

LASER PULSE

Long-term Assistance and Services for Research (LASER)
Partners for University-Led Solutions Engine (PULSE)

ENDURING RESULTS STUDY 3.0

SUMMARY REPORT



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Table of Contents

I. INTRODUCTION	2
HIGH-LEVEL FINDINGS	3
PRE-EXISTING RELATIONSHIPS BETWEEN THE PRIVATE SECTOR AND USAID/IMPLEMENTING PARTNER	3
PARTNERSHIPS INITIATED BY PRIVATE SECTOR PARTNERS	3
COMMERCIAL INTEREST AND CORE CAPABILITIES ALIGNMENT	4
MARKET-ORIENTED APPROACHES THAT DRIVE SCALE	5
JOINT DECISION-MAKING THROUGH STEERING COMMITTEES	6
DURATION OF THE PARTNERSHIP	6
LOCAL VERSUS GLOBAL PRIVATE SECTOR PARTNERS	7
MONITORING OUTCOME AND OUTPUT INDICATORS	8
ASSETS AND CAPABILITIES CONTRIBUTED BY PARTNERS	9
ROLE OF HOST GOVERNMENTS IN SUSTAINING AND SCALING ACTIVITIES/RESULTS	10
ENGAGING BENEFICIARIES IN PARTNERSHIP ACTIVITIES AND OUTCOMES	11
II. APPENDICES	13
APPENDIX I: METHODOLOGY	13
APPENDIX II: KEY DEFINITIONS	14

This report was produced for review by the United States Agency for International Development. It was prepared by Accenture Development Partnerships with input from the United States Agency for International Development and Catholic Relief Services as part of the LASER Buy-In: Building the Evidence Base on Effective Private Sector Engagement Phase 2 Project and does not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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The LASER PULSE strategy of ‘embedded research translation’ ensures that applied development research is co-designed with development practitioners, and results in solutions that are useful and usable. LASER does this through research awards mechanism, by involving development practitioners to collaborate with researchers on sector gap refinement, research question definition, carrying out and testing research, and developing translated research products for immediate use. We support this process with capacity building and technical assistance to enable the researcher/practitioner partnerships to function effectively. For more information, please visit laserpulse.org.

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I. INTRODUCTION

USAID recognizes that the private sector is a critical stakeholder in driving and sustaining outcomes capable of moving countries beyond the need for assistance. Today, the private sector is playing an unprecedented role in creating and shaping opportunities that improve the lives of the people and communities USAID supports. USAID has, therefore, committed to a major cultural and operational transformation in the way development programs are conceived, designed, and delivered – emphasizing collaboration, co-designing, and co-financing with the private sector.

With this objective in mind, USAID has invested in a series of *Enduring Results Studies (ERS)* to collect and disseminate evidence on the drivers of sustainability and scale in USAID’s partnerships with the private sector. Enduring Results 3.0 is the third iteration of the study examining factors that contribute to the continuity of activities and outcomes, and the role that partners play in enabling enduring results.

This study explores what activities and/or outcomes from private sector partnerships endured two or more years after USAID’s formal funding ended and seeks to create a better understanding of the factors that support enduring results.

PRIMARY OBJECTIVES OF ERS 3.0:

- a. **Expand the evidence base of activities and outcomes that endured after USAID’s funding ended**
- b. **Identify and assess the factors found in partnerships that sustained (vs. did not)**
- c. **Identify and assess the factors found in partnerships that scaled (vs. did not)**
- d. **Develop recommendations for USAID to guide the formation of future private sector partnerships**
- e. **Build on a longitudinal dataset and identify hypotheses to inform future studies**

By “enduring results,” we mean the continuity of the intended activities and/or outcomes that begin while USAID is actively funding and supporting the partnership, and that sustain for at least two years after USAID’s assistance has formally ended.



Definition of enduring results:

ERS 3.0 defines enduring results as the long-term continuity of outcomes that stem from the operational period of a partnership due to ongoing activities by the:

- **Private Sector:** by continuing to serve a beneficiary population targeted by the partnership, for example by selling products or services
- **Beneficiaries:** by maintaining activities launched in the partnership period, for example by continuing to use improved skills or practices learned during the partnership, or buying/consuming products and services offered by the private sector
- **Government:** by providing maintenance or funding for infrastructure or services, or enabling policy-level changes
- **Other Partners:** ongoing activities by other implementing or resource partners, philanthropic/bilateral donors, academia, civil society, and so on

The findings from this study are primarily based on document research and interviews across the 29 partnerships identified as the study sample. The study involved data collection and triangulation across multiple sources including: the USAID partnerships database; partnership documentation, such as evaluation reports, award agreements, and memoranda of understanding; semi-structured interviews with partnership stakeholders; and secondary research through websites and other external articles and reports. Please see Appendix I for more information on the partnership selection process and the various data sources.

HIGH-LEVEL FINDINGS

This section summarizes the findings stemming from the analysis of the 29 partnerships in the Enduring Results Study 3.0 sample. Out of the 29 sample partnerships, 28 were found to sustain/endure, and 18 were found to scale beyond the partnership period (i.e. once USAID funding ended in 2017). Findings in this report do not make claims about causality or correlation and should also not be generalized to all USAID or other private sector partnerships.

In this section, data notes for each finding are denoted in grey boxes and interviewee quotes in red boxes where applicable.

PRE-EXISTING RELATIONSHIPS BETWEEN THE PRIVATE SECTOR AND USAID/IMPLEMENTING PARTNER

In most partnerships that sustained and scaled, private sector partners had a pre-existing relationship with USAID/implementing partners

Most of the private sector partners in our partnerships sample had a pre-existing relationship with either USAID and/or the implementing partner before the partnership was initiated. Furthermore, interviewees said that through pre-existing relationships, partners demonstrated a better understanding of each other’s shared interests, and private sector partners found it easier to approach USAID, as seen in the examples below.

The USAID Armenia Mission, having previously worked with the regional Coca-Cola office, continued to follow their corporate social responsibility programs and realized that water stewardship and conservation had become an integrated part of the company’s business. This enabled USAID to engage Coca-Cola in the Irrigation Rehabilitation in Hayanist Village partnership cultivated on a shared interest of water conservation.

“Due to USAID’s ongoing relationship with Coca-Cola Armenia, when Coca-Cola wanted to partner on a specific area of interest, USAID was able to provide a shovel ready idea for them.” USAID AOR for Irrigation Rehabilitation in Hayanist Village

Two private sector associations, Fresh Produce Exporters and the Kenya Dairy Board, recognized that Kenya’s dairy production and exports were underperforming and that there was a need for improvement. Due to a pre-existing relationship with USAID, they approached the Agency to discuss potential solutions. This resulted in the associations initiating the Kenya Agricultural Value-Chain Enterprise (KAVES) partnership.

“USAID in Kenya was constantly in touch with the Fresh Produce Exporters and The Kenya Dairy Board. This enabled the private sector associations to approach USAID to discuss potential solutions.” USAID AOR for Kenya Agricultural Value-Chain Enterprises (KAVES)



In 75% (21) of the 28 sustained partnerships and 78% (14) of 18 scaled partnerships in ERS 3.0, the private sector actor had an existing relationship with either USAID and/or the implementing partner before the partnership was initiated.

PARTNERSHIPS INITIATED BY PRIVATE SECTOR PARTNERS

Private sector partners more often continued to sustain and scale activities from the partnerships that they initiated¹

Interviewees shared that most of the partnerships that engaged private sector partners in the initiation stage sustained and scaled due to ongoing activities by the private sector partners once USAID funding ended.

The Enhancing Climate Smart Greenhouse Production partnership was initiated by one of the private Greenhouse Clusters in Jarabacoa. The private sector partner promoted climate-smart agriculture practices such as pressured irrigation systems for efficient use of water, sensors to measure micro-climate within each greenhouse, and others among the cluster’s greenhouse members/farmers. Since USAID funding ended, not only have the outcomes sustained due to continued usage of these practices by >90% of the members, but the cluster also set up additional demonstration fields to encourage other greenhouse members to implement these practices that led to the adoption of practices among 10-12 additional greenhouse members.

“Partnership has sustained because the program supported them with what they actually wanted – the private sector identified a need and came to USAID with the idea based on the demand from the greenhouse farmers.” Implementing partners point-of-contact for Enhancing Climate Smart Greenhouse Production

¹ Private Sector Partner Initiated Partnerships: partnerships that are initiated by private sector actor(s) by submitting a formal concept note to USAID’s specific Annual Program Statement (APS). These include partnerships where the concept note was initially co-created between implementing partner and private sector partner(s) and submitted jointly as a response to USAID’s APS.

On the contrary, the Improving Efficiency in Water Utilities partnership in the Philippines was initiated by USAID and Cagayan De Oro water district (COWD). Recognizing Coca-Cola’s global water stewardship goals, partners obtained a \$300,000 commitment from them for the development of a GIS system for COWD. However, not only did Coca-Cola not contribute the full amount but they also did not continue their contribution once USAID funding ended.

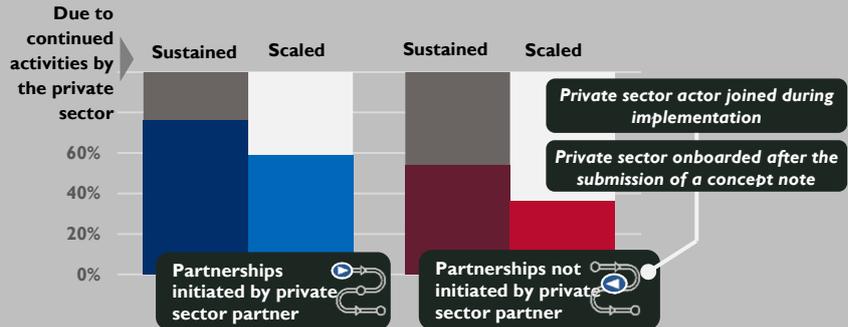
“Partnership activities were designed [prior to Coca-Cola engagement] to reduce non-revenue water and Coca-Cola first understood that water saved could be added to their global target of groundwater replenished...however, we could not count the volume of water saved from this project towards contribution to our global goal as the partnership was not directly providing water to communities...Coca-Cola would like to have been involved in the initiation of the partnership to include community engagement focus that would have enabled them to utilize the outcomes from the partnership towards their global goal.” Private sector partner point-of-contact, Improving Efficiency in Water Utilities: Cagayan de Oro



Among the 17 partnerships that were initiated by private sector partners, 76% (13) sustained and 59% (10) scaled due to continued activities by the private sector.

On the other hand, among the 11 that were initiated by non-private sector partners, only 54% (6 out of 11) and 36% (4 out of 11) were sustained and scaled by private sector actors, respectively.

Figure 1: Enduring results among private and non-private sector-initiated partnerships



Commercial Interest versus Core Capabilities Alignment

Commercial interest of the private sector actor

Private sector partners are said to have “commercial” interest in a partnership when the intended outcomes enable the partner to either increase their revenues, improve their operational efficiency, and/or reduce their risk of conducting commercial business

Alignment with private sector actor’s core capabilities

Partnership activities are said to align to the private sector’s core capabilities such as sales, distribution network, marketing, etc. when they utilize these to achieve/sustain the partnership activities/outcomes

Partnerships that utilize private sector partner’s core capabilities can have non-commercial private sector interest, e.g. utilizing distribution network of a fast-moving consumer goods company to provide last mile access for medication/vaccines. On the other hand, partnerships that do not utilize private sector partner’s core capabilities can have commercial private sector interest, e.g. engaging a local seed distributor to provide trainings on modern agricultural practices, which in turn helps them advertise and sell more of their seeds.

COMMERCIAL INTEREST AND CORE CAPABILITIES ALIGNMENT

Private sector partners more often continued activities after USAID funding ended when the partnership aligned with their commercial interests

Based on the data collected, private sector interest—commercial or non-commercial—was found to influence their continuity of activities once USAID formal funding ended in 2017. Those where commercial interest was evident were more likely to sustain, whereas those with non-commercial interest were less likely to sustain.

In the Uganda Value-Added Maize Alliance, AgroWays, the private sector partner wanted to increase their sales by establishing linkages with local farmers and selling maize to local breweries and other off-takers. AgroWays helped the local farmers increase their production and quality of maize by providing them training and consultation. Because of their continued commercial interest, they continued these activities after USAID funding ended, increasing their sales by 2400%. They are now expanding the model in Northern and Western Uganda as well.

On the contrary, in the Ahmedabad Sanitation Action Lab partnership, Microsoft supported the partnership by creating a digitized sanitation training curriculum for the city managers. The company saw the partnership as an opportunity to contribute towards a well-known social program, which was more aligned to their non-commercial interest. Since USAID



Among the 18 enduring partnerships with commercial interest, 89% (16) sustained through continued activities by the private sector partner. In contrast, only 40% (4 out of 10) of partnerships sustained through continued activities by the private sector partner when the company interest was non-commercial in nature.

funding ended, the in-country government has sustained and scaled the activities, with no ongoing involvement by the private sector.

Private sector partners more often continued to scale partnership activities that were aligned to their core capabilities

It was found through the interviews and validated through partnership documentation that private sector partners more frequently scaled the partnership activities that were aligned to their core capabilities after USAID funding ended. Conversely, those partnerships not aligned to the private sector partner’s core capabilities were less likely to scale due to private sector contributions.

For example, in the Kosovo Credit Guarantee Fund partnership, local banks were engaged to provide business loans to SMEs, with the Fund covering 50% of the risk. Partnership activities were highly aligned to core capabilities of the bank such as loan disbursement, and the partnership has enabled them to expand their business to new customer segments. Activities have sustained through continued actions of KCGF and the banks, as well as scaled to new financial products.

For the 19 partnerships where activities were aligned to their company’s core capabilities, 63% (12) scaled due to continued activities by the private sector partners. For the 9 partnerships where activities were not aligned to the private sector partner’s core capabilities, only 33% (3) scaled due to continued activities by them.

MARKET-ORIENTED APPROACHES THAT DRIVE SCALE

Partnerships that used market-oriented approaches scaled more often than the partnerships that used non-market-oriented approaches

Based on the data collected, the frequency of partnership scaling varied between market and non-market-oriented approaches. Partnerships with market-oriented approaches often scaled without involvement from additional partners/donors. They primarily scaled through continued involvement by the private sector partners and/or the beneficiaries once USAID funding ended. In contrast, non-market-oriented partnerships often required involvement from other partners such as the host government, other donors, and civil society organizations to sustain and scale.

For example, in the Agro-Input to Production Expansion partnership in Nigeria that adopted market-oriented approaches, USAID partnered with various local fertilizer, seed, and agrochemical companies to promote a private sector-led agricultural inputs market. The private sector partners trained farmers on better agricultural practices leading to increased adoption of high-quality agro-inputs and sales among the farmers. The increased sales helped the farmers improve their productivity and incomes, and the private sector partners expand their customer base in the West African market.

In the Rabati Castle Lighting System Replacement partnership, USAID partnered with British Petroleum, a global oil and gas company, in a non-market-oriented partnership to support the local municipality to install new energy-efficient LED fixtures in the Akhaltsikhe Castle in Georgia. Trained local municipality workers continued to maintain the improved infrastructure; however, despite plans, the interventions have not scaled or replicated elsewhere, partly due to lack of additional funding from existing and/or new partners since USAID funding ended.

71% (12) of the 17 market-oriented partnerships scaled outcomes/activities once USAID funding ended, as opposed to only 54% (6) of the 11 non-market-oriented partnerships.

Market-oriented partnerships sustained more often by establishing market linkages and/or enabling new customer segments.² Non-market-oriented partnerships sustained more often through broader practice/policy changes and/or enabling new products/services³

Based on the interview data and partnership documentation, it was found that the type of partnership activity—market vs. non-market-oriented—often influenced the pathway for sustainability once USAID funding ended. Market-oriented partnerships more frequently leveraged the market linkages and enabling new customer segments pathways, while non-market-oriented partnerships utilized the practice/policy change and new products/services pathways.

² The “Establish capacity or capacity building activities” pathway to sustain is not included in the comparison and the analysis of the findings as it is a pathway to sustain across 75% of enduring partnerships
³ For the purpose of ERS 3.0, the enabling new product/service innovation pathway primarily captures infrastructure/transfer of ownership partnerships. Among 8 partnerships that used this pathway for sustainability, 6 were related to the transfer of ownership of assets. This activity is considered non-market-oriented.

For example, for the Kisan Agroviet, a market-oriented partnership, USAID and implementing partners collaborated with local agrovets, millers, and producers to create upstream and downstream connections to smallholder farmers. They linked the off-takers and the agro-input dealers to the farmers in the region. These market linkages continued to exist and drive benefits for both private sector partners as well as for beneficiaries once USAID funding ended.

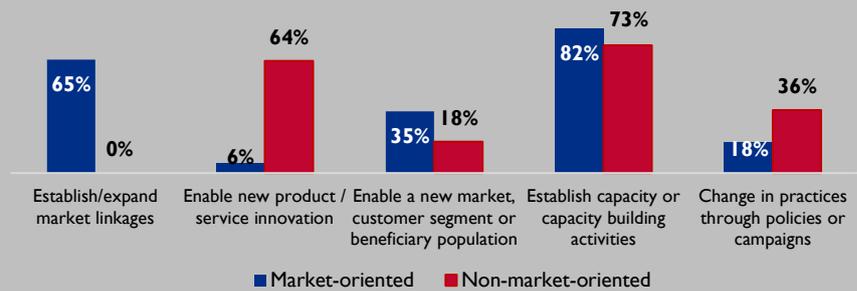
On the contrary, for the Women and Girls Lead Global, a non-market-oriented partnership, partners drove gender equality behavioral changes by using media campaigns in the target countries Egypt, Kenya, India, Bangladesh, and Peru. The partnership sustained through broader practice changes within the target communities, and also by improving the capacity of local NGO partners to use film, facilitate discussions, and to advocate effectively for women and girls' rights.



The majority of market-oriented partnerships in our sample sustained by establishing or expanding market linkages (65%, or 11 out of 17) and/or by enabling a new customer segment, market, or beneficiary population (35%, or 6 out of 17 partnerships).

Non-market-oriented partnerships were found to sustain largely through enabling new product or service innovation (64%, or 7 out of 11), and/or changes in practices through policy or campaigns (36%, or 4 out of 11).

Figure 2: Percentage of market and non-market-oriented partnerships across pathways for sustainability



Note: Percentages represent the proportion of the market and non-market-oriented partnerships that adopted certain pathway to sustain results

JOINT DECISION-MAKING THROUGH STEERING COMMITTEES

A regularly-meeting steering committee was more often found in partnerships that scaled after USAID funding ended

For most of the partnerships that scaled, interviewees shared that a regularly-meeting steering committee that involved representatives from all partners was established. They further specified that these committees often enabled ongoing collaboration and joint decision-making among the partners, throughout the duration of the partnership, which continued after USAID funding ended.

In the Survive & Thrive global alliance, partners established a steering committee comprised of all the founding members to help align on priorities and to jointly make decisions. Partners involved highlighted that defining this governance mechanism up-front was one of the main reasons for the success of the alliance, as it enabled collaborative, rather than siloed decision-making, and implementation of activities. Not only have the results from this partnership sustained and scaled, but the partners involved continue to work collaboratively on other initiatives related to maternal and newborn health.

“Partnerships with multiple partners generally are not as nimble and agile as they need to be in terms of governance and decision-making. In such cases, it is essential to define governance upfront and to clearly identify and employ partners’ roles, such as who is a decision-maker vs. a collaborator, otherwise, a lot of time can be consumed with trying to reach a consensus on particular issues.” Private sector partner point-of-contact for Survive & Thrive



Note: Evidence of a presence or absence of steering committee was recorded in only 19 of the 29 sample partnerships. Of the 8 partnerships that created a steering committee, 75% (6) scaled whereas 25% (2) did not. Of the 11 partnerships that did not create a steering committee, 45% (5) scaled, and 55% (6) did not.

DURATION OF THE PARTNERSHIP

Market-oriented partnerships with a duration of less than 3 years scaled more often and non-market-oriented partnerships with a duration of greater than 3 years scaled more often

Based on the partnership documentation and interviewee reflections, type of partnership activity—market vs. non-market-oriented—and partnership duration trends varied among the partnerships that scaled.

Syngenta and BASF, a one-year market-oriented partnership in Georgia, worked with local private sector dealers—Agrovitae and AgroKartli—to set up farm service centers and conduct demonstrations for the farmers. This exposed the farmers to the dealers’ new products and technologies and helped improve their agricultural practices. It also allowed the dealers to see the value of

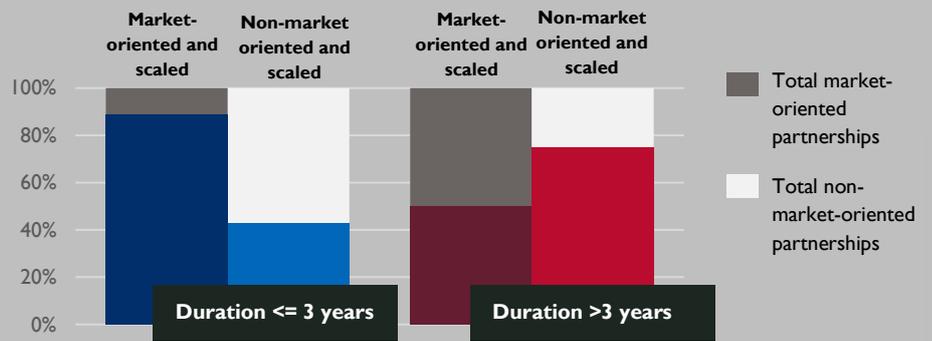
market-oriented techniques such as an increased customer base, improved brand value, and revenue growth. They scaled activities by swiftly setting up new farm service centers and demonstration fields once USAID funding ended.

On the other hand, the three-year non-market-oriented Girl Rising Country Partnership sought to develop country-specific media and community interventions to combat social norms inhibiting girls' access to education. The partner, The Documentary Group, viewed it as "overly-optimistic" to reach sustainability within 2-3 years as it required considerable foundational work to test ideas, develop activities, and form new relationships in target communities without sufficient/additional donor funding.

"Three years is not a lot of time to start to show results when the idea is entirely new, and we were working in countries that we hadn't worked in"

Among the partnerships with less than a 3-year duration (16), 89% (8 out of 9) of market-oriented partnerships scaled as compared to only 43% (3 out of 7) of non-market-oriented partnerships. Furthermore, when the partnership duration was more than three years, non-market-oriented partnerships scaled in a greater proportion, 75% (or 3 out of 4), as compared to 50% (or 4 out of 8) of market-oriented partnerships.

Figure 3: Partnerships that scaled with a duration of <=3 years and >3 years and type of activities



LOCAL VERSUS GLOBAL PRIVATE SECTOR PARTNERS

Among the partnerships that sustained and scaled, local private sector partners continued their contributions post-partnership more often than the global private sector partners. Further, their continued engagement was often linked to their commercial interests

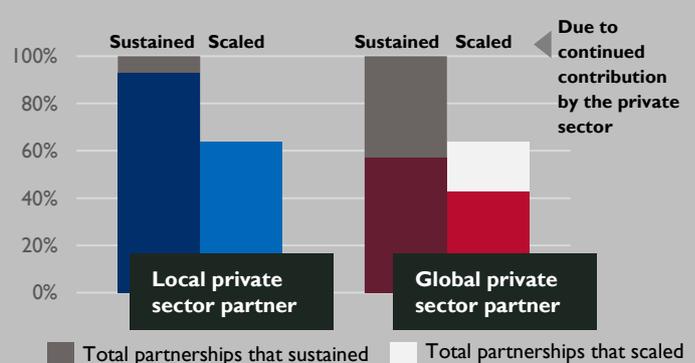
Based on the data collected, the local private sector partners more often continued their contributions once USAID funding ended. For these local partners, the interest was consistently commercial in nature, whereas for the global private sector partners it was more often non-commercial.

For example, the partnership with Al-Methalieh, a local private training and outsourcing company, trained the job seekers and helped them with job placements. The partnership assisted Al-Methalieh to conduct trainings more effectively by providing better training materials and devices. This attracted more people to the training programs and increased the company's revenues. Given the commercial benefits from the activities, the company has continued to use the training materials and learnings to train an additional 3,250 job seekers and has also set up three additional training centers in Jordan since USAID funding ended.

Among the 28 partnerships that sustained, 14 engaged with local private sector partners, and 14 engaged with global private sector partners. Local private sector partners continued contribution in 93% (13) versus global private sector partners continued contribution in only 57% (8) partnerships once USAID funding ended.

It was also found that local private sector partners' interest was commercial in nature in 100% (or all 14) of the former group, as compared to the global private sector partner having a commercial interest in only 29% (4/14) of the latter.

Figure 4: Partnerships that sustained and/or scaled amongst the ones with local vs. global private sector partners

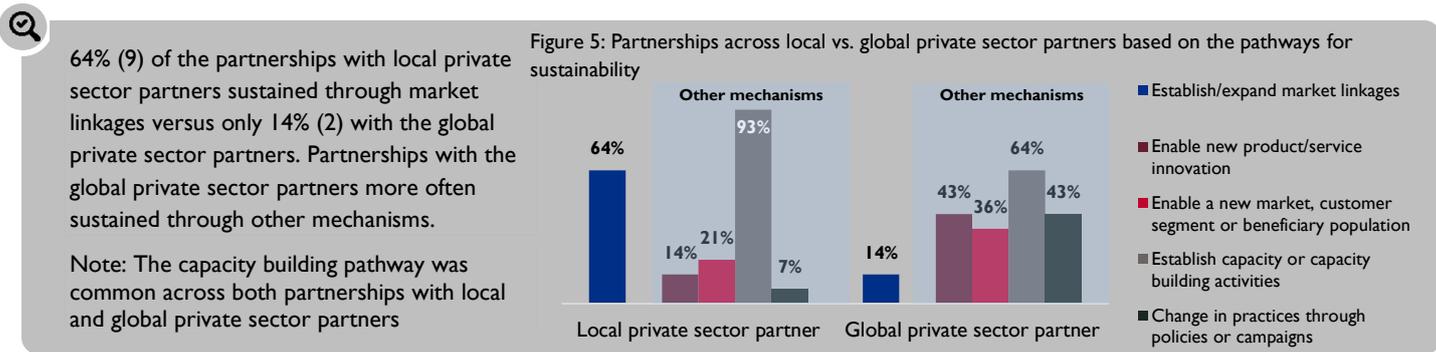


Local private sector partners more often sustained activities by establishing or expanding market linkages⁴

⁴ The "Establish capacity or capacity building activities" pathway to sustain is not included in the comparison and the analysis of the finding as it is a pathway to sustain across 75% of enduring partnerships

The varying organizational capacity and reach of local private sector partners and global private sector partners influenced the partnerships' pathways for sustainability once USAID funding ended. Local private sector partners were more likely to do so by establishing or expanding market linkages, whereas the global private sector partners leverage other mechanisms.

Partnerships with local private sector partners utilized their resources to:	Partnerships with global private sector partner utilized their resources to:
<p>1) Establish local value chain relationships (e.g. with customers, distributors, exporters): Here the benefits are direct and apparent to the private sector actor. For example, in the partnership Advancing Philippine Competitiveness, the partnership was leveraging local private sector partner, Kennemer Foods, as a supplier of cocoa saplings and off-taker of cocoa from the farmers in Palawan province, to create market linkages between the private sector partner and farmers in a way that was beneficial for both actors.</p>	<p>1) Support development of new products/services with appropriate transfer of ownership: For example, in the partnership Improving Efficiency in Water Utilities, Coca-Cola Philippines through financial support from their global headquarters (Coca-Cola Atlanta) provided financial assistance to support the local water district to reduce their non-revenue water by setting up GIS capability. This capability was then owned and operated by the water district going forward.</p> <p>2) Enable access of services to new beneficiary population: For example, in the partnership Increasing Services for Survivors of Sexual Assault in South Africa, the partnership used funding from MAC AIDS to set up additional Thuthuzela Care Centers, thus increasing the access of these facilities to a wider beneficiary population.</p> <p>3) Support policy advocacy: For example, in the partnership Alliance for Affordable Internet (A4AI) the partnership was able to utilize private sector (Facebook, Cisco, etc.) resources to support country governments and local civil society organizations to enhance policies to reduce internet tariffs in their respective countries.</p>



MONITORING OUTCOME AND OUTPUT INDICATORS

Partnerships that sustained and scaled more often monitored both outcome- and output-based indicators rather than only output-based indicators

Output-based indicators
 Produced as a direct result of partnership activities and are primarily intended to measure the progress of partnership activities. They are tangible, immediate, and are within the partnership's control or influence.
Examples: the number of people trained, hectares planted, and products sold.

Outcome-based indicators
 Indicators that refer to intended effects from partnership activities for the beneficiaries. Outcomes are results at a higher level than outputs and focus on beneficiaries that are either completely or partially attributable to the partnership.
Examples: an increase in farmer income, an actual change in beneficiary behavior.

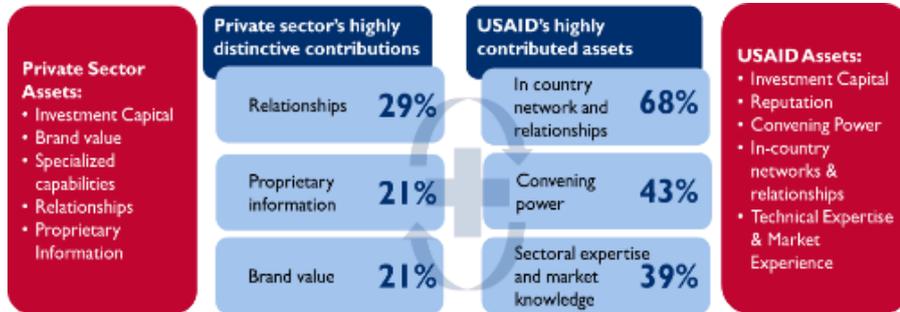
Most partnerships that sustained and scaled in our sample monitored both outputs and outcomes-based indicators. Partnership stakeholders also emphasized the importance of monitoring outcome-based indicators to attract additional partners.

In the Alliance for Affordable Internet, partners made an intentional effort to monitor outcomes and outputs from the partnership activities. They established the Affordability Drivers Index, to assess how well a country's policy, regulatory, and the overall supply-side environment is positioned to lower industry costs and ultimately create more affordable broadband. The ability to measure the impact in the broadband market from regulatory and policy interventions through this index has enabled the alliance to attract new donors and private sector companies, which has helped activities to sustain and scale.

64% (or 18 out of 28) of partnerships that sustained monitored both output- and outcome-based indicators. 61% (or 11 out of 18) of partnerships that scaled monitored both output- and outcome-based indicators.

ASSETS AND CAPABILITIES CONTRIBUTED BY PARTNERS

Figure 6: Assets contributed by private sector actors and USAID during the partnership



Across ERS 3.0 partnerships, private sector partner **relationships, proprietary information, and brand value** were found to be the most distinctive assets.

Additionally, enduring partnerships most commonly utilized USAID's **in-country networks and relationships, and convening power, and sectoral/market expertise.**

The host government and other partners often contributed investment capital and in-kind assets.

Private sector partners and host country governments contributed assets more often than other partners once USAID funding ended in partnerships that scale

Based on the data collected, most partnerships that scaled had private sector and/or government contributions to continue activities and outcomes once USAID funding ended. Other stakeholders were less likely to contribute.

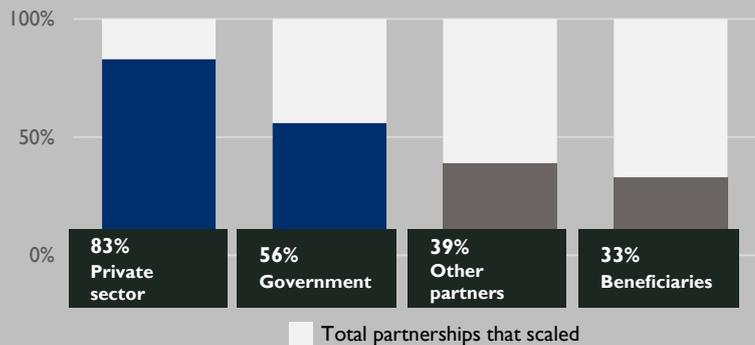
In Jordan, the private sector partner, Al-Methalieh has continued to launch new training centers to train additional job seekers using the materials developed during the partnership with USAID. In the Philippines, the private sector partner, Kennemer Foods International, continues to operate the nursery and provide cocoa saplings to the local farmers. In South Africa, the South African government continues to own and operate Thuthuzela Care Centers (TCCs) that were built as part of the Increasing Services for Survivors of Sexual Assault partnership. Additionally, the government designed and built an additional five to seven TCCs in new regions expanding the reach to a wider beneficiary population.



Among the 28 enduring partnerships, 64% (18) scaled activities and outcomes once USAID funding ended. Of these, 83% (15) had continued asset contributions from the private sector partners and 56% (10 out of 18) were found to have host government contributions to scale the activities and outcomes post-partnership.

Post-partnership contributions from other partners such as local NGOs, and donors or beneficiaries were comparatively less in the scaled partnerships, only 39% (7) and 33% (6), respectively.

Figure 7: Contribution of assets by type of partner among partnerships that scaled (out of 18 partnerships)



Partnerships where the private sector partner contributed highly distinctive assets⁵ scaled more often than partnerships where private sector contributed moderately/minimally distinctive assets

Based on the interviews and partnership documentation, it was found that highly distinctive private sector contributions facilitated the scaling of more partnerships.

For example, in the Ghana Advanced Maize Seed Adoption partnership, the private sector contributed a highly distinctive asset in the form of white hybrid variety of maize seeds - different from the yellow seeds that are traditionally used in the local

⁵ Distinctiveness of assets refers to the extent to which private sector assets were unique and contributions from other partners were unlikely to have achieved the same results. For example, assets such as relationships, brand value, or proprietary information are considered to be highly distinctive to the private sector partner. Investment capital and specialized capabilities (when offering just extension services) were considered non-distinctive private sector contributions.

market. The demonstration of higher yield from such seeds to the farmers increased adoption of the seeds and encouraged the national government to ease import restrictions on the seeds, enabling the scaling of activities/outcomes post-partnership.



76% (or 13 out of 17) partnerships where private sector partners contributed highly distinctive assets scaled, against only 45% (or 5 out of 11) where distinctiveness of assets was moderate or low (i.e. asset could have been contributed by a different partner).

Among USAID’s assets,⁶ partnerships with global private sector partners accessed “in-country networks and relationships” the most and partnerships with local private sector accessed “sectoral expertise and market knowledge” the most

Partnership stakeholders shared that the global private sector partners often valued and utilized USAID’s host government relationships, whereas local private sector partners often valued and utilized USAID’s sectoral and market experience.

For example, in the Survive and Thrive Alliance partnership, Laerdal, one of the global private sector partners had developed a tech-based training curriculum for capacity building. However, the company struggled to make this curriculum accessible due to limited in-country connections and know-how to deliver the newborn health training curriculum. USAID through their in-country government relationships and existing healthcare programs helped Laerdal integrate the training curriculum into the country’s healthcare programs, access to which was considered valuable by the partners.

Additionally, the local private sector partners—Kenya Dairy Board and Fresh Produce Exporters—in the Kenya Agricultural Value Chain Enterprises (KAVES) partnership shared with USAID that they valued the agency’s sectoral and market expertise.

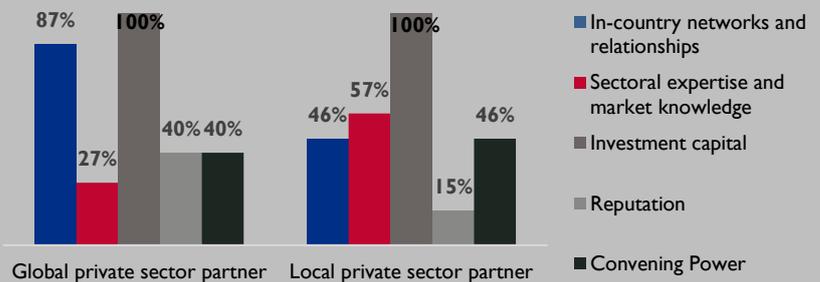
“We helped them understand how providing extension services to farmers helps in mobilizing smallholder farmers which in turn benefits all the players in the value chain. The private sector wanted to do this for a while, but did not have the knowledge, expertise, and the capacity to do it at scale.” USAID AOR for the Kenya Agricultural Value Chain Enterprises (KAVES) partnership



In the 14 partnerships with global private sector partners, 87% (12) stakeholders highlighted “in-country networks and relationships” as one of the major USAID contributions, among others.

In the other 14 partnerships that engaged local private sector partners, 57% (8) highlighted USAID’s “sectoral expertise and market knowledge” as one of their major contributions to the partnership amongst others.

Figure 8: USAID asset contribution among partnerships with global vs. local private sector partners



ROLE OF HOST GOVERNMENTS IN SUSTAINING AND SCALING ACTIVITIES/RESULTS

Among partnerships that sustained, host governments largely played a role of implementing policy-level action or owning and operating assets⁷

Based on the data collected, the host government tended to help partnerships sustain through playing distinct roles post USAID funding. Specifically, they often supported the sustainability of activities and/or outcomes through policy level changes and/or by owning and operating assets more so than through other pathways.

For example, in the Kenya Agricultural Value Chain Enterprises (KAVES) partnership, after the formal partnership had ended, the host government took ownership of a previously USAID funded activity, running milk consumption campaigns and promoting the dairy farming industry, increasing average milk consumption by around 11%.

In another partnership, Irrigation Rehabilitation in Hayanist Village, the partners-USAID, Coca-Cola Hellenic Bottling Company, and the local municipality-built the infrastructure to reuse water from a nearby fishery for the irrigation needs of local farmers. After formal USAID funding ended in 2017, the local municipality continues to operate and maintain the irrigation system

⁶ The comparison does not include USAID’s Investment Capital asset as this contribution is a requirement across all partnerships.

⁷ Owning and operating assets is a sub-category within the Enabling New Product/Service Innovation pathway to sustain. Often, the host government enabled a new product/service by owning and/or operating an infrastructure asset that was developed as part of a USAID private sector partnership. For example, the Rabati Castle Lighting System.

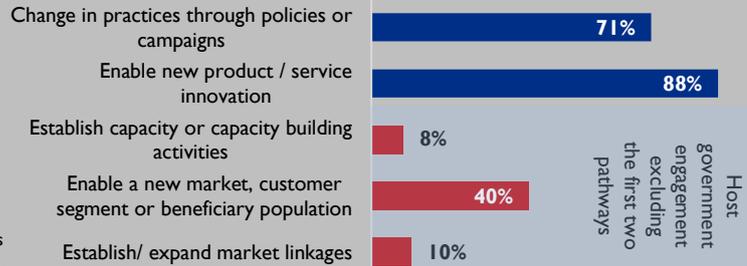
developed during the partnership, which has enabled local farmers to cultivate land that was otherwise left idle for more than a decade due to lack of water for irrigation.



After USAID’s formal funding ended in 2017, host governments continued activities in 79% (11 out of 14) of the partnerships that sustained through new product/service and/or changes in practices through policies or campaigns, as compared to in only 14% (2 out of 14) of partnerships that sustained through establishing market linkages, creating/enabling new customer segment or building capacity

Note: Chart compares host government continuity of activities across pathways to sustain, and the finding explores a combination of pathways adopted by partnerships based on higher host government engagement.

Figure 9: Host country government continuity of activities across pathways for sustainability adopted by the partnerships



Host governments more often scaled partnerships through additional funding to continue activities, policy changes, or integrating outcomes/activities in national-level systems

Interview data indicate that the role played by governments in partnerships that scaled was primarily providing funding, enabling broader policy changes, or integrating activities into national-level systems (beyond policy change). Below are examples for these contributions, respectively:

1) Scaling through the provision of funding: In the 2017 Technical Assistance to the Georgian Hazelnut Growers’ Association, the association was able to scale up activities to increase hazelnut production & exports due to direct financial support from the government.

2) Scaling through policy change: In the Ghana Advanced Maize Seed Adoption partnership, the national government later eased restrictions on the import of seeds that led to a 250% increase in the use of hybrid maize seeds that improved production.

3) Scaling through integration into national systems: In the Ahmedabad Sanitation Action Lab partnership, the government shared the sanitation training courses developed during the partnership on their national portal for city coordinators across India to access.



Among the 18 scaled partnerships, the government played a role in scaling 56% (10) of partnerships.

ENGAGING BENEFICIARIES IN PARTNERSHIP ACTIVITIES AND OUTCOMES

Including beneficiaries in partnership design and implementation more often increased their adoption of activities and outcomes

A large proportion of sample partnerships engaged beneficiaries in either design and/or implementation of partnership activities. Across these partnerships, partners highlighted that engaging beneficiaries resulted in increased adoption of activities and outcomes among them. Two such examples are noted below:

In the Girl Rising Country partnership, beneficiaries were engaged in the design and implementation of activities through numerous iterative focus group discussions that informed the creation of training tools and materials. The training materials were subsequently adapted based on the beneficiaries’ interaction with the content and feedback. This facilitated ongoing adoption and use of the materials by local schoolteachers that continued post-partnership.

In another example, farmers in the Low Emissions Cattle Farming partnership provided land and labor to trial livestock emissions reduction initiatives, which helped them better understand and implement the practice themselves. This also helped increase buy-in for the initiatives among the farmers, who played a consultative role in recommendations to the national government for the new practices to be included in their national strategy.



68% (or 19 out of 28) of enduring partnerships in ERS 3.0 included beneficiaries in the design and/or implementation of activities.

Awareness-building activities were found to facilitate behavior change among beneficiaries across enduring partnerships

Most of the sample partnerships employed awareness-building for beneficiaries as one of the activities. The importance of awareness-building to enable behavioral change was highlighted specifically across multiple partnership interviews.

Partners, including Eastern Amman Investors Industrial Association, conducted community outreach with the help of existing beneficiaries. The goal was to overcome a cultural norm of women and youth’s unwillingness to enter into long-term

employment. These awareness-building efforts led to behavior change among the women and the youth, reducing the long-term labor attrition by 20-22%.

"We took the time to create awareness and build trust in the communities we were targeting. We received help from beneficiaries from the community who were trained and already placed in the industry (especially women), respected religious leaders, local NGOs working closely with the communities to encourage other beneficiaries to attend the skills training." Private sector partner point-of-contact for the Eastern Amman partnership



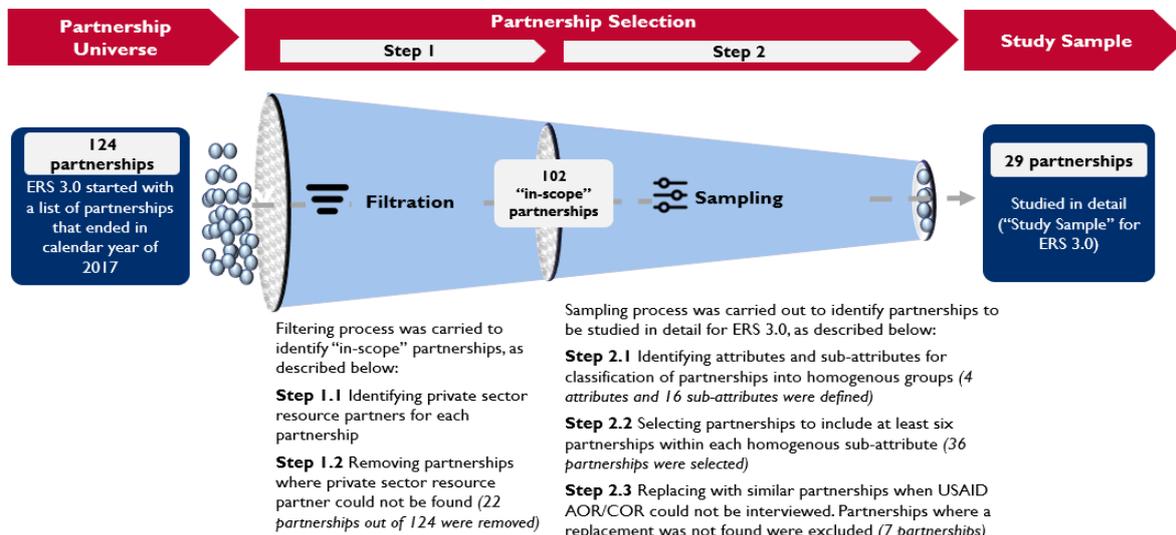
75% (or 21 out of 28) of enduring partnerships in ERS 3.0 employed beneficiary awareness creation activities, such as community outreach and education.

II. APPENDICES

APPENDIX I: METHODOLOGY

The study adopted a two-step approach – filtration and sampling – to identify the sample of 29 partnerships, as described in the figure below:

Figure 9: Study sample selection process



The study included data collection and triangulation of multiple sources in order to complete a detailed questionnaire for each partnership in the ERS 3.0 sample, from which findings have been generated. These sources included:

- **Foreign Assistance Coordinated Tracking System NextGen PPP Module:** The database included details such as the partnership description, award number, sector, region, start date, end date, resource partners, funding levels across the partners, and other preliminary information about each partnership. The database was appended to further include USAID AORs/CORs for each partnership, through whom contacts for the implementing partner and private sector organizations were identified and obtained.
- **Partnership Documentation:** Partnership documents such as final or annual/quarterly evaluation reports and cooperative agreements/memorandum of understanding were collected from the [Development Experience Clearinghouse](#), USAID, implementing partner(s), and private sector partner(s).
- **Partnership Interviews:** Interview data was primarily collected through one-on-one semi-structured interviews with USAID, implementing partner, and private sector partner points-of-contact (i.e., stakeholders) for each of the studied partnerships. Interviews with these stakeholders aimed to uncover if the outcomes and/or activities from the partnership endured once USAID funding ended and if so, identify the characteristics that were found more often in such partnerships.
- **Secondary Research:** Secondary research was also conducted for additional information about partnerships, where available. This included externally available reports, articles, and web pages.

The research team was able to gather multiple perspectives across the study sample, conducting 75 interviews in total, across **100%** of USAID points-of-contact, **90%** of implementing partners, and **55%** of private sector partners. The data collected through interviews was supplemented by partnership documentation, which was available for 76% of partnerships in total.

APPENDIX II: KEY DEFINITIONS

Assets and capabilities: financial or non-financial resources contributed by different partners to the partnership

Beneficiary: refers to the target beneficiaries of partnership activity outputs and outcomes or whose well-being is expected to improve

Beneficiary engagement in partnership design: refers to when partnerships engaged beneficiaries in designing the partnership activities, wherein beneficiaries shared their challenges, perspectives, and/or needs through focus group discussions. These discussions informed the partnership activities such that they address the beneficiary needs more accurately and effectively

Beneficiary engagement in partnership implementation: refers to when partnerships engaged beneficiaries in the implementation of partnership activities during the partnership, wherein beneficiaries contributed in several ways such as contributed land and labor for demonstrations, conducted training sessions to share learnings with their peers (e.g. other smallholder farmers), or engaged in buying or selling of products (such as hybrid crops or medicines)

Contracting Officer's Representative (COR)/Agreement Officer's Representative (AOR): USAID direct hire employee who performs functions delegated by the Contracting or Agreement Officer, or are specifically designated by policy or regulation as part of contract or assistance administration

Enduring results/sustainability: long-term continuity of activities and/or outcomes that stem from the partnership period (detailed definition given in the introduction)

Market-oriented approaches/activities/mechanisms: activities or mechanisms that contribute to development outcomes either by addressing barriers in existing markets or by creating/catalyzing new markets. These typically include but are not limited to buying, selling, or other profit-driven interactions, either at the partner or beneficiary levels, such as making connections between producers and buyers or between distributors and end customers. Partnerships that leverage these approaches/activities/mechanisms to aid development are called market-oriented partnerships.

Non-market-oriented approaches/activities/mechanisms: activities or mechanisms that result in development outcomes without relying on the market (e.g. communications campaign to fight trafficking of persons). Partnerships that leverage these approaches/activities/mechanisms to aid development are called non-market-oriented partnerships.

Outcome: refers to intended effects from partnership activities for the beneficiaries. Outcomes are results at a higher level than output and focus on beneficiaries, that are either completely or partially attributable to the partnership.

Output: produced as a direct result of partnership activities and are primarily intended to measure the progress of partnership activities. They are tangible, immediate, and are within the partnership's control or influence.

Pathways to sustain observed evidence of pathways adopted to sustain activities and/or post-partnership and if the characteristics found differed across these pathways. Across our study sample, the activities or outcomes were seen to sustain through one or more of the following five pathways:

- a. *Establish/expand market linkages:* Partnerships sometimes sustained their outcomes through the market relationships and/or market exposure they create. For example, a partnership helped establish connections between value-chain actors such that it reduces search cost and off-taker risk. Sometimes this is achieved by aggregating smaller actors to leverage scale.
- b. *Enable a new product or service innovation:* Private sector partners sometimes lacked the support necessary for critical R&D to build a new product, service, or asset (such as training materials or new infrastructure). A partnership provides this vital support and can subsidize the creation of a new product/service and transfer ownership to ensure sustainability. By providing this critical support upfront, a partnership would then enable the activities to persist in the market even after the end of the partnership.
- c. *Enable a new market, customer segment, or beneficiary population:* Where there is a dearth of infrastructure or public goods to build a market or reach a new customer segment/beneficiary population with existing products or services, a partnership can help overcome the lack of incentives to invest in market infrastructure. Similarly, where markets may

suffer from a misperception of risk, partnerships can provide capital to help overcome the misperception and crowd-in new funding. In other instances, a partnership can help establish quality standards or certifications necessary for a new market to flourish.

- d. *Build capacity or establish capacity building activities:* This pathway is employed to capture potential behavior change through industry-specific training and access to distinct knowledge or tools either during or post-partnership. For example, a partnership develops labor training programs to fill a skills gap in the market. These training programs would then sustain, funded by employers who benefit from the availability of new skills in the market or, in some cases, by future employees who have a greater likelihood of obtaining jobs following the training.
- e. *Change in overall practices through new policies or campaigns:* This pathway is employed to capture potential long-term behavior or practice changes through government policy or awareness campaigns aimed at influencing public perception or actions. For example, a partnership advocates for a specific policy change by engaging the right actors and/or bringing the necessary information, resources, and tools to affect the policymaking debate. In these instances, changes in policies and practices may remain intact after the partnership ends and continue to influence outcomes for years to come.

Platforms to scale: observed evidence of platforms adopted to scale activities and/or outcomes post-partnership and if the characteristics differed across these platforms. Across our study sample, the activities and/or outcomes were seen to scale through one or more of the following three platforms:

- a. *Market-based outcomes/activities:* Profit-seeking behavior by new or existing private sector partners or partnership beneficiaries was described by interviewees as a powerful driver of scale. Market-driven activities and relationships typically have financial sustainability and growth as primary objectives. USAID partnerships can support the development of these market-based relationships and thereby position partnership results to scale – for example, by linking buyers and sellers in a market, where there is a desire for continued profitability and expansion.
- b. *Non-market-based outcomes/activities:* In some instances, especially in partnerships with philanthropic private partners, the scale can be achieved by identifying a new or existing scaling partner after USAID involvement ends. The scaling partner may be the government, a philanthropic entity, or a company through non-market-based activities. This type of scale usually involves embedding the partnership activities within a larger organization to replicate or expand them beyond the life of USAID involvement.
- c. *Broader policy change:* USAID partnerships with the private sector can also lead to policy change. Policy change can produce enduring development results related to a discrete issue (e.g., enacting a law to limit pollution) or a broader enabling environment (e.g., reducing trade barriers, regulating a market by introducing standards). Depending on the nature of change that the policy generates, either type of policy outcome can also drive impact at scale.

Private sector: USAID's Private Sector Engagement Policy⁸ defines the private sector as: for-profit, commercial entities and their affiliated foundations; financial institutions, investors, and intermediaries; business associations and cooperatives; micro, small, medium, and large enterprises that operate in the formal and informal sectors; American, local, regional, and multinational businesses; and for-profit approaches that generate sustainable income (e.g., a venture fund run by a non-governmental organization or a social enterprise).

Results: outputs or outcomes that originate due to intervention attributable to the partnership.

Scale: growth from increasing the size and/or effect of activities and outcomes that stem from the partnership period.

⁸ https://www.usaid.gov/sites/default/files/documents/1865/usaid_psepolicy_final.pdf