance was less flexible than it could have been, and long decision-making timelines were the norm.

Formal structures can also have clear limitations. For example, ACI noted that steering committee meetings are report-oriented and too packed for meaningful discussions, and AMSAP commented that steering committees included numerous non-resource partners, which meant that resource partners could not discuss sensitive issues with USAID. Setting up both formal and informal avenues for communication can help a partnership flourish—communication beyond the steering committee is highly valued by PSPs.

Informal structures and open lines of communication should be seen as indispensable complements to a formal structure. ACI expressed the need for both formal communication mechanisms with clear roles and norms, as well as investment in a culture of informal communication, troubleshooting, and direct negotiations between partners. Under AMSAP, all the partners used alternative avenues for communication outside the steering committee: USAID's AOR actively communicates with all partners via phone and email, DuPont has a staff member in ACDI/VOCA's offices to keep abreast of project activities, and the ACDI/VOCA representative and USAID AOR check-in on a monthly basis. In G-HIP, the Chief-of-Party and AgriGeorgia's Director work side-by-side in the field on a regular basis. They are closely supported by AgriGeorgia's internal lawyer and head of general affairs, the three of whom have phone conversations regularly to discuss anything from an upcoming meeting with a minister to interviews for key positions at GHGA. AgriGeorgia's Director highlighted the importance of this close, informal relationship, and its positive impact on the overall ease and effectiveness of implementation and decision-making.

'How-To': Considerations and Tactics

Once the frequency of meetings, and a relatively predictable order of proceedings have been established, the partners can come to expect and rely on what the formal structure does and does not provide. As the partners understand one another better and build a strong level of trust over time—and as that trust becomes embedded at multiple levels of their organizations—these formal structures can also evolve and become more relaxed.

- Develop clear guidelines for how steering committee meetings should be run and set expectations for how information from these meetings is to be shared.
- Consider additional formal and informal processes—beyond steering committees—to solicit resource partner input and maintain healthy relationships among all parties.
- Establish an early pattern for when and how to keep in touch.
- Document any agreements emerging from these meetings, even if just via email, to avoid misunderstandings later in the program.

Monitoring relationship health

Healthy, collaborative relationships with PSPs create opportunities for more partnerships and joint activities with the company. The relationship should therefore be viewed beyond any one partnership.

Effective relationships that begin under one program can reap development benefit over the long term. Consistently investing in the "people side" of partnerships positively influences relationship health, contributing to its sustainability. The partnerships studied show how specific actions and decisions have affected the dynamics between partners.

Monitoring relationship health supports stronger relationships, and is thereby likely to contribute to better outcomes. USAID POCs, private sector resource partners, and academic literature consistently highlight that healthy partnerships are more likely to exceed expectations in progress toward target outcomes. In addition, healthy relationships are more likely to maintain consistent progress in the face of inevitable challenges.

'How-To': Considerations and Tactics

Partnership outcomes often require significant periods of time to materialize; checking on relationship health provides a useful perspective on progress toward those goals even without tangible outputs. Knowledge informs action; identifying best practices and anticipating challenges before they occur can help POCs skirt avoidable bumps in the road

- Consider use of the Global Development Lab – Center for Transformational Partnerships 'Relationship Health Pulse' tool

5.4 SUSTAINING RESULTS

Depending on the partnership archetype, the approach to ensuring long-term impact and sustained results may differ.

For partnerships based on a PSP's potential future commercial interest, in which the issues engaged on are aligned with the PSP's strategy and operations, discussions between USAID and the PSP should focus on how to encourage the PSP into future shared value partnerships to produce sustainable results. For shared-value (or immediate PSP business interest) partnerships, it is important to assess the extent to which relationships have been brokered in a fair way within the market to drive sustainability and long-term benefits for beneficiaries. For philanthropic partnerships, USAID should consider broader, industry-wide or systems-level issues that impact targeted markets / communities that could benefit from follow-on support, as well as the extent to which there is an opportunity to co-create a more commercial opportunity.

Prior to the completion of the program, USAID should already be thinking about future strategic initiatives and further collaboration opportunities with the PSP.

To achieve lasting results, at some stage every partnership needs to move from collaboration around an agreed upon set of outputs to the private company 'working USAID out of a job' in a specific geography and issue area. At each stage of the partnership, USAID should discuss with the PSP what long-term success looks like, identify milestones that will indicate progress, and discuss goals for the program / platform once the formal partnership is concluded. In so doing, both partners will be able to plan for a next phase, and talk openly about plans for continued collaboration. One PSP interviewed explained that it has continued a very open dialogue with USAID contacts about regions or countries of interest from the perspectives both of the PSP's business and USAID's programmatic goals. The PSP is now taking part in a Broad Agency Announcement process with USAID following on from the initial partnership.

Drawing on the lessons learned from the partnership will help USAID identify other value chain issues that might need to be addressed, or additional areas where USAID needs to focus in order to sustain impact.

A successful partnership can have many outputs and outcomes—both those intended at the outset and those that are unexpected. It is important to reflect on successes and shortcomings and consider how to apply lessons learned to future partnerships. In addition to the tangible results of the partnership, USAID should also seek to identify the more intangible impacts on partners or beneficiaries (e.g., the PSP is more actively and creatively engaged in business and poverty issues, demonstrating a new way of working; beneficiaries and/or government actors are more open to engaging with corporate partners; there are clear changes in PSP organizational/institutional behavior to focus on social impact).

USAID should also consider if and how the approach can be scaled or replicated in a manner that would offer a broader set of impacts at the national, regional, or global level. USAID should assess the potential for inviting new partners to address gaps, support the program in scaling, or continue the activities without USAID. This assessment should also look for an opportunity to 'spin off' a new kind of platform / institution that does not require direct management from the partners themselves.

Lastly, it is important to consider how USAID is communicating the results achieved through the partnership to the US Congress and more broadly.

Storytelling, or sharing the partnership narrative, must be strategic. This requires clear goals and an understanding of the interests and motivations of target audiences. It also requires active involvement of evaluation stakeholders in all phases of an evaluation to ensure ownership and use. One PSP representative interviewed highlighted that, while the final report did lay out a useful learning process, the PSP had no sense of whether or not the lessons would be shared and applied elsewhere. Effectively reporting and communicating findings are essential for learning and adoption to occur.

'How-To': Considerations and Tactics

Active reflections on the partnership experience will help USAID staff capture and communicate the partnerships story. This can be used to share lessons internally and externally and to engage with other PSPs:

- To what extent did the partnership achieve its results?
- What inhibited or facilitated engagement between USAID and the PSP?
- What were the tangible and intangible outcomes of the partnership? (e.g., what new relationships have been brokered? How would you assess the quality of relationships? Have there been broader shifts in the overall industry towards more sustainable practices?)
- To what extent are the impacts of the partnership sustainable?
    - Has human / institutional capacity of local partners and beneficiaries been strengthened?
    - What have been the broader benefits in terms of social and economic opportunities?

Using forward-looking tactics to sustain and/or scale results will help USAID staff make strategic choices about how to use their time and where to invest further in relationships:

- How has the landscape changed since the inception of the partnership (e.g., new overlapping / complementary interventions, policy shifts, etc.)?
- What opportunities exist for future collaboration?
    - What are the challenges that remain?
    - To what extent have the needs of beneficiaries been addressed?
    - Are there different regions that could benefit from the same type of intervention?

- What would be the right timeline for scaling?
  - What other partners are needed to make this happen at scale?
  - Are there other companies that also want to engage in a pre-competitive space?
  - Beyond partnerships, what are the trends you are seeing in the industry and how can you help to influence benefit sharing between corporate stakeholders and other value chain actors?
- Which contacts should you remain in close communication with in the future?
- What are their long-term goals and motivations?
- How can you keep the relationship warm? For example, you could invite your partners to participate in USAID networks, events, and seminars as a way to stay in contact. Think of yourself as the RM now that you've built a relationship through the partnership—use the same approach as if you were a dedicated RM, and/or continue to work closely with a dedicated RM.

6. CASE STUDIES

6.1 AFRICAN COCOA INITIATIVE

Partnership initiation

Seventy-percent of the world's cocoa is grown by nearly two million smallholder farmers in West Africa.[21] The cocoa industry generates over $8 billion in revenue in this region, primarily across Cameroon, Côte d'Ivoire, Ghana, and Nigeria.[22] However, the cocoa supply chain faces a number of challenges in meeting growing global demand.[23] These range from environmental degradation and poor soil quality to difficulty obtaining farming supplies and access to credit.[24] Further, each year pests and disease cause an estimated 30-40% loss of the West African cocoa crop.[25]

Since 2000, USAID has been working through partnerships to address these challenges and improve the livelihoods of smallholder farmers in the region. The first partnership – the Sustainable Tree Crops Program (STCP) – ran from 2003 to 2011 in two phases. STCP brought together public and private partners to create an innovation platform and grow the incomes of farmers in West and Central Africa and was implemented in partnership with the International Institute of Tropical Agriculture (IITA) and the World Cocoa Foundation (WCF). SCTP focused on tree crops including cocoa, cashew, and coffee and activities included: identifying and validating innovations in tree crop systems, increasing production, enhancing marketing and policy, and building local capacity.[26]

In 2008, the Sustainable Trade Initiative (*Initiatief Duurzame Handel* - IDH), a Dutch impact-oriented, coalition builder launched the Cocoa Improvement Program. Through this program, IDH had made significant efforts at innovation, certification, and sustainability. As Phase Two of STCP was winding down in 2010, cocoa industry members were looking to pivot away from farmer-level, capacity building activities to more systemic interventions that addressed the industry's desire to secure increased cocoa volumes. WCF, a leading cocoa industry association with over 100 member companies, was looking to leverage both USAID and IDH's investment and experience in West African cocoa to help move the sector forward.[27]

In 2011, WCF approached USAID to explore its interest in developing another partnership with IDH. WCF had experience working with USAID on SCTP but had not received USAID funding.[28] WCF put forth a concept note under the Global Development Alliance (GDA) Annual Program Statement which eventually led to the establishment of the African Cocoa Initiative (ACI) in 2011, the details of which are discussed below.[29]

(1) A lack of engagement in partnership design limits the ability for USAID to fully leverage its expertise and experience and constrains USAID's ability to course correct throughout partnership implementation.

With ACI, USAID took a "hands off" approach to project design, relying on the implementing partner to set the vision and tone of the partnership, because USAID assumed WCF knew the issues best. The fact that the Bureau of Food Security had only recently been established may have been a contributing factor as well, with organizational restructuring taking up time and attention from the USAID team.

(2) It's important to identify areas of alignment between beneficiary and PSP interests and determine where steps can be taken to enhance benefits to both, or pay special attention to protect beneficiary interests.

Farmers and farmer organizations had limited engagement with the Conseil Café Cacao (CCC's) Public Private Partnership Platform

Partnership design

Setting the vision and designing the intervention

WCF is an international membership organization that promotes sustainability in the cocoa sector. Its members include cocoa and chocolate manufacturers, processers, and supply chain managers, and represent more than 80 percent of the global cocoa market.[30] Collectively, they have significant resources and influence that can be used to strengthen the cocoa value chain and increase the quality and quantity of cocoa.

Through its work with SCTP and the Cocoa Livelihoods Program (CLP) which began in 2009, WCF had developed a sense for which interventions were most necessary. CLP focused largely on farmer-level interventions such as development of manuals, training, improved service delivery, and farmer resilience. WCF members expressed interest for a more macro-level engagement, including improving industry dialogue and building a platform for government engagement.[31]

WCF was interested in addressing challenges common to its members and aligning around an approach that would amplify individual efforts. In Côte d'Ivoire, one such opportunity was in government engagement, as individual members had historically experienced tension working with the government of Côte d'Ivoire. In 2011, the country had just come out of a civil war and there was a new head of the government's Conseil Café Cacao (CCC), leading WCF to feel that the timing was right to try re-engage. If WCF could create a platform for its members to engage with the government around common challenges in cocoa production, its collective resources and influence could help move the sector forward.

(PPPP), with their interests represented instead by the cocoa companies and the Ivorian government. Although the position of 'Vice President' of the official platform where companies engage the Ivorian government (the PPPP), is reserved for a farmer representative, the position has remained vacant. This is due to a confluence of factors: relatively poor organization amongst Côte d'Ivoire's ~5,000 farmer organizations, and the challenge of ACI being managed out of Washington DC – far from the actual farmers. The net result is that, without farmer voices being represented directly, their needs and priorities risk being subsumed by the interests of the companies and the government who are actively part of the discussion and may not be fully aligned with farmers.

Future partnerships should consider more explicitly using USAID's extensive global experience in developing and working with farmer

[21] Feed the Future, African Cocoa Initiative Factsheet and African Cocoa Initiative Final Performance Evaluation Report, Revised January 2016

[22] Feed the Future, African Cocoa Initiative Factsheet and African Cocoa Initiative Final Performance Evaluation Report, Revised January 2016

[23] http://www.worldcocoafoundation.org/wp-content/uploads/Cocoa-Market-Update-as-of-4-1-2014.pdf

[24] http://www.worldcocoafoundation.org/about-cocoa/challenges/

[25] https://croplife.org/trainingthroughlocalpartnerships/cocoa/img/cocoa-wa-info.pdf

[26] http://www.worldagroforestry.org/treesandmarkets/hvc07_meet/other_materials/IITA%20STCP.%20Regional%20Overview.pdf

[27] Interview with Paul Macek, August 10, 2016

[28] Interview with Mark Huisenga, August 4, 2016

[29] ACI has activities in four countries throughout West Africa. This case study focuses on the initiative's overall initiation and design, and Côte d'Ivoire when discussing implementation.

[30] http://www.worldcocoafoundation.org/about-wcf/

[31] Interview with Paul Macek, August 10, 2016

As an industry association, WCF led the intervention design process with active input from its members to ensure the design ultimately met their expectations and benefited them.[32] Some members, such as Mars and Cargill, were more pro-active in engaging WCF on the scope and content of the intervention than others.[33] Members agreed on many core design considerations, including the the importance of engaging with the government of Côte d'Ivoire, improving the internal dynamics among the companies and creating an atmosphere of trust within WCF, and improving farmer access to improved planting materials.[34] However, the base 100-plus WCF members did diverge on where the intervention should focus, with some prioritizing improvements in the quality of cocoa[35], and others on increasing production quantity. With WCF wanting to keep as many of its members happy as possible, they resolved any substantive differences by proposing the development of an expansive program with broad aims that addressed the priorities of a number of its members.

organizations. This could mean taking a more direct role in aggregating farmer input from across multiple organizations, applying learnings from other countries (e.g., Senegal and Mali, where farmers are better organized) or other sectors within Côte d'Ivoire (e.g., cotton, which is more advanced), and working hand-in-hand with the implementing partner and PSPs to ensure the farmer voice is active and informative.

In 2011, a GDA between USAID, WCF and IDH was established, in partnership with the governments of Cameroon, Côte d'Ivoire, Ghana, and Nigeria. WCF decided to focus on the same countries as CLP – Cameroon, Côte d'Ivoire, Ghana, and Nigeria – and take advantage of the complementarity its programs offered. On September 30, 2011, a five-year cooperative agreement between USAID, WCF, and IDH was awarded and ACI was born.[36] ACI was launched as a $10 million, five-year GDA with the goal of institutionalizing effective public and private sector models to support sustainable productivity growth and improved food security on diversified cocoa farms in West Africa. IDH and the cocoa companies later added $3.5 million to the program.

(3) Make room for additional avenues for decision-making outside of steering committees, and consider the most effective way of structuring group discussions to create space for PSP opinions. *Multiple partners noted that steering committee meetings tended to be "report oriented" without clear decision points and outcomes, partly as a result of their frequency – only bi-annual – and partly due to the number of participants—at times up to 80 people. To better understand PSP priorities and build consensus among*

More specifically, ACI's primary beneficiary group is small-scale cocoa farmers (with less than five hectares of land) and its secondary target groups include spraying service providers and community/village extension workers. ACI aims to double cocoa productivity for 100,000 farmer households, and raise household incomes of cocoa farmers by 150-200%. To achieve these goals, WCF established four project components:

- Component I: Establish and strengthen national public private partnership platforms (PPPP);

[32] Interview with Mark Huisenga, August 4, 2016
[33] Interview with Mark Huisenga, August 4, 2016
[34] Interview with Olam, July 18, 2016 and Mark Huisenga, August 4, 2016
[35] ibid
[36] Feed the Future, African Cocoa Initiative Factsheet and African Cocoa Initiative Final Performance Evaluation Report, Revised January 2016

- Component II: Address farm productivity constraints through improved planting material;
- Component III: Enhance public- and private-sector extension and farmer training services; and
- Component IV: Foster market-driven farming input supply services.

USAID noted that given WCF's extensive experience, the goals and components of the intervention were "pretty well baked" by the time they were presented to USAID. WCF would be a resource partner and implementer as the program activities were of direct business interest to its members. USAID took less opportunity to weigh in on intervention design as they were confident that WCF "knew what they were doing."[37] USAID placed a high level of trust in WCF given their expertise and experience. This strengthened USAID and WCF's relationship, as WCF felt that they had USAID's support.

Agreeing on contributions and commitment

USAID committed $5,000,000 over a five-year period, leveraging over $4,500,000 in matching commitments from 14 WCF member companies and $3,500,000 from IDH, to achieve nearly the "one-third, one-third, one-third" balance.[38] At a later stage, IDH's contribution changed from cash to in-kind (discussed below).

Some principles for funding allocation were put in place to ensure funds were not being directed based on individual WCF member or partner preferences. For example, resources were directed by country and based on the amount of cocoa they produce, so as the largest producer Côte d'Ivoire received the most resources.[39] As another example, ACI partners pooled their commitments and decided how they would be allocated during the steering committee meetings. This is intended to keep ACI partners from unilaterally directing their resources to a specific project component, which might have carried the perception of bias towards company-specific goals.[40]

Designing the partnership and governance structure

The ACI partnership was structured to have multiple partners. USAID, IDH, and WCF and its constituent members were the primary resource partners. WCF was the main implementing partner and made sub-grants to other organizations to implement actual program activities in the four different

partners, WCF set up individual calls with members to understand their interests and concerns.

For effective senior-level decision-making, future partnerships should consider a process for decision-making that allocates enough time for discussion and action by those with authority to make decisions. This can be entirely through the steering committee, or more likely through a combination of the formal steering committee and other mechanisms, such as individual and informal calls.

Without this frequency and flexibility for partner input to be shared beyond formal steering committees, partnerships risk getting a full and nuanced view of partner priorities and concerns. Some less vocal partners may also get sidelined, particularly where steering committees are noted for their "unwieldy" composition.

(4) Consider the role of the implementing partner and how can USAID and PSP work together to ensure they optimally serve the partnership

WCF has played a challenging role throughout ACI, but one where its perceived neutrality

37 Interview with Mark Huisenga, August 4, 2016

38 Feed the Future, African Cocoa Initiative Factsheet and African Cocoa Initiative Final Performance Evaluation Report

39 Interview with WCF staff, July 18, 2016

40 Interview with Jay Daniliuk, September 1, 2016

countries. Other implementing partners (sub-grantees) included, among others, CropLife, ANADER, BUREX-CI, and TechnoServe. All ACI members are jointly responsible for overall outcomes of partnership, but also specifically involved in their areas of interest. For instance, Mars supported planting material and Hershey supported extension delivery.

WCF members used terms such as "tense environment" and "vicious cycle of secrecy" to describe cocoa industry relations historically.[41] WCF determined that an inclusive governance structure was important, one that gave equal voice to its members. The partners proposed a steering committee that would meet twice a year as the main forum for decision making. In addition to reviewing the challenges and successes around implementation, WCF also uses the steering committee to align around common positions and empower a collective voice.

The steering committee includes USAID, IDH, 14 members[42] of WCF (not all WCF members became part of ACI), and a number of implementing partners. In most cases, the ACI Chief of Party and the Senior Program Officer run steering committee meetings. However, while WCF was to provide two roles - a Chief of Party to be based in West Africa and a Senior Program Officer with twenty years of experience in community development, who would help manage ACI from WCF headquarters in Washington DC – only the latter was brought on immediately. The Chief of Party role was vacant through the first nine months of implementation, leaving a leadership and decision-making gap for the partnership. Additionally, the main point of contact for USAID is a Washington DC-based AOR who would naturally be somewhat removed from the rest of the Côte d'Ivoire-based team.

The steering committee meetings are complemented by focused individual conversations between WCF and ACI members, in which USAID often participates. The benefit of the individual conversations is that ACI members do not need to wait until the steering committee to discuss an opportunity or flag a concern for WCF.

by both the Government of Côte d'Ivoire and PSPs has been a critical component to ACI's success. WCF's role included balancing support for the interests of its member companies while serving as a neutral interlocutor with the Ivorian government, with whom relations have historically been strained. As a result, a new level of trust to emerge between PSPs and the Ivorian government. The government also appreciated the increased transparency that ACI brought through its efforts to align partners with sometimes different interests.

It is critical that the implementing partner maintains neutrality and is respected by both the host-country government (e.g., CCC) and supporting PSPs (e.g., WCF members). This can be a difficult balancing act and is often personality dependent. If done well, the implementing partner can play a critical role providing cover and represent private sector interests without fear of retribution. USAID can help support the implementing partner, providing coaching and feedback based on its own experience and what it is hearing from other partnership members.

[41] Interviews with Blommer, July 19, 2016 and Mondelez, July 22, 2015

[42] 14 WCF members on ACI were ADM Cocoa, Barry Callebaut, Blommer Chocolate Company, Cargill, Continaf BV, Ferrero, Guittard, Chocolate Company, The Hershey Company, Lindt & Sprungli, Mars Incorporated, Kraft/Mondelez, Nestle, Noble Resources and Olam international Ltd.. Noble later withdrew from the partnership, and ADM was acquired by Olam

Partnership implementation

Decision-making and communicating during project implementation

Early in the partnership, partners noted the "unwieldy"[43] nature of the steering committee, and that up to 80 participants were involved.[44] This made it a poor decision-making forum from their perspective. Further, since there was no Chief of Party for the first nine months of ACI's implementation, ACI was not being able to make sub-grants during that time.[45] USAID sensed this strain and recommended the individual leading the work around Component One as the Chief of Party; they were brought on as such and have remained in the Chief of Party role ever since. However, the early gap in leadership and decision-making at both these levels – within the steering committee and through the Chief of Party – diminished the ability to problem-solve during those early months of the partnership, leading to longer-lasting implications to partnership effectiveness.

USAID has been an active participant in the steering committee meetings, but acknowledges a more "hands-off" approach to its role in decision-making. An early AOR noted that ACI members "knew what they were doing" and provided flexibility as to how activities were prioritized and implemented.[46] For example, USAID was not party to a number of decisions that WCF made with its sub-grants. WCF has appreciated this degree of flexibility and has noted a "more equitable relationship" with USAID than a typical donor-grantee project.[47] This flexibility signaled that USAID trusted WCF by allowing them to make decisions that felt most appropriate to them.

ACI members have been concerned about the transparency with which resources are spent and the frequency and amount of information they receive. One ACI member felt that USAID was a "privileged partner" and that WCF was more proactive with and responsive to them than to others. ACI members were frustrated that USAID appeared to have access to more complete information, despite members likewise contributing resources to the partnership and that program activities had direct implications on their business operations. This concern, however, was also felt by USAID: that ACI members had preferential treatment and highlights the importance of effective communication by the implementing partner in such partnerships. For some members, this lack of both transparency and apparent equality strained relations with WCF and its ability to serve as a neutral broker.

Concerns about transparency have decreased over time, due in part to the intervention of ACI members who demanded a more transparent process and more timely information and ultimately

"It took a while, but over time the steering committee meetings became more useful and more transparent." – ACI member

(5) Defining and prioritizing collective challenges in a given industry is an effective way for USAID to bring together multiple companies in the pre-competitive space.
Defining and prioritizing collective challenges is a proven way to bring together partners who may have competing interests. In Côte d'Ivoire well-known common challenges include strained relations with the government, poor planting material, and pervasive pests and disease. These issues affect all actors, where collective action instils a sense of co-problem solving and trust. By demonstrating progress against one such challenge – notably, building a positive relationship with a previously-hostile government – ACI was able to build trust with the broader base of partners that it could then leverage for future actions.

(6) Continually re-assess the landscape to understand changes in the industry or value chain as well as to avoid duplication of effort,

did see some improvement. At one point, ACI members asked for a special session of the steering committee to focus on how their resources were being spent and how the process could be improved.[48] On the one hand the ability to ask for a special session reflects that flexibility and responsiveness of the partnership to ACI members' needs. On the other hand, the very request signals that there were insufficient avenues for information sharing and also suggests that USAID could play a more active role in ensuring transparency and neutrality.

Communication with partners external to ACI was also strained early in the partnership, but for different reasons. ACI members felt that the Public Private Partnership Platform (PPPP), led by the Ivorian Government's Conseil Café Cacao (CCC), would be a forum for discussion and relationship building with the government. Early on, ACI members' discussions at the PPPP tended to be generic, directed by the Government, with only NGOs, CSOs and donors speaking with any degree of freedom and openness. However, there were improvements through the life of the partnership. One ACI member noted that recently, there was an "opening of the books" by the private sector, where they openly shared learnings and provided more clarity—more honestly—regarding challenges and plans.[49] ACI members and the CCC have highlighted that the PPPP process has facilitated higher levels of trust. And overall, WCF noted that USAID's engagement as a donor organization brought additional "validation and credibility" to ACI's efforts improving government relations.[50]

More recently, the limited quality and quantity of cocoa planting material has been raised as a common concern among ACI members. ACI supported efforts to improve the planting material, helping the Ivorian Government develop a 50-hectare garden of improved cocoa varieties. There has been limited communication regarding the number of pods produced and how they have been distributed by government agencies (ANADER, CCC, and CNRA) to the farmers. ACI members are concerned that the government has a monopoly over the planting material, despite private sector resources being dedicated to their

especially before choosing to extend a partnership

During a partnership's lifetime – the intervention space can become crowded with similar initiatives and changing circumstances can impact the viability of any given intervention. This may even have begun before the partnership launch. For example, there are a number of cocoa-related initiatives active throughout Côte d'Ivoire, supported by industry associations, foundations, and cocoa companies, which ACI PSPs noted repeatedly. One often-cited example is support to the national farmer extension agency, ANADER

Future partnerships should consider two actions: 1) explicitly and periodically assessing the landscape, especially during the design and review phases, and 2) being honest about partner incentives that could unexpectedly preference a duplicative program and consider ways to "weed out" or redirect such potential duplication before they are committed and implemented.

[43] Interview with Mark Huisenga, August 4, 2016
[44] Ibid.
[45] Ibid.
[46] Ibid.
[47] Interview with Paul Macek, June 8, 2016
[48] Interview with Barry Callebaut, July 20, 2016
[49] Interview with Mondelez, July 22, 2016
[50] Interview with Paul Macek, June 8, 2016

improvement. This lack of communication has strained partnership relationships.[51]

Managing partnership changes

One substantive change, was that two ACI members left the partnership. Noble Resources left as a result of an internal restructuring and ADM Cocoa was acquired by Olam, also an ACI partner. Their departures did not have any significant impact on the project or partner relationships, indicating either the robustness of the partnership structure in this case, or a relatively low level of reliance on these particular partners.[52] However, for future partnerships, recognizing the potential for there to be major changes amongst the group of involved partners reinforces the importance of documentation and clear decision-making processes so that partnerships can flexibly adapt to these changes without the implementation momentum suffering.

Planning for the future

There were a number of successes resulting from the ACI partnership that merit more widespread dissemination and potential replication. For example, the PPPP has been an effective forum for aligning and building trust with the Government of Côte d'Ivoire. Having an official platform has also incentivized ACI members to co-create and address issues of common concern. As one ACI member stated: "The PPPP will live on—partnerships are being developed all over the place." The CCC noted that there are now over 90 participants in the Platform exploring ways in which they can partner with the government.[53] One ACI member, for example, is co-financing the construction of schools, with the CCC building residences for the teachers and providing solar panels to ensure electrification. Other members are conducting similar activities. Concerted efforts at alignment, transparency, and trust among ACI members and between the government have already shown tangible results. The ACI "Final Performance Evaluation Report" noted that 24 public-private partnerships were formed as a result of USG support, exceeding the target of 20.[54] Any future efforts should seek to build on the success of the PPPP model, and particularly explore ways to leverage these spin-off partnerships to maximize efficiency and avoid duplication.

[51] Interview with Barry Callebaut, July 20, 2016, Blommer, July 19, 2016, Mondelez, July 22, 2015, and Mars, July 19, 2016

[52] Interview with Jay Daniliuk, September 1, 2016

[53] Interview with CCC, July 20, 2016

[54] Feed the Future, African Cocoa Initiative Factsheet and African Cocoa Initiative Final Performance Evaluation Report, Revised January 2016

Over the past five years of ACI's implementation, a number of similar initiatives have arisen. Industry-wide initiatives are more common, as are individual company efforts to support the farming communities from which they source. While the added attention to these challenges is generally welcome, there is also concern about too much overlap between initiatives that are "setting up similar activities using different language."[55] This proliferation of initiatives can have an adverse affect on sustainability. For example, a number of initiatives are focused on extension services and farmer training. ANADER, the largest provider of these services, has noted that its agents are spread too thin and would appreciate a more holistic approach.[56] Increasingly the cocoa sector in Côte d'Ivoire is a crowded space and future efforts should invest significant time to determine how interventions can be both complementary and additive, or whether there should be future investments in these areas at all. This should certainly be a part of any potential consideration of a follow-on to ACI.

[55] Interview with Mondelez, July 22, 2016

[56] Interview with ANADER, July 20, 2016

6.2 ADVANCE MAIZE SEED ADOPTION PROGRAM

Partnership Initiation

In May 2012, the G8 launched the "New Alliance for Food Security and Nutrition" to bring partners together to generate greater private investment in agricultural development across Africa. As part of the New Alliance, DuPont Pioneer, the American chemical and agricultural conglomerate, signed a letter of intent (LOI) to invest in Ethiopia and initiated discussions with USAID/Ethiopia's Office of Economic Growth. DuPont had been active in Ethiopia for nearly 15 years, promoting farmer productivity, agricultural system infrastructure improvements, and food and nutrition security.[57] It was eager to expand the geographic reach of its own seed distribution, and recognised that farmers needed additional support, such as improved fertilizer and storage, to increase their productivity.

Supporting farmers meant working with and through the Ethiopian government, which was – and remains – the leading seed producer and distributor. DuPont sought to partner with the government to distribute DuPont seeds through the government's existing network of extension offices and agents. And by partnering directly with USAID, which had a long-standing relationship with the Ethiopian government, DuPont would garner additional credibility for its planned efforts to both expand its own reach and support farmers transitioning from subsistence to self-sustaining farming operations.[58] USAID and DuPont sought to establish the partnership under the banner of the New Alliance that had the backing of both U.S. and Ethiopian heads of state.

The proposed partnership also aligned well with the priorities of USAID/Ethiopia. Maize is a priority crop under the Agricultural Growth Program – Agribusiness and Market Development (AGP-AMDe) flagship program of USAID/Ethiopia's Feed the Future (FTF) strategy. Maize accounts for 40% of the cereals farmed in Ethiopia, and provides nutrition and cash income to 9.3 million farmers.[59] But despite this importance, maize production has historically faced several key constraints, including: inadequate access to quality seeds, limited productivity of smallholder farmers, and poor storage capacity and techniques. USAID was keen to undertake this partnership to strengthen the maize value chain, build on the successes of AGP-AMDe, and operationalize the New Alliance.

USAID brought the Regional Head of Commercial Activities, the Ethiopian Ministry of Agriculture and Natural Resources (MoA), and the Ethiopian Agricultural Transformation Agency (ATA) into the partnership conversation with DuPont, who was eager to build its own relationships throughout the Ethiopian Government. The Ethiopian government did not immediately buy in to the partnership vision. In initial discussions, MoA expressed concerns about supporting DuPont, a for-profit player, seeking to further their own business interests. Historically, Ethiopia had taken a state-led approach to food security and development, and questioned the intention and sustainability of private sector investment.[60] MoA, however, acknowledged the importance of introducing new seed varieties and increasing production volumes and would later highlight that farmers prefer and demand the DuPont seeds.[61]

USAID, with the support of the ATA[62], was instrumental in helping MoA and DuPont align on the vision. Both ATA and DuPont commented that USAID played an important role in overcoming the tension that centered on concerns about commercial interests (from MoA and ATA's perspective) and the challenges of doing business in Ethiopia (from DuPont's perspective). USAID did this in part through facilitating numerous conversations between the parties, taking advantage of their role as a respected third party with a long-standing history of working with the government and investing in Ethiopia's development, dating back to 1961.

In January 2013, just seven months after the launch of the New Alliance, USAID, DuPont, ATA and the MoA signed a three-year Memorandum of Understanding (MoU) to increase maize productivity by helping farmers move from open-pollinated to improved hybrid seed varieties, expand access to credit and inputs, and build the capacity of extension services to disseminate training to Ethiopian maize farmers.[63] The Advance Maize Seed Adoption Program (AMSAP) was incorporated as a

(1) USAID should leverage the value of its assets and networks. This enhances mutuality and commitment if the value of USAID's contribution to the PSP is well understood.

USAID's relationships with the Ethiopian Government were of significant value to DuPont. USAID played a leadership role in the creation of the New Alliance, which ushered in new possibilities for the private sector to do business in Ethiopia, endorsed at the highest level. DuPont recognized this critical moment to build trust and enhance relationships with key institutions such as the ATA and MoA. USAID helped to facilitate relationships with these actors whose support would be essential to DuPont's efforts to expand into areas historically run by the government such as seed processing and distribution. In the end, the partnership had full government buy-in

[57] https://www.pioneer.com/home/site/about/news-media/news-releases/template.CONTENT/guid.4007136F-BE4A-C374-5DCA-0EEFC01A125A

[58] https://feedthefuture.gov/article/dupont-government-ethiopia-and-usaid-collaborate-improve-maize-production

[59] CSA 2012/2013 data

[60] http://uk.reuters.com/article/uk-ethiopia-economy-idUKBRE95K0F920130621

[61] Interview with Ministry of Agriculture officials, July 27, 2016

[62] The ATA is an advocate of private sector partnerships and this is part of their broader agenda supporting the MoA. They play an advisory role and, while they work directly with the prime minister's office, and thus have senior-level influence, they have limited execution power. Their influence was instrumental but the MoA had to ultimately buy in

[63] https://www.usaid.gov/sites/default/files/documents/1860/Dupont%20AGP%20AMDe%20Hybrid%20Maize%20Fact%20Sheet.pdf

component under the maize value chain arm of AGP-AMDe in 2013. In 2015, when AGP-AMDe came to an end, AMSAP activities commenced under a new stand-alone $4 million GDA.

Partnership Design

Setting the vision and designing the intervention

Incorporating AMSAP under the existing USAID AGP-AMDe program, which already had maize as a focus crop, was easier and faster than developing a new program. AGP-AMDe focused on improving the productivity of farmers, reducing post-harvest losses, and commercializing the overall maize value chain. Program activities promoted a local variety of hybrid maize through demonstration plots and the technical training of farmers. AMSAP was a natural complement to these activities. The introduction of DuPont under the AGP-AMDe program in 2013 meant that Dupont could build on the existing activities already underway. In this case, that meant that higher yielding DuPont seeds were promoted in addition to the local hybrid varieties, and that DuPont staff would support technical training for extension agents.

In 2014, it was clear that many of the founding team members from USAID and DuPont were moving on to new roles. They wanted to ensure that the partnership's impactful work would continue after their departure. They decided that that establishing a new standalone GDA would extend the partnership beyond the 2016 end-date of AGP-AMDe. USAID contracted ACDI/VOCA (who had also worked on AGP-AMDe) as the implementing partner for the GDA. DuPont had also worked with ACDI/VOCA before and liked the continuity they bought to the project. ACDI/VOCA submitted a new concept note for the partnership under the GDA APS.[64] As a result of strong individual efforts, a tripartite cooperative agreement was signed by the Ministry of Agriculture, DuPont and USAID to continue AMSAP activities in July 2015.

The cooperative agreement identifies AMSAP's broader goal as enhancing the incomes of 65,000 smallholder farmers in 27 woredas[65] across the regions of Oromia, Amhara, and the Southern Nations, Nationalities, and Peoples' region (SNNP). The specific objectives underlying this goal are to:

- Improve average yields by at least 50%,
- Increase hybrid adoption rate to 40% of maize farmers
- Increase the number of smallholder farmers applying new technologies

and DuPont thought this was the most significant contribution of USAID to the partnership.

Political influence is often more critical to PSPs than financial contribution. For governments, who are often reticent about partnering with the private sector, it is important to align early on as to how the proposed contribution will add value or have development impact. USAID can help craft the communication and discuss how the intervention can improve the lives of farmers. USAID's explicit backing often has significant sway with host governments and can prove to be transformational for both private and public-sector actors.

"DuPont had to win the hearts and minds of policy makers and demonstrate that they are not only here for business but are also interested in food security" – ATA

"The government has a long-standing relationship with USAID. They have been investing money in the country for years. This made it easier for Dupont to come through." – ATA

"We recognized that we are not experts in everything so we wanted partners who could support us, particularly in

[64] ACDI cooperative agreement signed on July 24, 2015

[65] Districts or 'woreda' are the third-level administrative divisions of Ethiopia. They are composed of a number of wards or neighborhood associations 'kabalis', which are the smallest unit of local government in Ethiopia.

- Improve farm management from sowing to harvesting
- Reduce post-harvest loss of maize by 15% among impacted farmers
- Expand availability of improved maize seed
- Expand access to finance and access to markets of Farmer Cooperative Unions (FCUs) in the 27 maize woredas

The selection of woredas required negotiation between the partners. DuPont wanted to expand into previously untargeted regions and increase their penetration in existing MoA areas. Accordingly, they selected woredas based on the company's internal expansion priorities. The MoA disagreed on some of the woreda selections; their priority was to introduce the DuPont seed in markets that the ministry was currently not serving with their own, local maize hybrid. The selection of woredas also depended on the maturity of the MoA's extension network in that region. Meanwhile, USAID's priority was to align with the Feed the Future priority regions, known as "Zones of Influence." Following extensive consultation, the partners agreed on three regions, which were indeed "Zones of Influence." [66,67] This is an example of how the different actors were able to understand both tensions and complementarities in terms of priorities and incentives, and effectively identify areas of alignment.

Agreeing on contributions and commitments

Partners contributed a total of $4 million to AMSAP. Under the new cooperative agreement, DuPont contributed $2 million to AMSAP, $600,000 of which was in-kind (in the form of seeds) and the rest in cash for training, staff, and demonstrations. USAID matched DuPont's funding with $2 million in cash, with its funding channelled through the implementer - ACDI/VOCA. ACDI/VOCA provides operational support, including a dedicated finance department that keeps track of expenditures attributed to the project and reports back to USAID.

DuPont's funds are not channelled through ACDI/VOCA. This is due to a number of reasons: first, DuPont already has its own commercial office, infrastructure and agronomists and did not really need an implementer. Second, since DuPont has short-term commercial interests in the project, they wished to retain control over their own funds. Third, they felt that ACDI/VOCA's overheads were too high.

storage and managing crop post-harvest. In this way we could address inputs and outputs holistically" – DuPont

(2) Defining institutional strengths and weaknesses early in partnership design can help generate alignment on partner roles and responsibilities.

Early in the design phase each institution's strengths and role was very clearly discussed and agreed upon. For example, DuPont's in-kind contribution was the seed and agronomists to provide expertise to farmers, whereas USAID had the relationship with MoA to get their agreement to pilot the seed through the government extension system. A thorough prospecting and co-creation effort will help ensure alignment and reduce potential for confusion and redundancy between partner roles and relationships.

[66] Interview with Worde, Melaku, Eyasu and Adugma, July 25, 2016

[67] https://www.usaid.gov/sites/default/files/documents/1867/Feed%20the%20Future%20Ethiopia%20Fact%20Sheet%202015.pdf

ACDI/VOCA also put together a workplan that details the activities each partner covers, to ensure clarity on roles and responsibilities between the partners:

- DuPont covers the costs associated with inputs, including getting the seed to the farmers and facilitating training on planting techniques.
- USAID, through ACDI/VOCA, is responsible for supporting outputs, including post-harvest activities, marketing of crops, and finding potential off-takers for the crops.
- ACDI/VOCA is responsible for conducting the demonstration plots in collaboration with MoA, training trainers on production and post-harvest best practices, and facilitating access to finance through loans to farmer cooperative unions.
- The MoA's contribution comes primarily through the participation of its extension agents. The ATA assists in facilitating conversations across government stakeholders.

The past working experience that ACDI/VOCA had with DuPont, USAID and the Government of Ethiopia ensured that they knew what each partner brought to the table. In addition, the relationships between the partners already existed and therefore dividing up roles and responsibilities was relatively easy.

Designing the partnership and governance structure

The steering committee is the main governance body of AMSAP and its approval is required for all major decisions, such as the addition of new partners. The MOU signed by the partners to implement the partnership serves as the reference document for the steering committee, which meets once a quarter. Representation on the steering committee spans all five partners: USAID's AOR, DuPont's senior agronomist, ATA's director of the Seed Program, MoA's Crop Director, and ACDI/VOCA's regional program coordinator.

The decision-making process for the steering committee is straightforward. All decisions are made by consensus, under the leadership of the committee chairperson. Non-resource partners lead the committee – a representative from ACDI/VOCA was the original chairperson. Each steering committee meeting has an agenda and anyone, including non-core members, can add items to it, thus ensuring that all partners have a chance to weigh in on issues and propose decisions needing alignment. Topics typically on the agenda for the steering committee include progress and challenges associated with project activities, feedback on quarterly reports—that

(3) Communication beyond the steering committee is highly valued by PSPs.

In this case, all the partners used alternative avenues for communication outside the steering committee. USAID's AOR actively communicates with all partners via phone and email. While she is the AOR for ACDI/VOCA she behaves like the RM for DuPont as well in terms of cultivating the relationship. DuPont has a staff member in ACDI/VOCA's offices to keep abreast of project activities, and the ACDI/VOCA representative and USAID AOR check-in on a monthly basis. Even though good communication was fostered up front there were still needs that came up along the way. Through the channels created, DuPont was able to communicate these needs e.g. budget visibility so that the AOR and ACDI/VOCA could address them.

For future partnerships, using informal channels for frequent and direct communication between partners or implementers can effectively ensure progress, alignment and continued relationship health.

correspond coincide with the meetings—and any internal changes within partner organizations. Additionally, the steering committee reviews budget updates but does not discuss how ACDI/VOCA's resources are being or should be spent. In part, this is because resource partners feel that it is inappropriate to have budget discussions in the presence of non-resource partners such as the MoA.

Information sharing outside of the steering committee typically happens directly, or through periodic reports produced by ACDI/VOCA. The overall AMSAP project manager is directly employed by DuPont and sits in the ACDI/VOCA offices, regularly sharing information back to DuPont directly. The USAID AOR received most of her information from ACDI/VOCA through bi-weekly reports, monthly meetings, quarterly reports, and ongoing informal communication. These additional channels ensure that communication is not restricted to steering committee meetings, though it is notable that the information flows are siloed rather than centralized and shared between all partners.

Partnership Implementation

Communicating about partnership and project implementation

Decision-making on major resource allocation is made in a consultative way, with DuPont and USAID first discussing and aligning between themselves. For example, the partners initially agreed on running demonstration plots in three regions and farmers in a different region later asked to be included in the program. The farmers got together, and collected money to request the seeds from AMSAP proactively. The partners discussed their potential inclusion in the program, reviewed the implications of this action, and decided to add an additional 80 demonstration plots. The partners were able to collectively make decisions on unforeseen farmer interest in their project.

By all accounts, communication has been effective between all partners. This is likely due to several factors. For some, their knowledge of and comfort with each other prior to embarking on this partnership meant this engagement was built on a foundation of prior trust and knowledge of what works or does not. Additionally, the adoption of communication-friendly behaviors (e.g., willingness to call counterparts directly as needed) set the stage for communications norms more broadly, and particularly in "role modelling" to any new partners or junior staff – for example, within the Ethiopian government. There are numerous examples, such as when the USAID AOR proactively reaches out to partners do discuss the project, or works closely with ACDI/VOCA to provide process-related updates.

(4) Early investments in creating multiple touch points and institutionalizing the relationship with continued proactive engagement over the partnership lifetime, can set the stage for efficient and low-stress management of partnership changes. *Every partnership will undergo major changes over its lifetime, ranging from unexpected staff turnover to organizational changes with one or more core partners.*

AMSAP benefitted from a high-level of partner alignment and engagement throughout implementation, in part because the Washington-based relationship manager had deep support from the DuPont and USAID representatives on the ground in Ethiopia. There was further support at the highest levels, between the USAID Administrator and Dupont Executive Vice President who signed the 2013 MOU. These close relationships, far beyond one person from each institution, helped promote open discussion and alignment during periods of change and transition.

These relationship-based informal communications flows are necessary supplements to the formal communication structures put in place, such as the bi-weekly reports and weekly meetings between USAID and ACDI/VOCA. In addition there are some institutional arrangements that have contributed to effective communication. The project manager, a DuPont employee, sits in the ACDI/VOCA offices, which improves coordination, communication, and transparency on project activities. Most of the communication between DuPont and ACDI/VOCA is channelled through the project manager. However, if input is needed on larger issues, the implementers reach out directly to the USAID AOR. While the USAID AOR has a direct line of contact with DuPont's commercial lead in Ethiopia, the AOR stated that communication between the two tends to be limited to specific matters.

Despite these many avenues, there are opportunities for further improving communication channels between parties, specifically USAID and DuPont. For instance, DuPont highlighted concerns about not having sufficient line of sight into budget allocations and how and when funds were being spent by ACDI/VOCA. As a result, not all partners are completely confident in their ability to access information as and when they need it. DuPont noted that limited line of sight into ACDI/VOCA's planned and actual expenditure was a driver of some partnership tension. ACDI/VOCA, however, noted that all budget and expense plans were shared with DuPont.

Managing partnership changes

During the course of implementation, two notable partnership changes took place. First, DuPont had committed to building seed storage warehouses as part of their farmer dealer network. However, over the course of implementation, the project manager and steering committee assessed the situation and felt that seed storage was not required after all. Instead, they advocated for investments in a post-harvest storage intervention, but this was problematic as it was not part of DuPont's original commitment. The issue was eventually resolved through discussions in steering committee meetings, and highlights the ability of partners to have difficult conversations and resolve them with an understanding of organizational needs and constraints.

Second, in December 2015, DuPont Pioneer and Dow Chemical Company announced their plans to merge. As a result, DuPont experienced changes in management and delayed the implementation of some scheduled AMSAP activities. For instance, the number of staff members assigned to work in

Oromia was reduced. By March 2016, only 16 of the 32 planned warehouses had been initiated. Regardless, the AMSAP team successfully advocated for DuPont to commit to 16 warehouses, up from the previous decision to construct three.[68] The strong relationship and high-level commitment from USAID and DuPont helped navigate this period of uncertainty. Although DuPont's representative was nervous and reticent to spend allocated funding given DuPont's internal organizational uncertainty, USAID was able to connect with DuPont's leadership and confirm a commitment from them. DuPont and USAID had numerous conversations outside the steering committee about the impact of the merger, both in Washington and in Ethiopia. In addition, the steering committee played a strong role in managing this period of uncertainty and keeping the partnership's activities on track. By July 2016, all the partners had been assured that the AMSAP project remains a priority for DuPont's new leadership and that commitments would not change.

Planning for the future

AMSAP has been successful in delivering on its objectives to improve farmer productivity. As a result of AMSAP's activities, maize yields have increased from less than 3MT/ha to 6.8MT/h, exceeding the target of 5MT/ha. These increases can also be attributed to the proper application and use of fertilizer. Although the selling price of maize has not increased (and over a particular season actually decreased), productivity has risen enough for farmers to experience a noticeable difference. Participating farmers commented on the improved quality of the maize and how their neighbors were impressed with their fields.

The program's objective was to sustainably increase more than 100,000 smallholder farmers' yields and enhance income potential, while also improving nutrition outcomes in 16 districts over three regions across Ethiopia. The program has already helped 250,000 smallholder farmers in four regions and 53 districts to adopt new technology and implement smarter agricultural practices. Since its launch four years ago, participating farmers have achieved an almost 300 percent increase, on average, in their maize yield productivity.[69] They are also more efficiently connected to markets, which has helped boost incomes by an average of $1500 per farmer, per year.[70]

One of the most notable long-term successes, with the potential to materially impact future partnerships, is the changed perception from within the Ethiopian government of the private sector. While at the start MoA was sceptical of DuPont's

(5) By embarking on a shared value partnership, USAID's development objectives in the maize chain in Ethiopia are now going to be addressed by the private sector over the long-term.

The partnership has achieved a range of results for each of the different parties: it fostered a productive relationship between DuPont and the Government of Ethiopia, increased DuPont's market share, and provided a service to farmers that can be sustained.

Since its launch four years ago, participating farmers have achieved an almost 300 percent increase, on average, in their maize yield productivity. They are also more efficiently connected to markets, which has helped boost incomes by an average of $1500 per farmer, per year. These are USAID development objectives that are now going to be addressed by a private sector partner in the long-term.

"Our legacy is that the private sector and public sector can come together and change lives. We have changed perceptions of the private sector; they did not think in the past that they could come together for the greater good." –USAID

[68] This narrative was included in the AMSAP quarterly report, Jan – Mar 2016
[69] https://www.usaid.gov/sites/default/files/documents/1860/Press_Release_USAID-DuPont_Partnership_5-8-17.pdf
[70] Ibid

intentions, by the end of the partnership all three were working jointly and both USAID and DuPont had easy and frequent communication with government stakeholders. USAID was critical to this shift in thinking. USAID also ensured that farmer voices and the government's concerns around development outcomes were heard.

6.3 GEORGIA HAZELNUT IMPROVEMENT PROJECT

Partnership Initiation

The Georgia Hazelnut Improvement Project (G-HIP) is a partnership that was established in 2015 between USAID and AgriGeorgia. G-HIP followed on from prior partnerships dating back to 2011, which aimed to improve hazelnut production in Georgia.

AgriGeorgia, one of the partners in G-HIP, is a Georgian hazelnut farming company and a subsidiary of Ferrero, the Italian confectionary corporation. It was established in 2007 to diversify Ferrero's hazelnut supply beyond Turkey. Ferrero has invested over $45 million in AgriGeorgia to date and has purchased 4,000 hectares of land all over Georgia. Given the long-term nature of hazelnut farming, AgriGeorgia has yet to turn a profit and full production capacity will only be reached by 2020.[71][72]

Georgia is the third largest hazelnut producer in the world and is home to approximately 50,000 hazelnut growers and 30 processors, who face a number of barriers in ensuring that their hazelnuts meet Ferrero's strict quality requirements.[73] Inadequate post-harvest handling and storage facilities, and limited access to drying facilities and de-husking machines, prevent most farmers from achieving required quality of supply.

In 2009 the new Director of AgriGeorgia moved to Georgia on behalf of Ferrero. He soon realized that many of the hazelnut smallholder farmers had very limited knowledge of best practices and that it would be relatively easy to improve their productivity and quality of output. By working with local farmers, there was potential for a win-win situation: farmers could gain support to increase productivity, while Ferrero would gain the reliable new hazelnut supply source it needed. However, while AgriGeorgia possessed technical skills for hazelnut production, they did not have the logistical and administrative resources to run a locally-based development program.

In 2010, USAID launched the Economic Prosperity Initiative (EPI), a four-year project to improve enterprise competitiveness at the industry and country level in Georgia through farmer technical assistance and training, including for hazelnuts. Later in 2010, an EPI staff member in charge of hazelnuts met the Director of AgriGeorgia and suggested an opportunity for a partnership to improve hazelnut farming in the country; he introduced a senior advisor on the EPI project to AgriGeorgia's

(1) USAID should seek to identify true market prospectors with aligned objectives that can translate into shared value partnerships.
Ferrero had identified hazelnut production in Georgia as a solution to diversify supply from their main sources in Turkey. However, while Ferrero possessed technical skills for hazelnut production, they did not have the logistical and administrative resources to run a locally-based development program. This was where USAID could leverage its capabilities. Through aligned development objectives, and future commercial objectives, the beginnings of a sustainable partnership were born. By working with local farmers, there was potential for a win-win situation: farmers could gain support to increase productivity and incomes, while Ferrero would gain the reliable new hazelnut supply source it needed.

director. As a result, in 2011, USAID and AgriGeorgia established a Global Development Alliance (GDA) under EPI with the goals of setting up demonstration plots in rural areas and offering technical assistance to hazelnut farmers.

AgriGeorgia took the lead on this partnership while USAID played a less hands-on role, leaving most of the implementation to the EPI implementing partner. AgriGeorgia's support at this stage was in-kind only – they provided hazelnut agronomy experts from Italy and all necessary equipment for the trainings. EPI provided funding and logistical support for the training programs and also recruited smallholder farmers to participate in the program. This led to the creation of the Georgian Hazelnut Growers' Association (GHGA) in 2013, which was intended to strengthen grassroots farmer cooperation. GHGAs goals were to train 3,000 farmers in best practices on farming methods, strengthen the power of this population through a collective voice, and provide them with increased access to inputs.

In 2014, as EPI was drawing to a close, the implementing partner introduced the Director of AgriGeorgia to the Director of Economic Growth Office at USAID to ensure that the relationship would be sustained after EPI was completed. Both directors shared a passion for partnership and decided to build upon the success of the EPI project. USAID asked AgriGeorgia if they would like to continue their partnership under USAID's Restoring Efficiency to Agriculture Production (REAP) program, but AgriGeorgia preferred to have a stand-alone GDA with USAID.

While the two directors worked closely together to design a new GDA and issue an addendum under the GDA Annual Program Statement (APS), USAID and AgriGeorgia entered into an interim six-month tri-partite agreement under REAP to continue their work with GHGA. The program's objective was to consolidate and leverage the technical expertise of the organizations to broaden, deepen, and advance the impact of the hazelnut sector. The interim arrangement came to an end in December 2015, and the follow-on GDA was awarded under the name Georgian Hazelnut Improvement Project (G-HIP).

(2) All partners should jointly engage in project design to ensure alignment with USAID strategy and objectives.
A high level of engagement during design helped to ensure partners were aligned in terms of goals, expertise, and incentives. AgriGeorgia had a long-term business imperative to assist smallholder farmers and was able to bring in relevant expertise and training. USAID's mandate was to assist smallholder farmers, and, through their extensive experience working with the local farmers, was able to bring their development perspective to the program. This ensured that initiative met the goals of both partners. It also ensured a strong working relationship between USAID and AgriGeorgia.

(3) USAID should leverage the value of its assets and networks. This enhances mutuality and commitment if the value of USAID's contribution to the PSP is well understood.
USAID helped strengthen the relationship between AgriGeorgia and the Georgian government, which was eventually characterized as one of "mutual respect." It did so by introducing AgriGeorgia to key

[71] USAID case study: "Competitiveness of Georgian Agriculture: investment case studies", 2014
[72] http://iset-pi.ge/images/Projects_of_APRC/Case_Study_AgriGeorgia_Ferrero.pdf
[73] https://www.cnfa.org/program/georgia-hazelnut-improvement-project/

Partnership design

Setting the vision and designing the intervention

Two people led the design of G-HIP: the Director of the Economic Growth Office at USAID/Georgia, who was also the USAID relationship manager (RM), and the Director of AgriGeorgia. The two invested significant time in discussing their plans and aligning on a vision for the partnership. The Director of AgriGeorgia reported that these frequent in-person and telephonic interactions contributed to a strong and trusting working relationship between the two parties. Their prior expertise with partnerships also helped: in this case, the USAID RM had previous experience working on a coffee GDA and brought her knowledge of agriculture value chains to the collaboration with AgriGeorgia. Her specific insights also included a deep understanding and appreciation for brand protection and experience demonstrating to shareholders why it is important for businesses to pay a premium for quality inputs. She demonstrated a "good understanding" of the issues, which was deeply appreciated by AgriGeorgia's director, and set the foundation for a trusting relationship.

The long-term partnership vision on which USAID and AgriGeorgia aligned had one main goal: to strengthen the overall hazelnut production industry (growers and processors) in Georgia in order to achieve the highest, global quality standards. Aligning on the vision between directors on both sides was just the first step. The AgriGeorgia director then socialized this design with Ferrero headquarters, getting buy-in from the broader corporate leadership, while the USAID RM worked to elevate the importance of AgriGeorgia as a key partner within USAID/Georgia. This latter step was key because USAID had not treated the prior EPI partnership with AgriGeorgia as a priority.

Agreeing on contributions and commitment

G-HIP had total financial funding of $8 million over five years, through contributions from AgriGeorgia ($5,074,355 million financial) and USAID ($3 million financial). AgriGeorgia's contribution covers the cost of providing trainers and experts, as well as buying old plantations to run as knowledge plots, and minor needs such as purchasing storage bags. AgriGeorgia also supports the GHGA, including paying for full-time staff salaries, physical/infrastructure resources, and co-operative experts to visit Argentina and Turkey as part of 'learning trips' to gain exposure to best practices. USAID readily acknowledged that AgriGeorgia's financial commitment extends beyond the amount "on paper." It is important to note that the allocated funds are drawn from Ferrero for both short-term CSR purposes and furthering business interests in the long-run. As a result the

government ministers, assisting the company to get approvals, and supporting AgriGeorgia with the land registration. USAID should seek to understand what aspects of the USAID network are most valued by PSPs, to ensure that they are adequately leveraged in the life of the partnership.

"USAID helped facilitate a lot of the relationships, including the one with government – they have the administrative resources. They open the door and we walk through it" - AgriGeorgia

(4) The working relationship between resource partners and the implementing partner is central to effective program implementation and both USAID and the PSP should help define their role.

Implementing partners are often selected by the PSP based on previous experience and relationships. In this case, USAID and AgriGeorgia jointly decided to go through a formal application and review process to select the implementing partner for G-HIP. They chose CNFA because both parties had prior experience working with them.

The working relationship between resource partners

Director of AgriGeorgia has considerable autonomy about funding allocation decisions and deploys the funds flexibly.

USAID contributed $3 million and assisted AgriGeorgia in forging deeper relationships with key government actors (Ferrero had some relationships but leveraged its relationship with USAID to open more doors). They did this through brokering meetings and leveraging their existing relationship with government officials to introduce AgriGeorgia. For USAID, officials within the Georgian agriculture ministry were accessible and only a phone-call away. The relationship between AgriGeorgia and the government is now described by AgriGeorgia as one of mutual respect, thanks in large part to USAID's support.

Designing the partnership and governance structure

Once USAID and AgriGeorgia had decided on the intervention, they jointly issued an addendum under the GDA APS in 2015 to identify an implementing partner.[74] The selection process consisted of developing joint criteria, and forming a Technical Evaluation Committee panel, comprised of one representative from Ferrero and two from USAID. CNFA was ultimately selected, based in part on their positive past working relationship with AgriGeorgia and USAID on EPI and other projects.

CNFA brought local perspective and program design expertise to the partnership. They also played a very important role brokering relationships between smallholder farmers and AgriGeorgia. AgriGeorgia found it difficult to establish a relationship with the farmers because the farmers had such great expectations from the company, with a number hoping to gain employment. CNFA, through the prior EPI and REAP, and current G-HIP programs, helped establish more trusted relationships between the farmers and AgriGeorgia and its experience added value to the partnership. CNFA also played an important role helping AgriGeorgia navigate USAID's bureaucratic requirements. [75]

The steering committee is the primary governance and decision-making platform for G-HIP. The steering committee is comprised of a representative from AgriGeorgia, a representative from CNFA (the G-HIP Chief of Party), and two representatives from USAID (the AOR and the RM). The semi-annual meetings are designed to ensure ongoing collaboration, adjust implementation plans as necessary, meet the changing needs of the private sector, review G-HIP progress reports, and to explore opportunities to

and the implementing partner is central to effective program implementation and can impact relationship health. The ability of the individual resource partners to hold the implementing partner to account and the flows of information between the resource partners and the implementing partner are key to a collaborative and transparent relationship across stakeholders.

(5) Informal lines of communication are highly valued by the PSPs.

AgriGeorgia appreciated the first USAID RM's ability to collaboratively problem solve, have spontaneous discussions on urgent and non-urgent issues, and be an effective listener. AgriGeorgia noted that the RM was "kind, listened and reacted to what we were saying" and that she understood the "vision and the benefit of the program to the community." AgriGeorgia's director and the USAID RM spoke regularly on the phone. This changed when the USAID RM had to suddenly leave and a new AOR and RM were appointed to take her place. AgriGeorgia felt that the communication during implementation phase did not match the quality of communication during the design phase.

[74] https://scms.usaid.gov/sites/default/files/documents/15396/rfa-114-15-000008%20addendum%20to%20gda%20aps.pdf

[75] Interview with Vincent Morabito, 18 July, 2016

expand to scale up activities. The overall budget of the partnership is managed and allocated through joint consultation between the partners.

Partnership Implementation

Communication during project implementation

G-HIP was only a few months into its implementation at the time of the writing of this case study. So far, AgriGeorgia has been deeply involved in the day-to-day implementation of G-HIP, from running training sessions for GHGA to helping establish GHGA's governance board and co-selecting their leadership – a process conducted collaboratively with CNFA and with input from USAID. CNFA takes the lead in implementation, reporting directly back to USAID on field activities. USAID is active on the steering committee and provides guidance and support to CNFA. Since the program has been operational for less than a year, USAID's involvement during implementation has not been fully observed.

In the field, AgriGeorgia's director and the G-HIP Chief-of-Party work side-by-side on a daily basis. They are closely supported by AgriGeorgia's internal lawyer and head of general affairs. They have phone conversations almost every day to discuss anything from an upcoming meeting with a minister to interviews for key positions at GHGA.[76] AgriGeorgia's director highlighted the importance of this close, informal relationship, and its positive impact on the overall ease and effectiveness of implementation and decision-making. The USAID AOR communicates with the G-HIP Chief-of-Party on a regular basis, and uses this informal channel to receive progress updates. They often talk up to three times a week on the phone.

Managing partnership changes

Soon after the GDA was awarded, the senior USAID counterpart involved in all stages of the design and negotiation process had to leave the country permanently and unexpectedly. The role of managing the partnership was handed over to two separate USAID officials, an AOR and a RM. The USAID team acknowledged that this handover was rushed due to personal constraints outside of anyone's control. This transition resulted in a decrease in the frequency of communication between USAID and AgriGeorgia.

As a result, AgriGeorgia and USAID have communicated less frequently during implementation than they had in the design phase. So far, this has not significantly hampered implementation of existing activities, largely due to the small role that USAID

Frequent, direct communication between partners or implementers is an effective means of ensuring progress, alignment and flexibility. Regular calls and meetings build a warm atmosphere for collaboration, enable real-time troubleshooting, and build in partnership responsiveness to needs and opportunities arising in the field. Particularly effective is the habit of communicating pro-actively, to check-in and not simply call when things are amiss.

"USAID was very flexible in its relationship with us. USAID was also very good at communicating with us in a way that showed they understood AgriGeorgia's point of view on a topic" - AgriGeorgia

(6) Ensure regular communication to facilitate smooth decision making within the confines of bureaucracy between USAID and the PSP.
Once the initial USAID RM left, the director of AgriGeorgia felt that the lack of decision-making power held by USAID representatives limited the speed and efficiency of partnership implementation.

As a USAID RM or AOR, it helps to identify avenues and

[76] Interview with Vincent Morabito, 18 July, 2016

plays during implementation (by design). That said, it does limit potential collaboration on other activities in the hazelnut industry. AgriGeorgia reported feeling they "left value on the table," and that this may not have been the case had they been able to engage USAID more often on opportunities arising in G-HIP. CNFA noted that "passions change with the change in staff at the mission" and therefore, there needs to be a "local champion" for the partnership that ensures continuity even when there is staff turnover. [77]

processes internally to get access to relevant senior people to allow for quick decisions and responsiveness to your PSP. This could be through regular briefing with your senior staff for example to ensure they are abreast of all issues even if not directly involved.

It is also important to know when senior level people at the PSP should engage directly with USAID senior staff. Knowing they have this option helps to make the PSP counterpart feel respected and builds trust.

In addition, AgriGeorgia referred to the importance of having an equal-level decision-maker – such as at the director level – within USAID to discuss significant issues, challenges and potential future strategic opportunities. They envisioned a more informal connection with USAID where each could present their key considerations and they would collectively come to a decision. Together, they would then be able to enforce this decision in their respective organizations. AgriGeorgia felt this level of decision-making power from USAID existed in the design phase when the original USAID RM was present, but that the subsequent RM did not have the same level of authority. More opportunities were needed for the AgriGeorgia director to interact with other senior USAID representatives in the implementation phase.

Planning for the future

Given the project's infancy and the fact that hazelnut orchards are very long-lived, AgriGeorgia has a number of plans for future projects in the hazelnut sector, consistent with their reputation for having a "long-term vision." There are two main plans that are consistently referenced: first, creating a network of dryers to address limited drying capacity and resulting post-harvest loss, and second, developing an agronomic masters' degree in hazelnut growing to increase the number of technical experts in the value chain. The Director of AgriGeorgia commented that while CNFA knows of these plans, USAID had not been part of these discussions. USAID, on the other hand, mentioned they were aware of the dryers but had not yet incorporated them into current plans. AgriGeorgia's and USAID's should work to strengthen communication to ensure that the partnership can take advantage of further impact opportunities as they arise. Indeed, one test of this relationship will be whether AgriGeorgia enlists the support of USAID in these two ventures.

[77] Interview with Vincent Morabito, 18 July, 2016

6.4 SMALLHOLDERS ALLIANCE FOR SORGHUM IN HAITI

Partnership Initiation

Brasserie Nationale d'Haïti, S.A. (BRANA) was founded in 1973, and is the foremost brewery and bottler in Haiti. In December 2011, Heineken publicly announced it was taking over BRANA by increasing its ownership from 22.5% to 95%.[78]

One popular drink in Haiti produced by BRANA is a carbonated malt beverage, called "Malta H," (pronounced Malta-ahsh). Due to a lack of investment in Haiti's agricultural sector, Malta H's production was traditionally reliant on imported commodities.[79] At the Clinton Global Initiative (CGI) in September 2012, Heineken made three sourcing commitments: to locally source 60% of raw materials for their African beers by 2020, to locally source 40% of brewed products in Haiti by 2017, and 20% of packaging materials in Haiti by 2017. BRANA was looking to replace imported malted barley with locally-grown sorghum in the production of Malta H.

Shorly after the 2012 CGI announcement, BRANA put out a tender for an implementing partner to help achieve its local sourcing goals. The fixed-price contract was won by Papyrus, a local management company with whom BRANA had considerable prior working experience, including through market research, survey work, and a trade census that was part of Heineken's due diligence process for its acquisition of BRANA.

In early 2013, the General Manager for BRANA and USAID/Haiti senior leadership began discussing a potential collaboration between the two organizations given their mutual interest in supporting smallholder farmers. BRANA was interested in USAID's vast experience in, and insights from, agriculture value chains around the world. USAID was interested in working with BRANA, one of Haiti's largest employers, to secure a market for smallholder sorghum farmers. It was through these conversations, that in 2013 BRANA and USAID launched the Smallholders Alliance for Sorghum in Haiti (SMASH), the details of which are discussed in the sections that follow

Partnership design

Setting the vision and designing the intervention

The vision for SMASH was set exclusively by BRANA, who had extensive local knowledge, and business acumen, and had

"Heineken was pleased with the work we did on the trade census – we identified 28,000 beverage points of sale nationally, coordinating 140 employees over six months. We were brought into the SMASH conversation as a result" – Papyrus

"We were interested in USAID's global view, and getting its help to maximize social impact." – BRANA

(1) To ensure the vision and expectations agreed in the co-creation process are sustained it is important to document why (e.g., intention) and how (e.g., degree of flexibility) decisions are made, and ensure early project documents, such as concept notes, are available to subsequent staff.

Working with BRANA in a shared value partnership presented a significant opportunity for USAID. BRANA's commercial activities aligned with USAID's development objectives in Haiti creating a model with potential for sustained results. BRANA came to USAID for expertise on engaging with farmers and wanted USAID to deliver that expertise.

Subsequent staff have struggled however to fully embrace the initial vision for SMASH and execute on it. This is in part due to a lack of documentation such as early identified local sorghum as an alternative for its Malta H beverage. Haiti's sorghum supply chain has historically been challenged by a range of issues, including low quality seeds, antiquated processing and storage facilities, and unreliable off-takers. Sorghum is also one of the most cultivated cereals in Haiti, and a major staple among its subsistence farmers.[80] It is not typically viewed as a cash crop with a guaranteed off-taker. The transition proposed by SMASH, which was to essentially treat sorghum as a cash crop, would require a mindset shift by farmers who historically viewed sorghum as a "crop of last resort."[81] The intended result for SMASH was to ensure a steady and sustainable supply of sorghum and hence improve the lives of Haiti's farmers: an attractive and ambitious vision.

BRANA acknowledged that it could not achieve its vision alone. Other partners were needed who could help provide farmer extension services, organize the supply chain, and introduce new varieties of sorghum. BRANA was eager to have additional resource partners to support these activities but, more importantly, it was looking for thought partners whose experience could inform and improve project implementation.

USAID found BRANA's vision to be compelling and well aligned with its own development goals of increasing food security, reducing poverty, and improving an important value chain.[82] BRANA felt there were a number of complementary activities and interests that, in partnership with USAID, they could jointly pursue to improve the lives of Haiti's sorghum farmers. BRANA could become a reliable off-taker, in line with its intention to secure 5,000 MT of sorghum. Meanwhile, USAID could provide training to farmers to help ensure the quality and quantity of sorghum needed for BRANA's Malta H. Both parties particularly felt that farmer training offered a way to both meet commercial interests and generate development impact, reinforcing the potential for alignment on common goals.

By July 2013, USAID and BRANA had sufficient alignment to sign a Memorandum of Understanding (MOU), acknowledging a "common interest in improving the livelihoods of Haiti's subsistence farmers by sourcing locally grown sorghum."[83] Key activities highlighted in the MOU included support for the

concept notes that detail why and how decisions were made. The leap from initial conversation to formal partnership launch, and then implementation contributed to misunderstanding between project partners, particularly around the flexibility needed by USAID to support the vision put forth by BRANA.

Documenting and getting widespread buy-in into the vision can also help mitigate the impact of staff turnover. In SMASH, there were three AORs in the first two years. The AORs had limited visibility to the original vision and BRANA felt they had to constantly re-explain the intention to each subsequent AOR. straining partnership relations. This is a particular pain point in a relationship where the private sector has an immediate commercial interest and, as BRANA notes, "time is everything."

(2) The mechanism selected should reflect the partnership intention.

BRANA sought a true thought partnership with USAID, which entailed a different way of doing business from the norm. The goal was for USAID to be more influential and less directive, and to be more deeply engaged throughout. For that reason USAID proposed using a collaboration agreement, to signal a level of trust

[78] http://www.branahaiti.com/home/
[79] USAID Factsheet
[80] http://chibas-bioenergy.org/index.php?option=com_content&task=view&id=30&Itemid=43
[81] Collaboration Agreement, p. 3
[82] Collaboration Agreement, pgs 3-4
[83] Memorandum of Understanding between USAID and BRANA, July 19, 2013

development of farmer organizations, training on modern agricultural practices, and improving processing and storage capacity.

SMASH's main objective, is to train 18,000 smallholder farmers across six regions of Haiti over four years. Specifically, the initiative seeks to:[84]

i) Double sorghum yield of SMASH farmers
ii) Increase SMASH farmers' income by 75%
iii) Improve the sorghum supply chain

However, the initial conversations on the SMASH vision and goals were held only between senior leaders at USAID and BRANA and were not carried forward immediately and broadly to USAID staff to ensure more widespread alignment and buy-in.

Choosing the appropriate partnership mechanism

To fund the activities outlined in the MOU, USAID/Haiti decided to enter into a collaboration agreement with BRANA in June 2014. A collaboration agreement allows USAID to provide resources directly to a PSP, as long as (i) the PSP offers resources at a leveraged ratio in excess of one to one, and (ii) the PSP's principal business purpose is not foreign development assistance (or its development assistance purpose was recently established). Collaboration agreement partners have not routinely received federal funding under traditional grants and cooperative agreements. This arrangement was exceptional. The collaboration agreement between USAID and BRANA highlighted a number of special features such as the roles of each partner, payment processes, and expected milestones.

BRANA thought this arrangement would provide more flexibility and less oversight and paperwork. This was also attractive to BRANA who knew the commercial demands would require an ability to rapidly respond to unforeseen circumstances. For BRANA, the use of a collaboration agreement also signaled USAID's commitment to being flexible. Through this agreement, BRANA was seeking thought partnership from USAID, rather than direct activity oversight. While USAID staff at the time may have understood the reasoning for using a collaboration agreement, the current USAID team feels this mechanism was heavily weighted toward BRANA's interests and provides them with too much influence and flexibility, particularly regarding their relationship with the project implementer.

in BRANA and its efforts to strengthen the supply chain.

However, the nature of the mechanism meant that BRANA become the party responsible for oversight and influence of all implementation activities, while USAID was forced to rely on BRANA to ensure that its priorities and concerns are relayed to and acted upon by Papyrus the implementer. One area where this created challenges was in monitoring and evaluation.

For this and other partnership mechanism choices, it is critically important to ensure that the arrangement is well understood by all those involved, especially when the mechanism is less familiar (such as a collaboration agreement). In this case, not all USAID staff fully understood the level of collaboration and thought partnership expected, or the reduced level of oversight possible, and this was later felt to be in conflict with the project's goals.

(3) Awareness of partner constraints and business considerations is essential to a successful partnership.

Establishing a common understanding of institutional priorities needs to occur as early as possible in the partnership discussions, to avoid misunderstandings and tensions emerging. In this case, BRANA did not fully understand the level of congressional oversight and scrutiny, including multiple annual audits, that USAID Haiti undergoes and the resulting impact on reporting requirements. Similarly, BRANA

[84] Papyrus website: http://papyrushaiti.com/smash-2/

Papyrus was included in the collaboration agreement as Alliance Administrator, responsible for managing the day-to-day activities of SMASH. The collaboration agreement highlighted two additional roles for Papyrus: managing sub-grantees such as CHIBAS, a local not-for profit research center with extensive sorghum expertise and, significantly, participating in the official SMASH supervisory body, the Alliance Management Committee (AMC), alongside BRANA and USAID.

BRANA expected to sub-contract to Papyrus for the majority of the implementation of the activities outlined in the collaboration agreement. The agreement highlighted the following: "If the recipient provides USAID resources to other organizations to carry out the USAID-financed program and activities, the recipient is responsible for monitoring such sub-recipients or contractors."[85] As a result, BRANA becomes the party responsible for oversight and influence of all implementation activities, while USAID is forced to rely on BRANA to ensure that its priorities and concerns are relayed to and acted upon by Papyrus.

Agreeing on contributions and commitment

The collaboration agreement was set for a period of 48 months with a total estimated funding amount of $5,158,330. USAID committed $1,712,760, of which $850,000 was obligated upon the signing of the agreement. BRANA committed $3,445,570, of which $1,819,161 would come from in-kind contributions. USAID's largest financial commitments were for farmer training and capital expenses such as post-harvest and farm equipment.

Resource allocation decisions are made centrally by the AMC and are managed by Papyrus. USAID provides funding to BRANA, which BRANA then combines with its own resources and provides to Papyrus. The collaboration agreement states that BRANA is "responsible and accountable for the USAID funding it receives" and for ensuring that it is spent according to the agreement

Designing the governance structure

The AMC is the key governance and decision-making body for SMASH. Both resource partners and the implementing partner are represented on the AMC through the following members: the BRANA Managing Director, the USAID Deputy Director

voiced concern that USAID staff did not understand their day to day concerns and how they operate.

Communication is key to forming strong relationships that will withstand bureaucratic challenges and misunderstandings. For example, explaining upfront why something is taking so long helps the PSP understand and preview what's coming and makes them more accepting. Similarly, USAID should also seek to understand their organizational bureaucracy and constraints.

In addition to communication it is also important to actively engage in building relationship health. In this case, BRANA was open to USAID visiting their Port au Prince headquarters to better understand their culture and approach. That invitation, and similar proactive outreach on both sides, can help project partners build trust and avoid confusion and misunderstanding through the life of the partnership.

(4) Ensure clarity on roles and decision-making processes and timelines among partner organizations.

The choice of partnership mechanism led to difficulties around formal decision-making structures and was compounded by a lack of understanding on incentives and expectations between actors. Clarity on roles and decision-making processes between organizations helps build trust, efficiency and a smooth flow of information.

[85] Collaboration Agreement, p. 17

and the Papyrus President.[86] The main role of the AMC is to review implementation progress and make recommendations for either changes or improvements.

The AMC meets quarterly and—per the collaboration agreement—its recommendations to the project resource partners are "adopted by consensus and not by vote." There are two important considerations to these design choices. By meeting quarterly, the AMC leaves a gap for high-level decision-making that may be needed between scheduled meetings.

Partnership implementation

Communicating about partnership and project direction

One of the challenges associated with the AMC is the unequal amount of decision-making authority among its members. The BRANA and Papyrus representatives are comfortable making decisions on behalf of their organizations, while USAID and IDB representatives less so. Further, it is often unclear how long it will take to get internal sign-off from USAID and IDB on decision points put forward in the AMC. The lack of clarity regarding internal processes and timelines (combined with the requirement to make decisions by consensus) can be frustrating for a private sector partner, such as BRANA, who often has a greater sense of urgency given its immediate commercial interests.

Further, the AMC is the only forum for USAID to directly interact with Papyrus as the implementing partner. Papyrus stated that they were glad to participate in it, in part to understand the relationship between USAID and BRANA. Outside of the AMC, USAID relies on BRANA to manage and provide guidance to Papyrus. The lack of a direct relationship between USAID and Papyrus prevented USAID from overstepping its substantive involvement in implementation, relative to the other resource partners, BRANA and IDB, who have a direct relationship with Papyrus.

One area where this dynamic has played out has been in monitoring and evaluation. Papyrus designed a monitoring and evaluation document based on its own project management experience and approach to implementation, which was later updated with USAID standards in mind, but neglected the requested Feed the Future indicators. Papyrus felt that the flexible collaborative agreement empowered them to monitor and evaluate what they felt was most important, and not solely

At times, there was frustration by the unequal decision-making authority of different AMC members. The BRANA representative could make decisions at the AMC. It was unclear of USAID's (and IDBs) internal decision-making processes and how long they would take. This was exacerbated by USAID not always being sensitive to the urgency with which BRANA needed to make business decisions to procure local sorghum and ensure its Malta H was available for consumers.

An AOR can and should engage with the PSP in both day-to-day decision making and on a strategic level. Recognizing that the realities of bureaucratic processes can cause delays, both USAID and the PSP should engage in an open dialogue on their decision-making processes, and pre-empt where quick decisions may be needed and how to effectively facilitate that process internally.

No 'language-learning' was done at the beginning. There is a need to take into consideration the culture of all different partners. This could look like engaging less formally – picking up the phone or spending an hour at partner offices." – BRANA

(5) Early in the partnership, understand how other, related opportunities can be leveraged to support project implementation.

In agriculture value chain partnerships, unexpected issues tend to surface that require immediate action (such as pest

[86] The collaboration agreement notes that the BRANA and USAID members on the AMC can be represented by "his/her designee"

by standard Feed the Future definitions. A junior AOR, they reflected, did not have the proper understanding of the flexibility that the collaboration agreement provided and a more senior AOR could have diffused the tensions. Since the collaboration agreement put BRANA in charge of managing "sub recipients," USAID was not able to direct Papyrus and its M&E efforts. Such requests always had to go through BRANA, whose business interests were not always aligned with USAID reporting requirements. For USAID it is critical to record and report back on Feed the Future indicators, but BRANA is not fully convinced of the value of these indicators and how they relate to its primary goal of securing 5,000 MT of sorghum. In 2016, the AMC recommended an M&E "sub-group" to address and decide a path forward.

Outside of the AMC, formal communication between the partners is limited – Papyrus liaises directly with BRANA and IDB as direct funders, but not with USAID, as there is no formal reporting relationship between the two. Informal communications between USAID and Papyrus may be viewed as circumventing Papyrus' formal communications with BRANA. BRANA, in particular, has expressed interest in increased informal communication with USAID, creating opportunities to interact in a less transactional manner.

Managing partnership changes

SMASH has had a number of important partnership changes occur during project implementation. First, each partner has had significant staff turnover, affecting the continuity and ability to build and maintain meaningful relationships. In its first two years alone, there have been three AORs at USAID, three relationship managers at BRANA and two chiefs of party at Papyrus. Some partners noted the impact on the partnership; the time taken to get new partners up to speed has thwarted momentum and traction toward achieving project goals. Other partners however, disagree: the turnover helped to keep the thinking fresh, think critically, and pressure test assumptions around the project's direction and sustainability. As discussed earlier, this impact could have been ameliorated by better vision documentation and wider buy in.

Second, in July 2015, the partnership was expanded to incorporate Inter-American Development Bank (IDB) through a new, wider MOU that complements and does not supersede the collaboration agreement between USAID and BRANA. The IDB committed to provide $2.4 million through its Multilateral Investment Fund and expand the geographical reach of SMASH activities, focusing on climate smart agriculture and post-harvest handling. IDB provided funds for

infestations). It is important to think about what additional resources and capabilities USAID can bring to bear to address unexpected issues. In SMASH, partners had to respond to the poor quality and low quantity of sorghum that was procured, due in part to aphid epidemic. USAID was able to leverage resources from its RTI-implemented LEVE program and quickly establish Haiti's first modern sorghum conditioning, processing and storing facility.

SMASH partners deeply appreciated USAID's ability to joint problem solve and quickly respond to a major and unforeseen project challenge. USAID's commitment demonstrated its resolve and dedication to ensuring SMASH's success. The creation of the new facility also helped to ensure the sustainability of the sorghum value chain by attracting two major off-takers beyond BRANA.

Further, USAID can tap into other networks, resources, and projects to identify useful assets and opportunities for the PSP. For example, USAID could invite BRANA to fora / conferences on engaging with smallholder farmers where they can make useful connections and learn from other experiences.

"It is hard doing business in Haiti. If we don't succeed, there are huge implications, not only for us, but for others looking at this market."

- *BRANA*

(6) It is important to explore how USAID's global experience can be leveraged. *Haiti is an extremely difficult business environment. The* these activities directly to Papyrus, and took a seat on the AMC to provide direction.

Third, the low quantities and quality of grain initially sourced by SMASH highlighted the need for a professional conditioning, processing and storage facility. Research Triangle International, through the USAID-funded Local Enterprise and Value Chain Enhancement program, acted as an additional sub-implementer providing capacity support to Etoile du Nord S.A. (EDN). EDN was sub-contracted by SMASH to collect, clean, dry and store sorghum for BRANA and is the first modern facility of its kind in Haiti.

Planning for the future

BRANA, as one of Haiti's largest employers, is acutely aware of the implications of the success of its operations, including the well-publicized SMASH partnership. Yet moving from a commitment made on the stage of CGI to seeing it through on the sorghum fields of Haiti has not been without its challenges. The SMASH goal of improving the lives of up to 18,000 smallholder farmers has been tested by a range of factors from a low quality and quantity of sorghum to understanding how to work with new partners, leaving open the question of "what next?" when the SMASH partnership ends in 2018.

One of the successes of SMASH, that can be built on for the future, has been its ability to attract others to its vision and bring on new partners. Local partners like CHIBAS have extensive knowledge in how to improve sorghum yields and counter the challenge posed by pests like aphids. Bringing in partners like EDN helps to stabilize the supply chain and improve the quality of local sorghum, while bringing on additional off-takers. Since January 2016, EDN has received a $200,000 grant from USAID to further modernize its facility.

However, one challenge that remains today has been the price that farmers are paid for their sorghum. Traders often offer significantly higher prices than BRANA. SMASH farmers are mandated to sell at least 25% of their sorghum to the project. A related challenge is that BRANA has not been able to source adequate amounts of sorghum for its Malta H. As a next step, USAID could seek to innovate to address these challenges, and specifically test whether a higher price could result in greater quantities. Such a scenario would be win-win for the farmers, BRANA, and USAID. In fact, this type of thought partnership is a key reason why BRANA was interested in working with USAID to begin with.

incentives were in place for a strong shared value partnership between USAID and BRANA, but it required a significant time investment. USAID struggled to fully capture the opportunity to help BRANA maximize benefits for USAID's key stakeholders – the smallholder farmer in this case.

BRANA was eager to partner with USAID to access its global experience in agriculture value chain partnerships. There are multiple challenges that the SMASH farmers have highlighted, from lack of access to credit to low prices and poor irrigation. BRANA highlighted that USAID's technical expertise is more valuable than its financial resources. USAID has had limited involvement in addressing these challenges, which are largely addressed only in quarterly AMC meetings.

Too often the technical expertise that USAID brings is overshadowed by the day-to-day details of project management. USAID's must actively bring its global experience with and expertise on smallholder farmers into all phases of the partnership.

As of September 2016, SMASH continues to build relationships and attract new partners. It is exploring options to provide credit to smallholders, improving their ability to invest in inputs and improvements such as irrigation systems.[87] USAID is also exploring opportunities to bring on U.S. Department of Agriculture sorghum experts from its Agriculture Research Service.[88] Further, Research Triangle International is conducting an in-depth case study on the SMASH partnership and the sorghum value chain in Haiti.[89]

[87] SMASH Technical Report, December 2015-January 2016
[88] AMC Meeting Notes, February 22, 2016
[89] RTI Meeting and AMC Meeting Notes, February 22, 2016