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USAID'S PUBLIC-PRIVATE PARTNERSHIPS
A DATA PICTURE AND REVIEW OF BUSINESS ENGAGEMENT

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at BROOKINGS

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INTRODUCTION

In the past decade, a remarkable shift has occurred in the development landscape. Specifically, acknowledgment of the central role of the private sector in contributing to, even driving, economic growth and global development has grown rapidly. The data on financial flows are dramatic, indicating reversal of the relative roles of official development assistance and private financial flows. This shift is also reflected in the way development is framed and discussed, never more starkly than in the Addis Abba Action Agenda and the new set of Sustainable Development Goals (SDGs). The Millennium Development Goals (MDGs), which the SDGs follow, focused on official development assistance. In contrast, while the new set of global goals does not ignore the role of official development assistance, they reorient attention to the role of the business sector (and mobilizing host country resources).

The U.S. Agency for International Development (USAID) has been in the vanguard of donors in recognizing the important role of the private sector to development, most notably via the agency's launch in 2001 of a program targeted on public-private partnerships (PPPs) and the estimated 1,600 USAID PPPs initiated since then. This paper provides a quantitative and qualitative presentation of USAID's public-private partnerships and business sector participation in those PPPs. The analysis offered here is based on USAID's PPP data set covering 2001-2014 and interviews with executives of 17 U.S. corporations that have engaged in PPPs with USAID.

The genesis of this paper is the considerable discussion by USAID and the international development community about USAID's PPPs, but the dearth of information on what these partnerships entail. USAID's 2014 release (updated in 2015) of a data set describing nearly 1,500 USAID PPPs since 2001 offers an opportunity to analyze the nature of those PPPs.

On a conceptual level, public-private partnerships are a win-win, even a win-win-win, as they often involve three types of organizations: a public agency, a for-profit business, and a nonprofit entity. PPPs use public resources to leverage private resources and expertise to advance a public purpose. In turn, non-public sectors—both businesses and nongovernmental organizations (NGOs)—use their funds and expertise to leverage government resources, clout, and experience to advance their own objectives, consistent with a PPP's overall public purpose. The data from the USAID data set confirm this conceptual mutual reinforcement of public and private goals.

The arguments regarding "why" PPPs are an important instrument of development are well established. This paper presents data on the "what": what kinds of PPPs have been implemented and in what countries, sectors, and income contexts. There are other research and publications on the "how" of partnership construction and implementation. What remains missing are hard data and analysis, beyond the anecdotal, as to whether PPPs make a difference—in short, is the trouble of forming these sometimes complex alliances worth the impact that results from them?

The goal of this paper is not to provide commentary on impact since those data are not currently available on a broad scale. Similarly, this paper does not recommend replicable models or case studies (which can be found elsewhere), though these are important and can help new entrants to join and grow the field. Rather, the goal is to utilize USAID's recently released data set to draw conclusions on the nature of PPPs, the level of business sector engagement, and, utilizing interviews, to describe corporate perspectives on partnership with USAID.

The decision to target this research on business sector partners' engagement in PPPs—rather than on the civil society, foundation, or public partners—is based on several factors. First, USAID's references to its PPPs tend to focus on the business sector partners, sometimes to the exclusion of other types of partners; we want to understand the role of the partners that USAID identifies as so important to PPP composition. Second, in recent years much has been written and discussed about corporate shared value,[1] and we want to assess the extent to which shared value plays a role in USAID's PPPs in practice.

The paper is divided into five sections. Section I is a consolidation of the principal data and findings of the research. Section II provides an in-depth "data picture" of USAID PPPs drawn from quantitative analysis of the USAID PPP data set and is primarily descriptive of PPPs to date. Section III moves beyond description and provides analysis of PPPs and business sector alignment. It contains the results of coding certain relevant fields in the data set to mine for information on the presence of business partners, commercial interests (i.e., shared value), and business sector partner expertise in PPPs. Section IV summarizes findings from a series of interviews of corporate executives on partnering with USAID. Section V presents recommendations for USAID's partnership-making.

1 See definition and discussion in introduction to Section III.

SECTION I: CONSOLIDATED HIGHLIGHTS

Section II highlights: A data picture of USAID PPPs

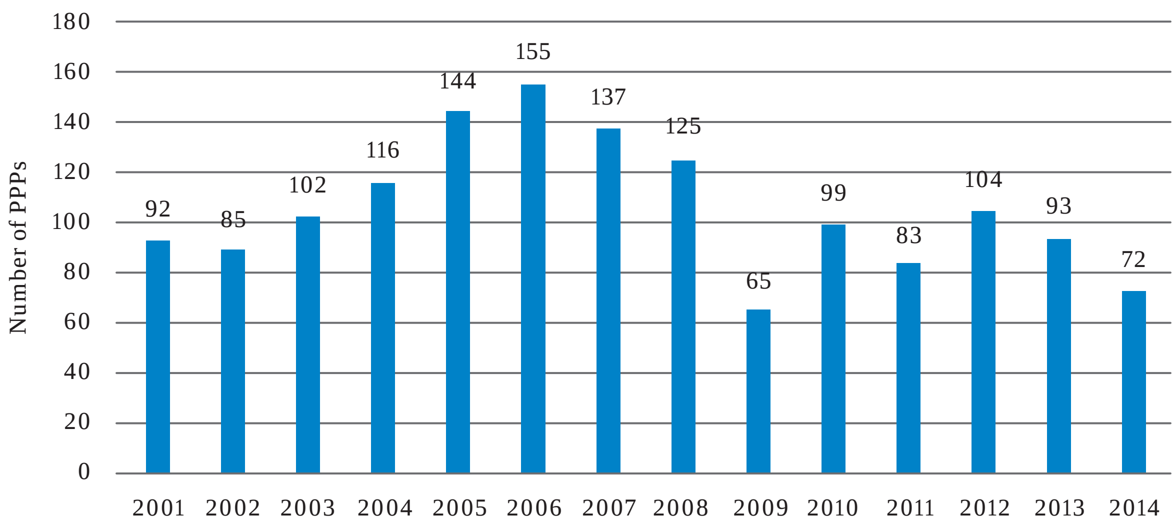
NOTE: This section includes a few of the data figures from the more detailed Sections II and III; figures referenced but not found here can be found in those sections.

USAID has engaged the business sector in its development programs for decades. In 2000, with the advent of a new administration, career USAID staff proposed a new structure called the Global Development Alliance (GDA) to formalize USAID's collaboration with nontraditional partners in pursuit of USAID's development objectives.[2] The launch of the GDA is considered the commencement of a concerted effort by USAID to engage the business and nongovernmental sectors and other entities through PPPs. Section II of the paper presents graphs and brief descriptions of PPP trends drawn from USAID's PPP data set (all data are in current dollars—the year in which the PPP was established).[3] The data describe both GDA partnerships and other PPPs conducted by USAID and its partners from 2001 to 2014.

Number of PPPs

For the period 2001 to 2014, USAID estimates it has engaged in some 1,600 PPPs, of which 1,481 appear in its data set. The average number of PPPs initiated per year is 105, but there has been a falloff in recent years, with an average of 145 PPPs per year during 2005-2007 but only 90 per year for 2012-2014 (Figure II-1). The most common length of a PPP is three years (25 percent), and 90 percent have a duration of five years or less (Figure II-8).

Figure II-1. Number of USAID PPPs by start year: 1,481 PPPs from 2001 to 2014



2 For a history of the creation of the Global Development Alliance, see Harvard Kennedy School case program. "Smarter Foreign Aid?: USAID's Global Development Alliance," 2004.

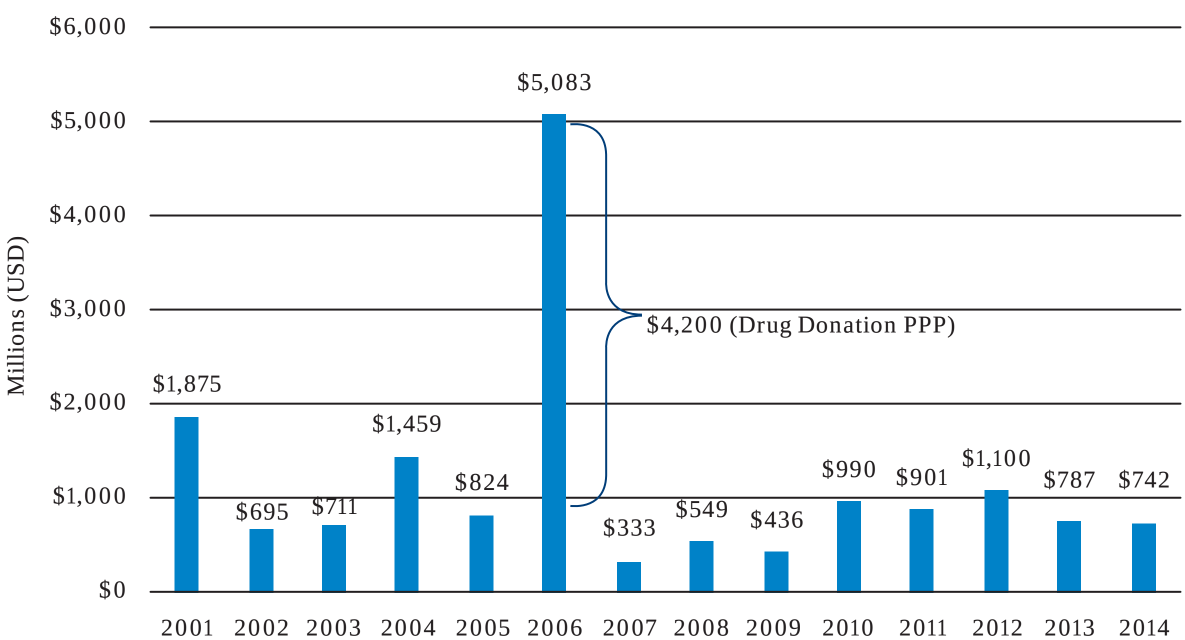
3 The data set includes preliminary data for 2015. As it is not yet complete, we have not used it for this paper.

Value

The investment in those 1,481 PPPs, shown by year in Figure II-2, totals $16.5 billion, for a yearly average of $1.18 billion.[4] About three-quarters of these, 73 percent, are less than $5 million each (Figure II-3). Of the total, $4.710 billion, or 29 percent, is from the U.S. government (USG)[5] and $11.533 billion, or 70 percent, is from non-U.S. government (non-USG) sources (Figures II-4 and II-6).

USAID requires that a GDA partnership include an investment ratio of at least 1:1, in which each USAID dollar is matched by equivalent or greater resources from the other partners. The overall leverage ratio for the 14-year period 2001-2014 is 1:2.45, but for the past several years is just above the required 1:1 (Figure II-7). Since 2007, USAID investments in PPPs have averaged 1-2 percent of total USAID managed and partially managed funds (Figure II-24).

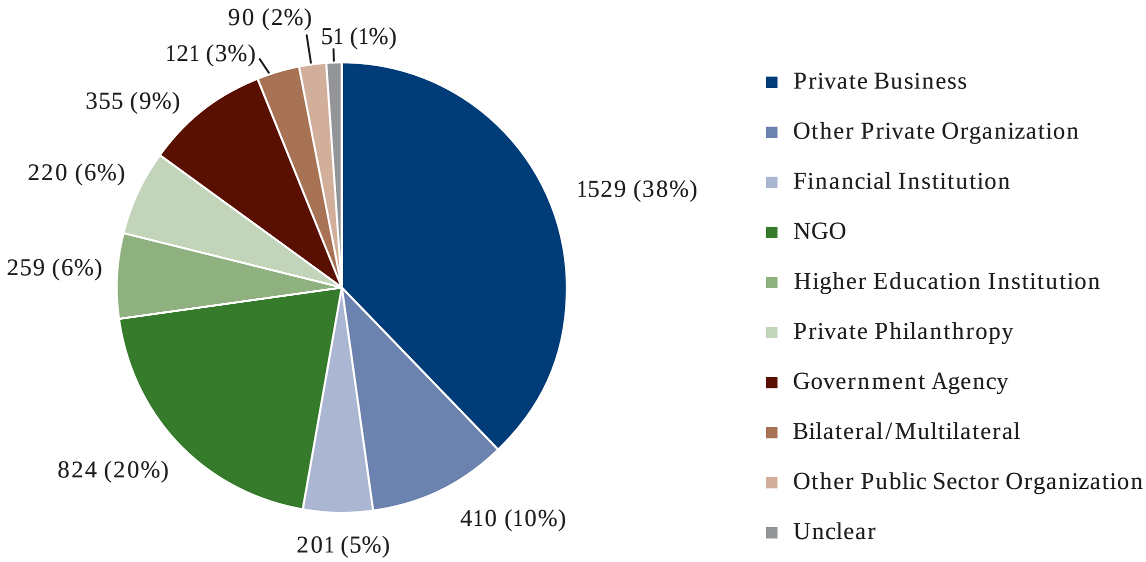
Figure II-2. Investment in USAID PPPs by start year: Total of $16.5 billion for 2001-2014



4 After subtracting a 2006 outlier PPP, Drug Donations for Neglected Tropical Diseases, worth $4.2 billion, the total investment is $12.3 billion and annual average is $877 million (Figure II-2).

5 Note that "U.S. government" rather than "USAID" is cited as the source of U.S. government funding in USAID's data set. In fact, nearly all of the USG funding for USAID PPPs is by USAID, but in a very few instances there may be funding by other U.S. government agencies so the broader categorization is used.

Figure II-11. Number of resource partners by categories



Partners

USAID distinguishes between implementing partners, which are contracted to carry out a project, and resource partners, which contribute resources and share in the risk and governance of the PPP. Resource partners in USAID's data set include private businesses, financial institutions, NGOs, higher education institutions, private philanthropies, local and national government agencies, bilateral and multilateral institutions, and other organization types (see examples in Table II-2).

The USAID data set identifies approximately 4,300 individual entities that have been a resource or implementing partner in a USAID PPP. More than 4,000 have served as a resource partner, of which 53 percent are business sector entities (Figure II-11). Of the 1,481 PPPs listed in the database, 40 percent have a single resource partner and more than 80 percent have five or fewer resource partners (Figure II-10). Eighty-five organizations have participated as resource partners in five or more PPPs, and seven organizations have participated in 20 or more (Table II-1).

Geographic distribution

USAID has sponsored PPPs in 119 countries, with 54 countries hosting 10 or more (Table II-3). Nine countries have been the venue for 50 or more, topped by Colombia with 109 PPPs, followed by South Africa, India, the Philippines, Georgia, Kenya, Afghanistan, El Salvador, and Peru.

Dissected by region, as shown in Figure II-16, Africa is host to the largest number of PPPs, followed by Latin America/Caribbean and Asia. Global PPPs[6] exhibit a

[6] Global PPPs are those which USAID refers as having a global mandate. Multiregional PPPs are identified by UAID as operating in more than one region.

leverage ratio (1:7.7) that is substantially higher than the leverage ratio of any individual region (Table II-4). It is followed by Multiregional and Europe/Eurasia, both at 1:4.6.

As shown in Figure II-18, Global PPPs represent 36 percent of the total value of all PPPs followed by Africa at 22 percent and Asia at 15 percent.

Figure II-16. Number of USAID PPPs by region

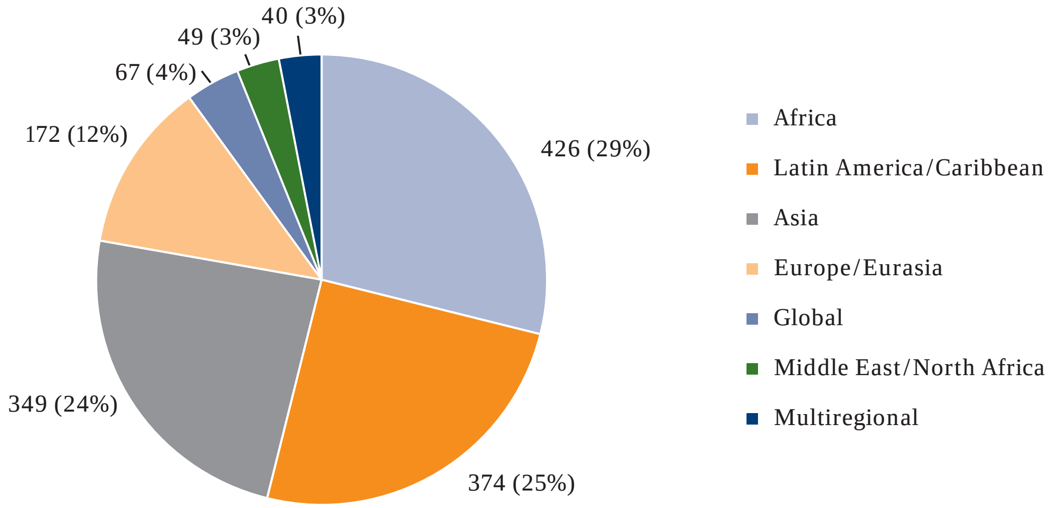


Figure II-18. Investment value of USAID PPPs by region (millions, USD)

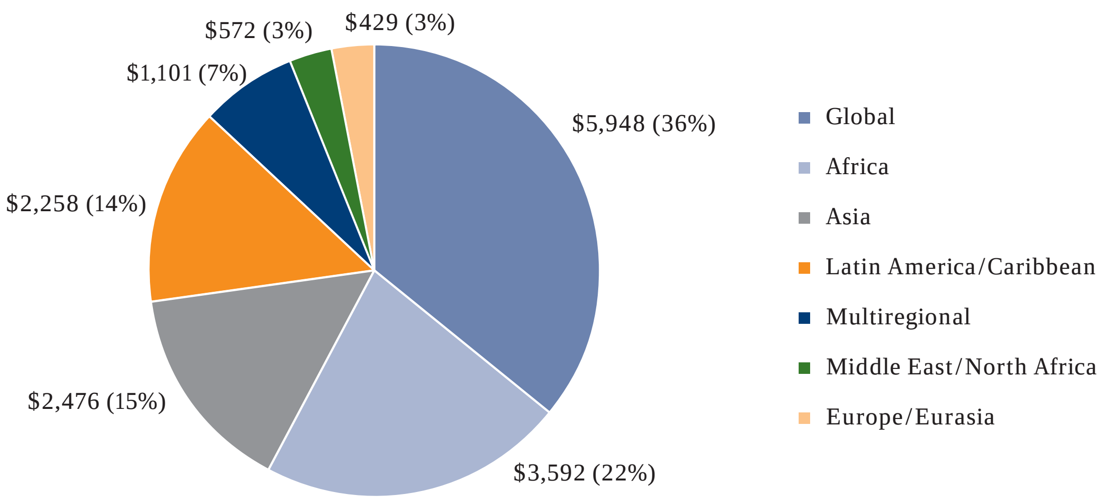
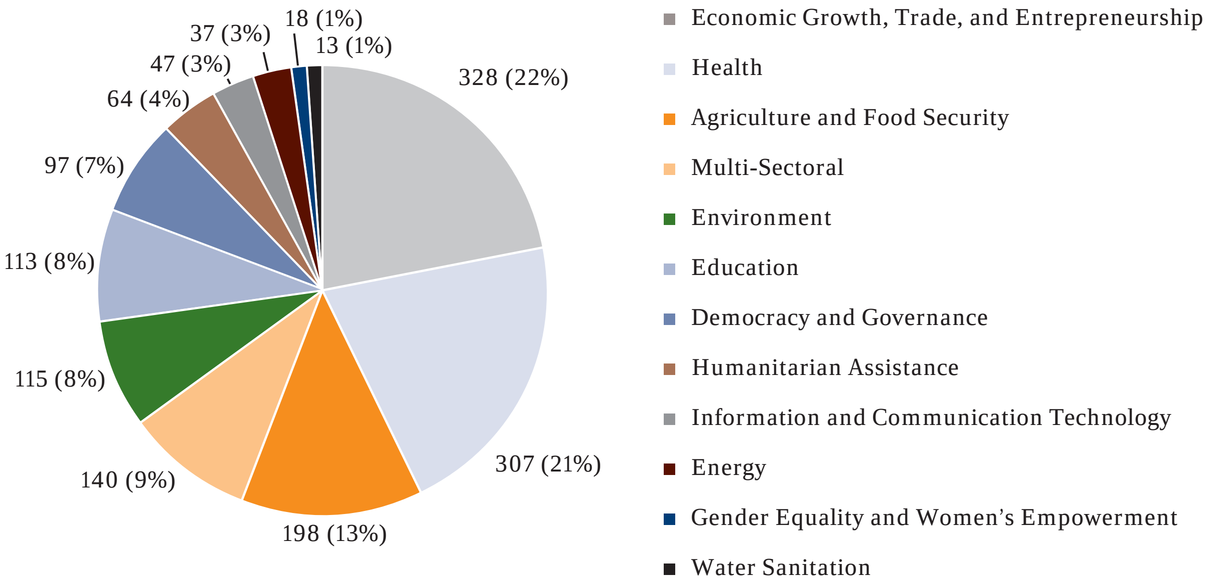


Figure II-20. Number of USAID PPPs by sector: More PPPs focus on Economic Growth, Trade and Entrepreneurship



Sector

Figure II-20 presents the number of PPPs by 11 USAID development sectors, plus a category for multi-sectoral PPPs. Economic Growth, Trade, and Entrepreneurship tops the list as the sector with the highest number of PPPs, followed by Health, and Agriculture and Food Security. By value (Figure II-21), Health is the dominant sector, at 47 percent of total value, followed by Agriculture and Food Security (13 percent) and Economic Growth, Trade, and Entrepreneurship (12 percent). Health also tops the list by leverage ratio, at 1:4.38, followed by Education (4.03) and Democracy and Governance (3.86) (Table II-5 and Figure II-26).

Section III highlights: Business sector partners, commercial interests, corporate expertise

Section III presents data and analysis from a coding of select data fields in order to mine the database for deeper insight into the role of the business sector in PPPs. Specifically, the coding permits identification of the proportion of PPPs that include one or more *business sector partners*; the extent to which PPPs are connected to the *commercial interests* (a term we use in place of "shared value" due to the variation in uses of that term) of their business sector partners; and the extent to which PPPs are linked to the *expertise* of their business sector partner(s).

Business sector partners

Figure III-1 illustrates that more than three-quarters of all PPPs involve one or more business sector partner(s); in 2013 that figure rose to 85 percent (Figure III-2). PPPs with business sector partners account for 89 percent of the total value of all PPPs (Figure III-3), 73 percent of which is contributed by non-USG sources ($10.5 billion from non-USG and $3.8 billion from the U.S. government) (Figure III-4).

Commercial interests

A high percentage of PPPs with business sector partners evidence a direct or indirect link to business interests. Just over half appear to provide a commercial benefit to the business sector partners, and 29 percent have a more diffuse, strategic benefit, for a combined total of 83 percent (Figure III-5).

Business partner expertise

As presented in Figures III-10 and III-11, 79 percent of USAID's PPPs involve business sector partners contributing some form of expertise, and those partnerships represent 88 percent of the investment value of all PPPs.

In addition, the degree to which a business sector partner receives commercial benefit from a partnership (Figure III-8) or contributes its expertise (III-12) is closely correlated to the funding it contributes to the PPP vis-à-vis USAID's contribution. Stated another way, higher non-USG investment is associated with a higher level of commercial benefit and contribution of expertise.

Contribution of business expertise is further correlated with a connection to commercial interests in a partnership, as shown in Figure III-13.

Figure III-1. Proportion of PPPs that includes business sector partner(s)

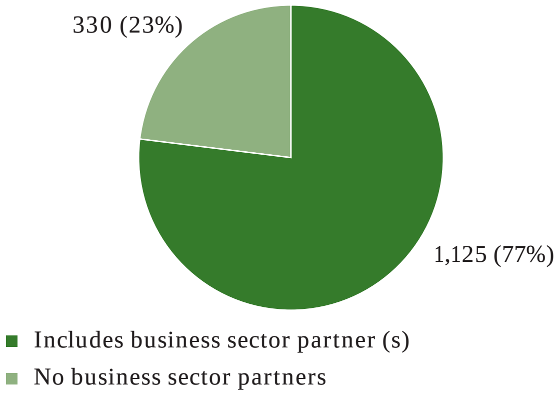


Figure III-5. Proportion of PPPs connected to business partner commercial interests: 83%

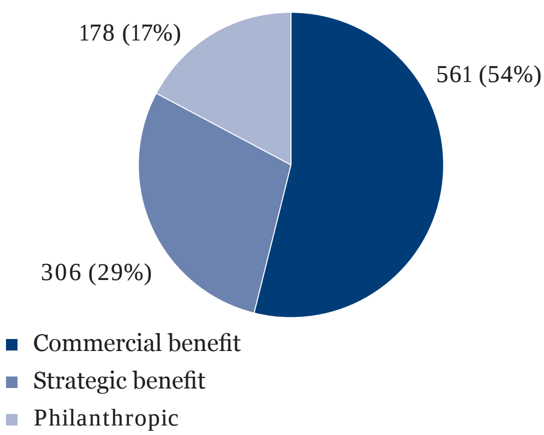


Figure III-10. Proportion of PPPs linked to business partner expertise: 79%

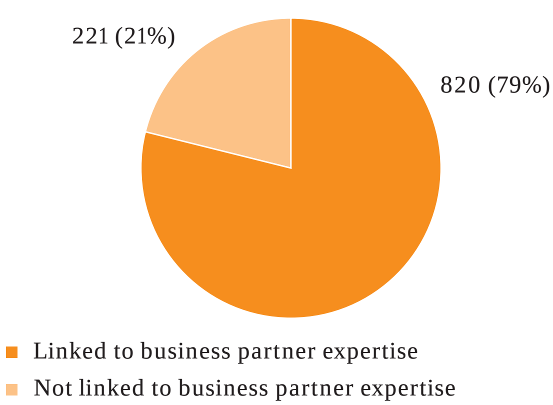


Figure III-13. Relationship of business partner commercial interests to provision of expertise

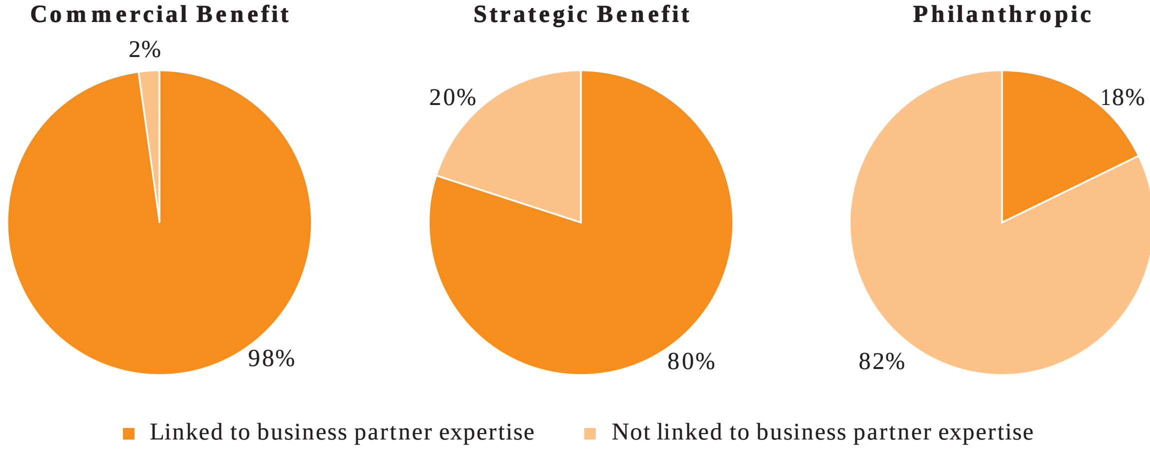
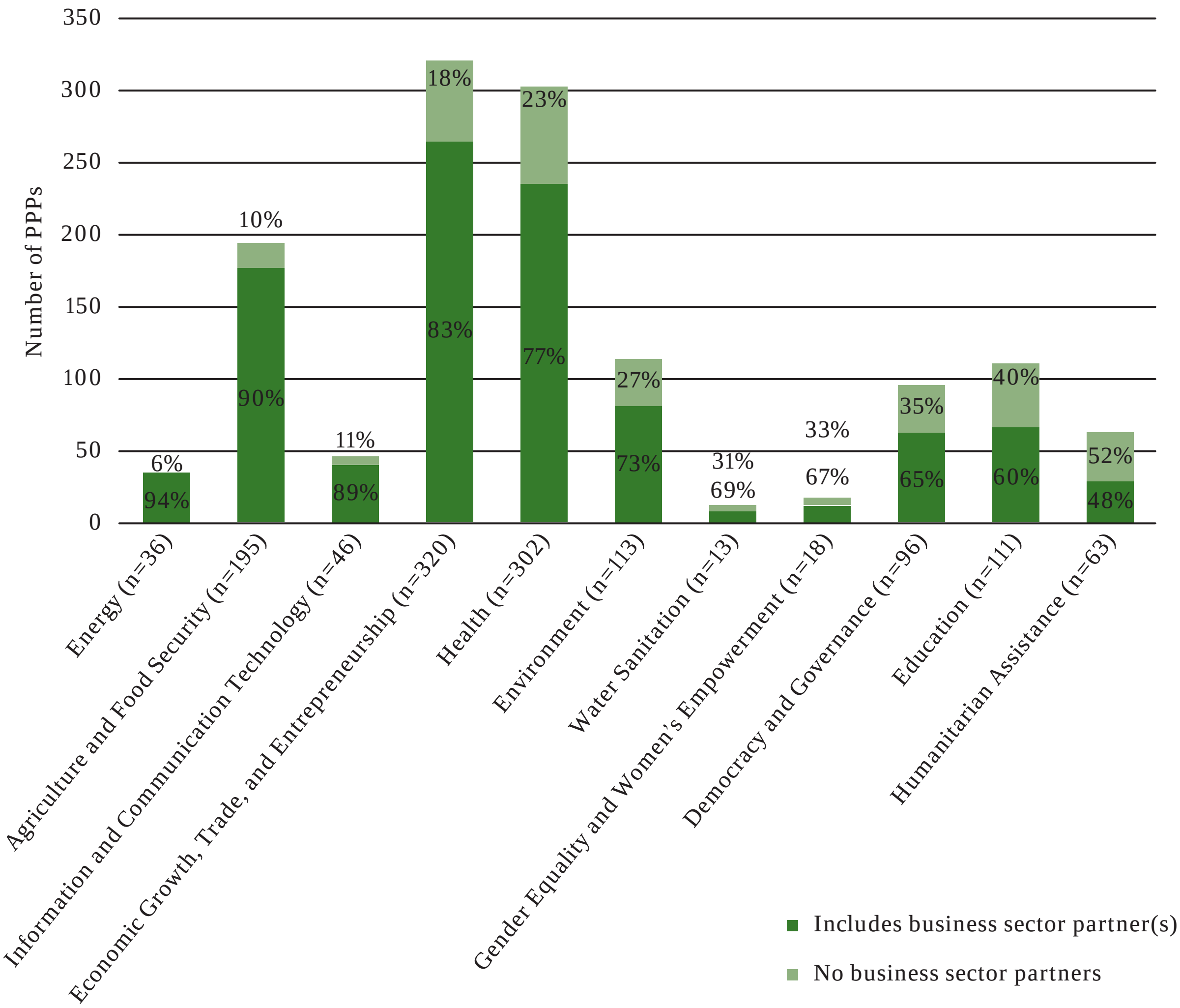


Figure III-17. Presence of business sector partner(s) by sector



Note: Totals may vary slightly from 100% due to rounding.

Sector

Not unexpectedly, business sector partners have a high presence in development sectors that have a clear market connection. Figure III-17 presents both the number of PPPs across sectors and the prevalence of businesses as PPP partners in each sector. Those sectors in which businesses are most prevalent as PPP partners are, in order, Energy; Agriculture and Food Security; Information and Communication Technology; Economic Growth, Trade, and Entrepreneurship; Health; and Environment..

Figure III-18 presents the data for the presence of commercial benefit. It parallels the data on the presence of business partners, with sectors that exhibit clear market connections typically having higher proportions of commercial benefit.

Figure III-18. Connection to business partner commercial interests by sector

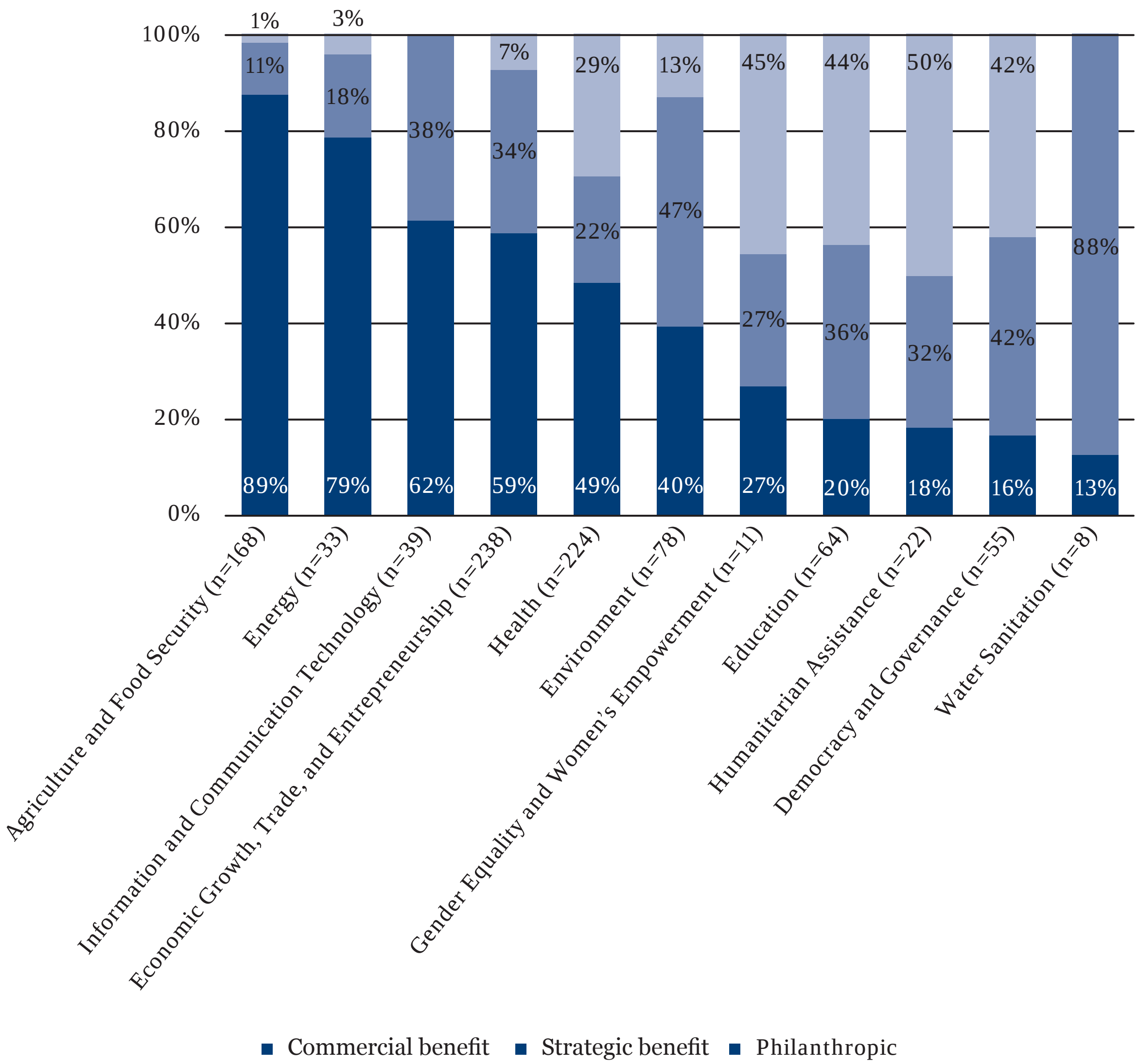
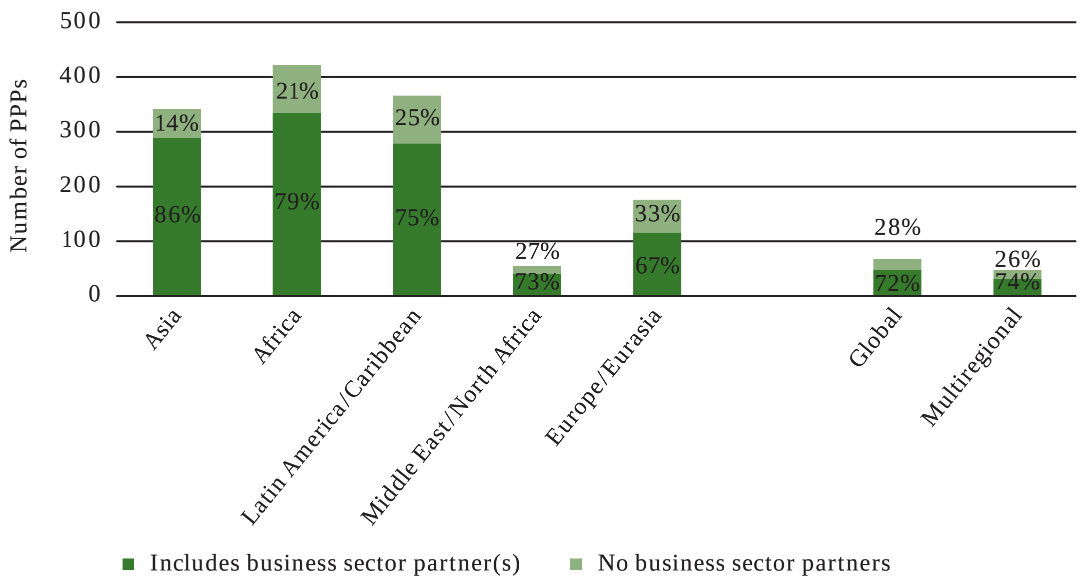


Figure III-20. Presence of business sector partner(s) by region



Region

Figure III-20 reveals that Asia leads in business prevalence in PPPs, with 86 percent of PPPs in Asia having at least one business partner. Africa ranks highest in number of PPPs and second in the share of PPPs with a business partner, at 79 percent.

Section IV highlights: Corporate perspective

Section IV presents the results from interviews with executives from 17 U.S. corporations that have engaged in a significant number of USAID PPPs. One of the most interesting findings is the overlap in the corporate rationale for participation with USAID in PPPs and the explanation by USAID for its interest in engaging with the business sector. Both parties share a number of perspectives in collaborating with each other. Key areas of intersection include credibility; expertise; contribution of financial resources; ability to go to scale; access to partner's networks; alignment along common interests; and opportunity to leverage resources and programs.

Beyond this rationale, business executives add the benefits of USAID's convening authority, USAID's ability to manage risk, the opportunity to enter into new areas of business, and the cultivation of a corporate culture of global citizenship.

USAID staff and publications also identify the ability to benefit from the business community's market access and the opportunity to enhance business contributions to inclusive growth as key benefits to partnership.

Benefits both USAID and corporation recognize In PPP participation
Credibility
Expertise
Resources
Scale
Networks
Alignment
Leverage

As to how they view their own contributions to PPPs, most executives downplayed financial contributions, with some asserting they never contribute financially and that money is the wrong way to start a relationship. They see as more important the expertise they bring to the partnership and in-kind contributions such as products (e.g., pharmaceuticals), technology, and marketing.

The interviews identified several locations within corporations from which PPPs are initiated and managed, including headquarters, in-country business units, and corporate foundations. Within USAID, PPPs are initiated varyingly from USAID headquarters and country missions. Sometimes a corporation establishes a point of contact at headquarters who serves as the knowledge center or coordinator for all the corporation's PPPs, but that contact person is seldom the "owner" or manager of any individual PPP.

The trend among corporations that have engaged in multiple PPPs with USAID is for PPPs to be initiated and managed by a business unit, most frequently in-country, with headquarters sometimes but not always playing an intermediary role.

Many corporations began their relationship with USAID from a philanthropic perspective and have transitioned into relationships focused more on commercial interests, largely through the perceived failure of philanthropic PPPs to produce lasting results. Others started and have remained solely focused on PPPs that support their commercial interests alongside social goals. Fewer corporations remain involved principally through philanthropic approaches.

As to how corporations engage with PPPs, practices range from frequent direct involvement when the corporation is lending not only its brand and but also its expertise, to less frequent oversight activities, to a hands-off approach. As illustrated both in interviews and in the data shown in Figure III-13, corporate involvement in a PPP largely correlates with how closely the PPP is tied to the commercial interests of the corporation. Most corporations monitor their PPPs, either directly or through an implementing partner; most also engage in some form of evaluation, either led in-house, through an implementing partner, or through a third party.

Corporate executives see both strengths and weaknesses in their relationships with USAID. They view USAID relationship managers who are assigned to corporations that engage most frequently with USAID as helpful, but they want more and better engagement. They are frustrated by the large, opaque bureaucracy that is slow to make decisions, but they also find USAID more open than some government agencies and acknowledge that their own corporations, too, can be bureaucratic and slow to act. They value USAID for its expertise, knowledge, and strategic approach, but they are frustrated by small, one-off projects that don't contribute to a more strategic approach to development and market challenges. Mostly, they want a more equal relationship, with USAID engaging them earlier in strategic deliberations so they can contribute their corporate knowledge and expertise to development challenges.

SECTION II: A DATA PICTURE OF USAID PPPS

USAID has engaged the business sector in its development programs for decades. This section describes the data on PPPs initiated from 2001 to 2014 provided in the USAID PPP data set, last updated in late 2015.[7] More information on the data can be found in the background note that accompanies the data set. The data are in current dollars; in several cases, the totals vary across graphs due to incomplete data.[8]

It is important to clarify that the term "public-private partnership" is used in two very different ways. One might be termed the "contracting PPP," or "infrastructure PPP," in which a public entity contracts with a for-profit company to build public infrastructure, such as a dam or a road. The private entity finances the construction and typically is compensated through revenue generated by the infrastructure, but sometimes through a payment by the public entity. The second use of the term is the "development PPP," as used by USAID and many development organizations; it involves public and private entities, frequently including NGOs, working together as partners in pursuit of a public good that serves the interest of both the public and private interests. This paper is about "development PPPs."

USAID uses two terms for its development partnerships—Public-Private Partnerships (PPPs) and Global Development Alliances (GDAs).

The data set published by USAID and used in this paper reflects all USAID PPPs. USAID has described PPPs in a variety of ways over the years. In this paper, we employ the definition that accompanies the PPP data set, which defines a PPP as:

> *…a USAID-supported development project or initiative which engages the private sector (including global and local businesses, foundations, industry associations, and others) as a core resource partner. This definition of PPPs differs from other ways of engaging the private sector such as contracting a for-profit implementer, in that this definition of PPPs requires private sector actors to be co-investing skills, technologies, other core business capabilities, or financial resources to the project or activity to achieve development outcomes.*[9]

USAID documentation is more explicit about GDA partnerships—a distinct subset within the broader PPP framework. USAID's definition of what constitutes a GDA has changed slightly over time. In addition to the PPP criteria of common goals, jointly defined solutions, co-investment, and sharing risk, the 2015 GDA Annual Program Statement (APS) spells out that a GDA is characterized by:

- 1:1 leverage of USAID financial resources with private sector assets, expertise, contributions, and resources

[7] The data set can be found at: https://www.usaid.gov/data/data set/83ace88b-c6a3-4520-990f-439ffc74e08f.

[8] Each of the indicators analyzed in this report contain some incomplete data for certain PPPs, ranging from less than 1 percent to more than 13 percent of PPPs having missing data in a given indicator. Categories for "incomplete" data points have been omitted from the graphs for clarity; as such, some totals differ slightly from one graph to the next.

[9] USAID, "Public-Private Partnerships Historical Dataset Background," background paper that accompanies the USAID PPP data set.

- The private partners must include at least one of the following entities:[10]
    - Private for-profit business
    - Private financial entity
    - Private investor
    - Private business association
    - Private grant-making foundation or philanthropic entity (includes NGOs)
    - Private individuals or philanthropists

While the GDA is frequently the legal mechanism used to enable USAID and the private sector to jointly fund projects, there is no specific GDA data set or way to identify which of the approximately 1,600 PPPs are considered to be GDAs. The business sector is involved with USAID PPPs in two different ways—as partners with USAID and as the intended target of PPPs. That is, PPPs are used both to *engage* the business sector as partners in pursuing USAID's development objectives and, among other USAID objectives, to *support* the business sector in developing countries.

It is important to note, however, that PPPs are only one of many approaches USAID employs to engage with and support the business sector, and USAID emphasizes that partnerships are a means to achieving development impact, not an end in themselves. Other mechanisms for business sector engagement include:

- **Contracts:** USAID employs the capabilities of the business sector through contracting relationships. In a contracting relationship, a business entity is hired and compensated by USAID to achieve a USAID-identified objective. In contrast, in a PPP the objective is jointly determined by USAID and its PPP partners, and both contribute resources.

- **Grants:**[11] USAID provides grants for programs that support the business sector. For example, in FY 2014 USAID invested $1.6 billion in what is categorized as economic growth, assistance that both directly supports private enterprises in developing countries and promotes policies designed to foster business-friendly environments.[12] During FY 2011 to FY 2015, USAID invested $5 billion in Feed the Future, which includes support for small and medium-sized farmers, who form the foundation of many developing country economies.

- **Collaboration:** USAID utilizes its convening power to bring together diverse stakeholders from government and the business community to solve systemic policy challenges. For example, in Power Africa, USAID collaborates with members of the business sector as partners (not as grantees or contractors) to identify and then work with African governments to modify policies and regulations to facilitate private investment in electric energy generation and distribution. The program has leveraged private sector investment commitments of $20 billion.

- **Financial Guarantees:** USAID supports and engages the business sector through the Develop-

[10] USAID, FY 2014 & FY 2015 Global Development Alliance (GDA) Annual Program Statement, found at: https://www.usaid.gov/sites/default/files/documents/1880/2014_GDA_APS.pdf.

[11] For-profit companies are eligible for USAID grant programs, but because grant programs prohibit the implementer from earning a profit from the grant, few companies participate in grant programs.

[12] Table in September 30, 2015 email from former USAID budget officer.

ment Credit Authority (DCA), which in FY 2014 provided financial guarantees that leveraged $768 million in private capital.

- **Innovation:** The U.S. Global Development Lab, established in 2012, was created to "find ideas that disrupt traditional development solutions."[13] The Lab focuses attention on the role of entrepreneurship through initiatives that sponsor venture capital-style grant competitions and alliances with incubators, accelerators, and impact investors. Development Innovation Ventures is an innovation fund that provides staged funding for innovators across sectors, 35 percent of which are private sector entities. In the Partnering to Accelerate Entrepreneurship (PACE) Initiative, USAID has solicited and supported external partnerships that support entrepreneurs in developing countries and the ecosystems needed to enable their growth.[14] In addition, the Lab houses the Center for Transformational Partnerships, the office that oversees PPPs and has been the locus of other recent initiatives to engage the private sector.

- **Enterprise Funds:** USAID oversees the enterprise funds that the U.S. government has established in partner countries to introduce market structures for financing and managing business firms.

USAID Associate Administrator Eric Postel describes the evolution of USAID's engagement with the private sector as follows: USAID's "Version 1.0" involved operating at the macro level to support the private sector through building a supportive enabling environment; it extends from the Marshall Plan (which predated USAID) through USAID's assistance in the transition of the former Soviet Union and Eastern Europe in the 1990s and is still operative today in a few countries. "Version 2.0," reflected in the advent of PPPs and the DCA around the turn of the century, targets transaction- or project-level partnerships with individual corporations. "Version 3.0" is now taking a systems approach, focusing on collective action through strategic alliances, consultation with the private sector, and multi-stakeholder platforms, such as Power Africa and Feed the Future's New Alliance.

1. Number of PPPs

Between 2001 and 2014, the period during which USAID has collected data on its PPPs, USAID has engaged in an estimated 1,600 PPPs, 1,481 of which are included in USAID's PPP data set. As shown in Figure II-1, 2006 was a bumper year in which 155 PPPs were launched, and 2009 was the low with 65 new PPPs.

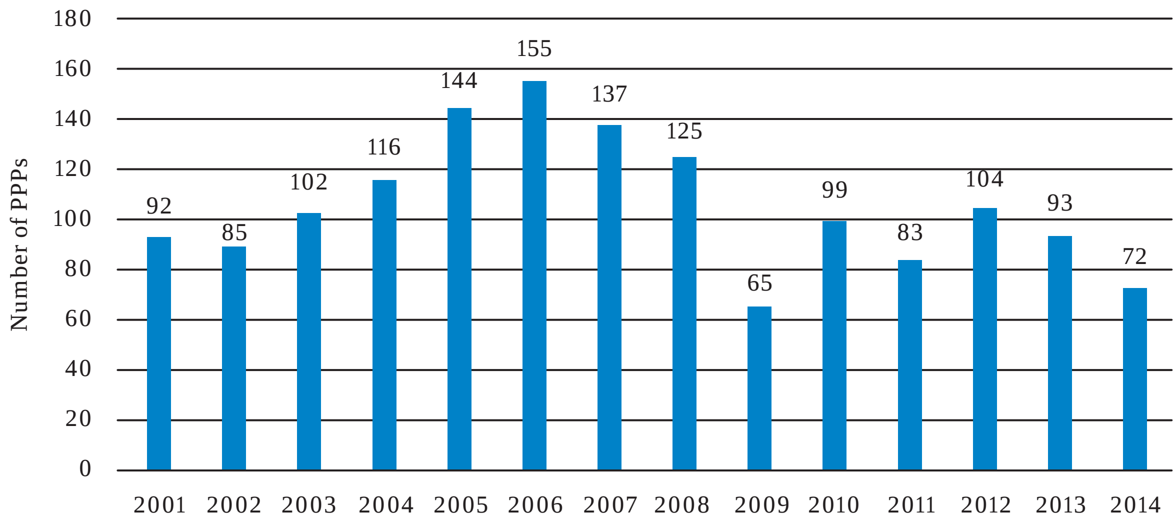
The count of PPPs initiated in a year is a limited measure of USAID's private sector engagement, as PPPs are only one mechanism through which USAID engages the private sector, as noted in the introduction to this section.

Over this 14-year period, an average of 105 PPPs were established per year. If there is a pattern, it is a profusion of PPPs during the mid-2000s and a falloff beginning in 2009. For the five-year period 2004-2008, the annual number of new PPPs ranged from 116 to 155, with an annual average for the period of 135 PPPs. During the peak period of 2005-2007, the average was 145, while for the recent period 2012-2014, the average was 90 PPPs.

[13] "2015: The Lab Year in Review: Accelerating Development through Science, Technology, Innovation and Partnership," USAID, 2015.

[14] "Partnering for Impact: USAID and the Private Sector," USAID, March 2015.

Figure II-1. Number of USAID PPPs by start year: 1,481 PPPs from 2001 to 2014



There are several explanations for the yearly fluctuation in the number of PPPs launched. One, annual fluctuations may reflect actual change, but also a change in how USAID defines PPPs and how missions and bureaus count them and collect data about them. For example, some missions count PPPs that are embedded in broader projects and others do not. The data collection process itself has fluctuated over the years. The 2009 low is likely related to a disruption in data collection due to the need to realign reporting with the Department of State. Lower numbers of PPPs initiated in recent years may reflect the higher rigor with which USAID's Center for Transformational Partnerships now cleans and verifies PPP data.

Second, USAID missions and bureaus differ in both the mechanisms and scale with which they establish PPPs; one mission may pursue a single but highly complex PPP involving dozens of partners and contributors, and another may initiate several modest PPPs, yet each PPP is weighted equally and counted separately.

Third, mandates focused on partnership-making may incentivize not only an increase in PPP engagement, but also changes in the way agency staff delineate and count individual PPP activities.

This latter explanation may well be behind the peak in numbers of PPPs for 2001 and the period of 2004-2008. The Global Development Alliance was launched with a flourish by the George W. Bush administration in 2001, including with a public endorsement by Secretary of State Colin Powell, and agency staff knew this initiative was important to the new leadership. Within a few years, incentives were in place that helped push the initiative. Andrew Natsios, the USAID administrator from 2001 to 2006, spoke frequently about the GDA and PPPs in public and inside the agency, and PPPs were a key topic of discussion during at least two of three periodic meetings of USAID mission directors.

The agency conducted 25 to 30 trainings for field staff, issued a field manual for building PPPs, produced the first GDA Annual Program Statement in 2003, and sent technical experts from headquarters to help missions enter the PPP space. Perhaps more significantly, in 2004 the agency made alliance building a criterion for advancement into the senior Foreign Service, and alliance building became a budget rationale. From 2001 to 2007, the central office managed an incentive fund of $10 million to $30 million that country missions could utilize to help fund new PPPs. Henrietta Fore maintained and increased USAID's focus on PPPs when she became the USAID administrator in 2007.

In contrast to the early to mid-2000s, while PPPs remain an important instrument today, the agency since 2010 has developed and emphasized other mechanisms to engage the private sector, which may explain the falloff in PPPs launched in recent years.

2. Value of PPPs

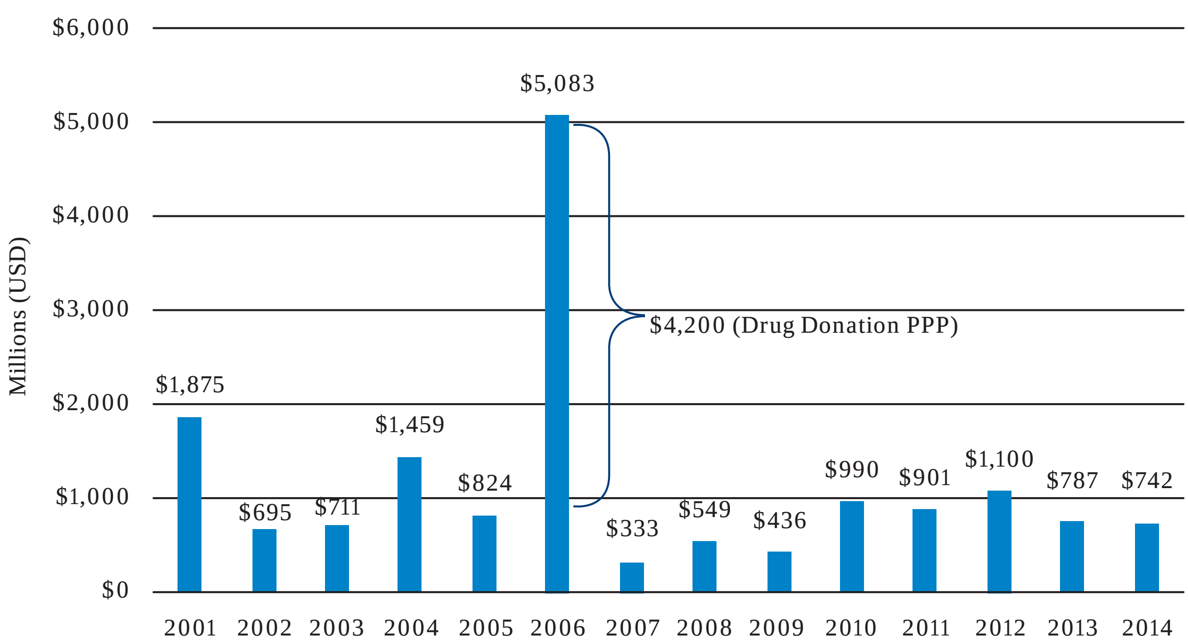
The monetary value of PPPs provides a richer unit of analysis for the flow of PPP engagement over time. PPP value captures the range of USAID and partner monetary inputs to a PPP, rather than simply the number of discrete PPPs initiated.

As discussed in Section IV, USAID and partners alike argue that monetary contributions to PPPs are not the only—or even the most important—input to PPPs. At present, however, USAID does not provide indicators on other inputs such as technical expertise and engagement, nor data on outcomes. As such PPP value provides the closest proxy for the degree to which USAID and its partners have contributed to partnerships over time.

USAID bases the recorded value of a PPP on actual investments for completed PPPs and on the stated commitments for ongoing PPPs. The totals shown in Figure II-2 include USAID contributions as well as financial and in-kind contributions from non-USG partners. The lifetime value of all PPPs for which USAID has data from 2001 to 2015 totals $16.490 billion.

In 2006, the $4.2 billion noted in Figure II-2 is based on a single PPP, Drug Donations for Neglected Tropical Diseases. The remaining 154 PPPs in 2006 total $883 million. After subtracting this single outlier PPP, the

Figure II-2. Investment in USAID PPPs by start year: Total of $16.5 billion for 2001-2014



total value of all of USAID's historical PPPs is $12.290 billion, and the annual average value of PPPs is reduced from $1.18 billion to $893 million.

There is no clear pattern over the 14 years, but the value of PPPs for 2013 and 2014 are noticeably lower than in the prior three years. This may be a function of the fact that USAID officials report that they are moving away from PPPs specifically and toward broader engagement with the private sector.

Of the 1,481 PPPs in the data set for 2001-2014, 1,399 include data on the PPPs' total investment value (Figure II-3). The majority of those partnerships are of modest size: 25 percent are $500,000 or less, 40 percent are $1 million or less, and 73 percent are $5 million or less. Among partnerships active in FY 2014, the average contribution per resource partner was $2.7 million. Seventeen percent (240 PPPs) are valued at more than $10 million, of which almost half (109) are between $10 million and $20 million in value and 21 exceed $100 million in value.

Figure II-3. Distribution of USAID PPPs by Investment Value: 73% are less than $5 million

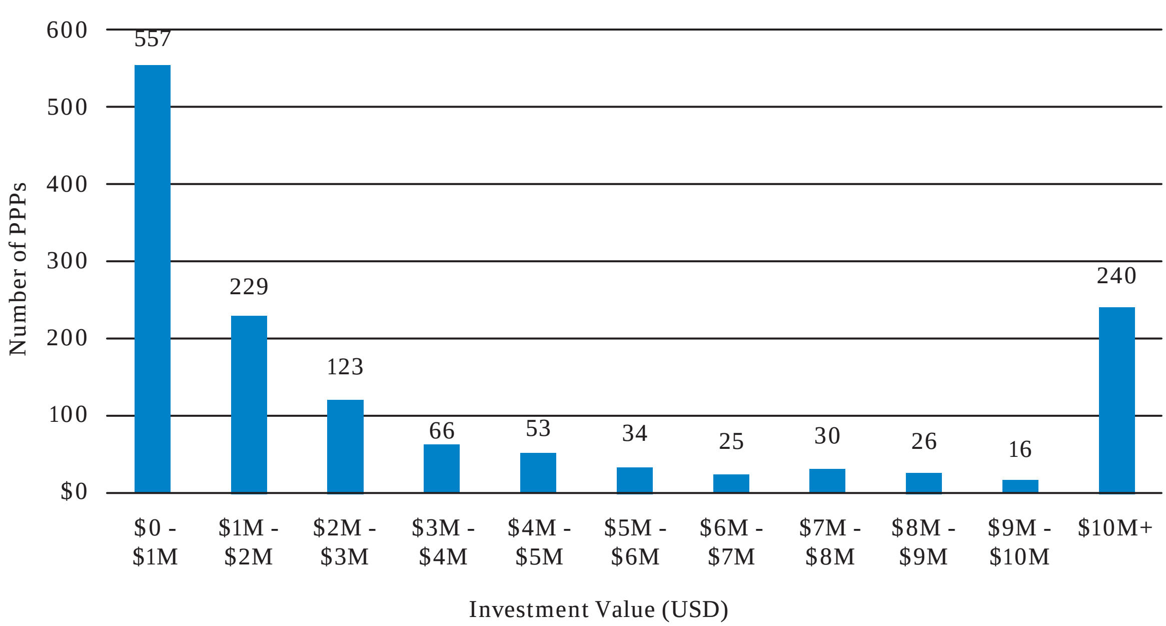
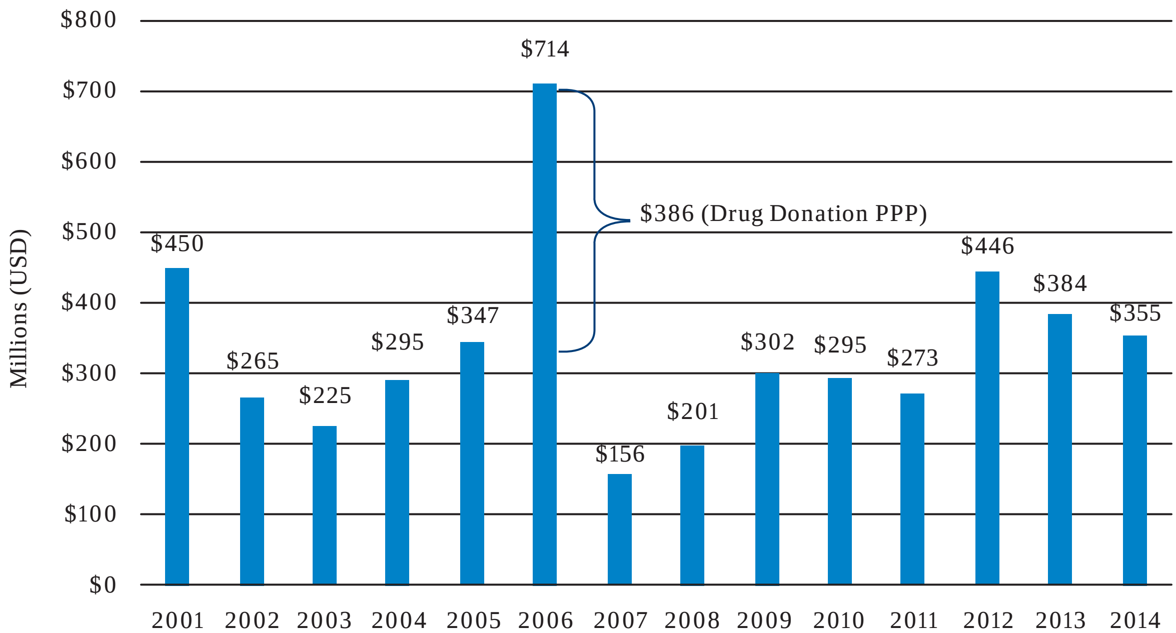


Figure II-4. Average USAID investment in PPPs by start year: $336 million



The U.S. government's annual investment in PPPs has ranged from a high of $714 million in 2006 to a low of $156 million in 2007 (Figure II-4).[15] The average for the 14-year period is $336 million. USAID's average investment per PPP is $3.691 million, and the median investment is $600,000. Because a few high and low values can skew the average, the median of $600,000 is likely more representative of the typical USAID investment in a PPP.

[15] Note: These data report all USAID investments by PPP start year, rather than by the year in which funds were dispersed.

Figure II-5. Comparison of USAID annual PPP investment to total USAID budget: Averages 1.96%

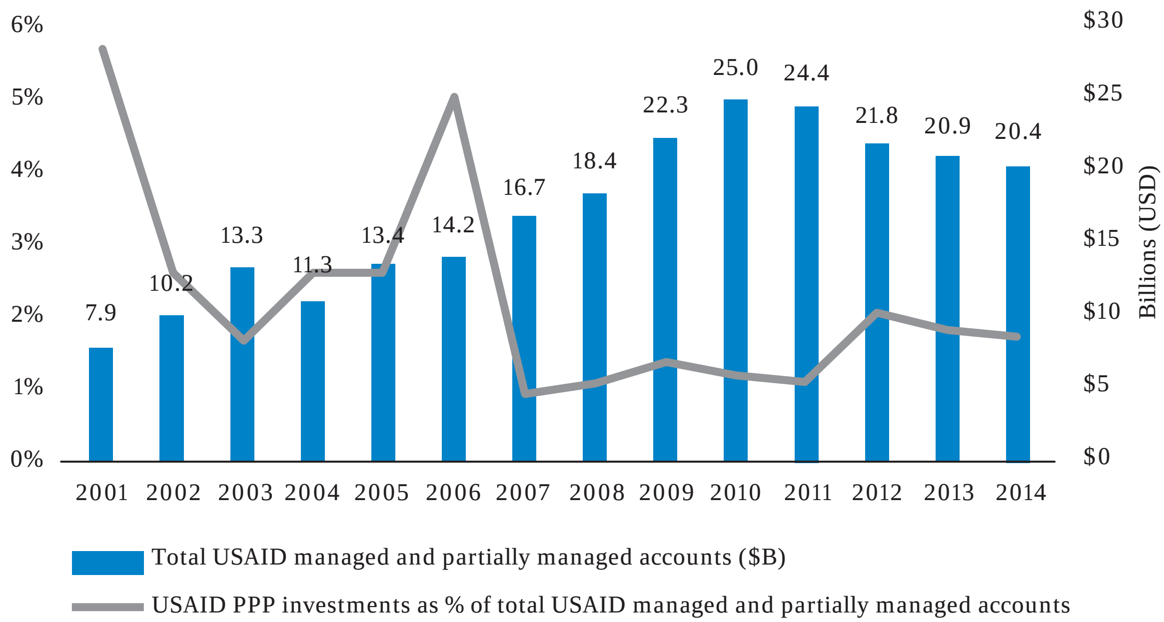


Figure II-5 compares the annual USAID investment in PPPs in the context of the overall annual USAID budget. Budget numbers are slightly higher than the actual USAID-managed budget because several of the accounts are only partially managed by USAID.[16]

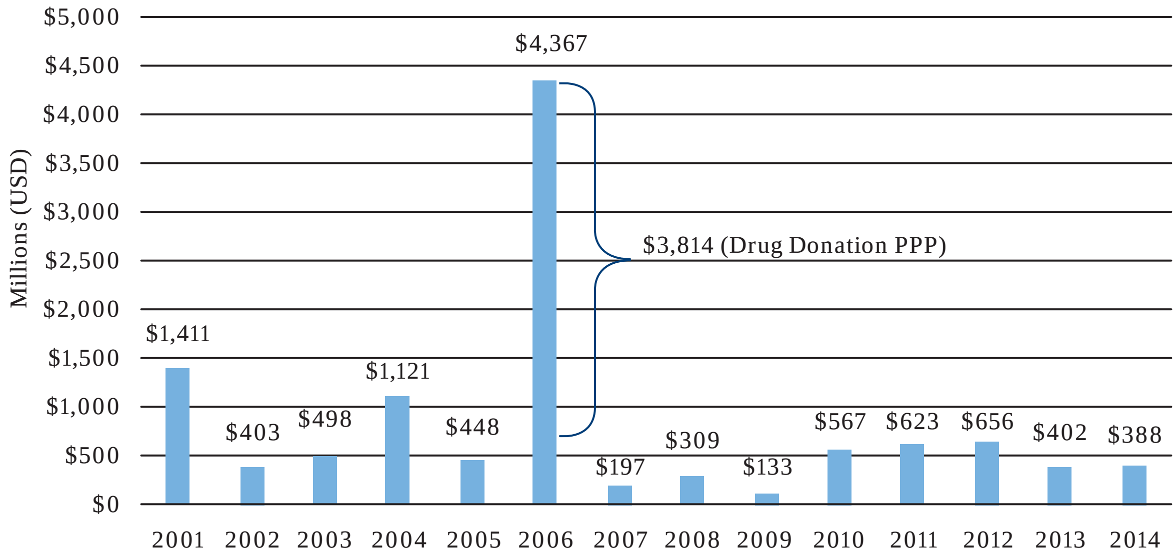
This comparison shows that USAID's investment in PPPs averaged 1.96 percent of its budget and that in recent years the percentage has been relatively stable at 1-2 percent. The level reached a high of 6 percent in 2001, dipped to 2-3 percent during 2002-2005, bounced back to 5 percent in 2006, and since then has ranged between 1-2 percent. The spike in 2001 is likely due to a combination of USAID's low budget total and the push behind the GDA launch. The 2006 spike is due largely to the historic $4.2 billion PPP on neglected tropical diseases.

As shown in Figure II-6, the peak investment in PPPs among non-USG partners, the peak investment in PPPs is $4.37 billion in 2006, but the vast majority of this investment is accounted for by the single $3.8 billion non-USG investment in the Drug Donations for Neglected Tropical Diseases PPP. The remaining 154 PPPs in 2006 total $553 million in non-USG investment.

The low for non-USG investment was $133 million in 2009. The average annual non-USG investment over the 14-year period is $824 million. Per PPP, the average non-USG investment was $8.91 million, and the

[16] There is no exact total for the annual budget that USAID alone manages. This figure presents data for USAID managed and partially managed accounts, with the assumption that of the three partially managed accounts, USAID manages 93 percent of ESF (Economic Support Fund), 70 percent of Assistance to Europe, Eurasia, & Central Asia, and 60 percent of the United States President's Emergency Plan for AIDS Relief. This information comes from USAID's Budget Office.

Figure II-6. Average non-USG investment by start year: $824 million



median was $905,353. Due to outliers, the latter number is likely more representative of the typical non-USG investment in a PPP.

Figure II-7 combines the data in Figures II-4 and II-6 for ease of comparing the USG and non-USG investment by year.

Total USG investment in PPPs since 2001 is $4.710 billion, and total non-USG investment is $11.53 billion. USAID's investment accounts for approximately 29 percent of total investments in PPPs and non-USG partners for 70 percent.[17]

In only one year, 2009, was the USG investment greater than the non-USG investment; this figure may be influenced by the lack of a data call by USAID in 2009.

Duration

The most common length for a PPP is three years (Figure II-8). One-quarter (25 percent) of PPPs have a duration of three years. Almost two-thirds (63 percent) of the PPPs in the data set have a life of two to four years, and 90 percent of PPPs have a duration of five years or less, illustrating that PPP timelines are similar to the standard three- to five-year time frame for other USAID contracting and granting mechanisms.

[17] The missing 1 percent is due to discrepancies in the dataset between the "Lifetime investment" indicator and the sum of two indicators for "USG investment" and "Non-USG investment."

Figure II-7. USG and non-USG Investment value of PPPs by start year

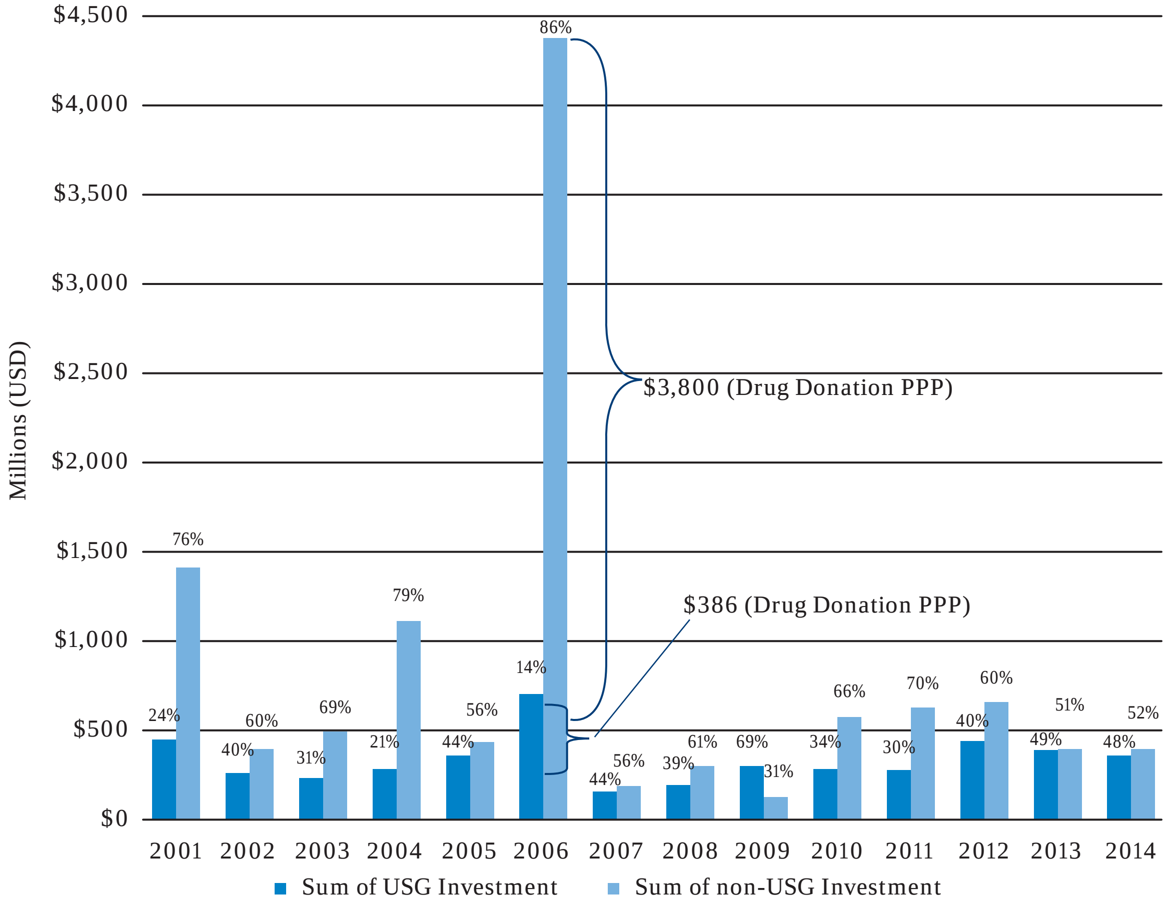
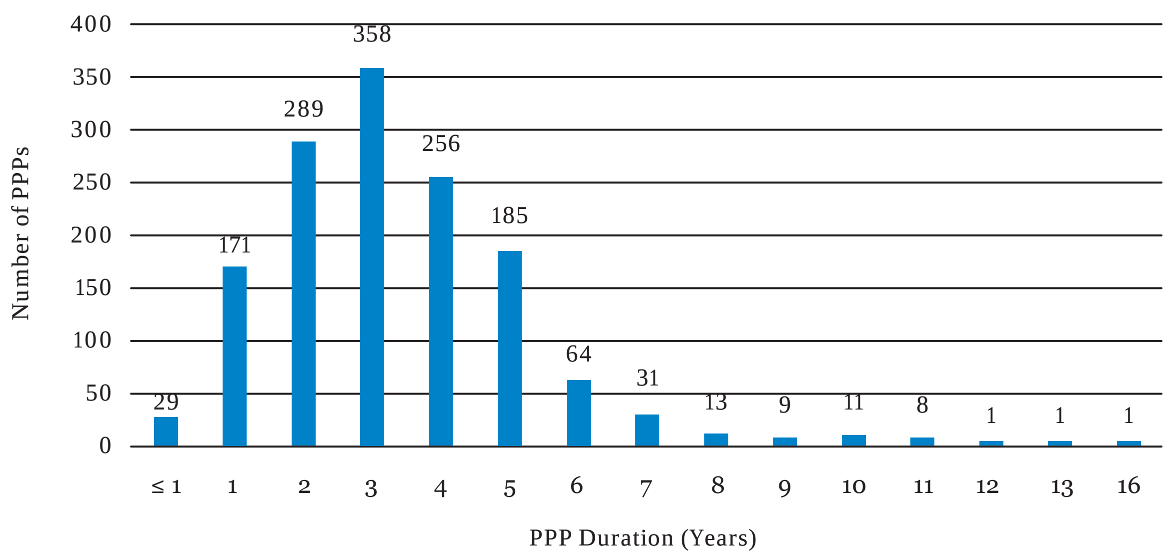


Figure II-8. Distribution of USAID PPPs by duration: Almost two-thirds of PPPs last 2-4 years



3. *Resource and implementing partners*

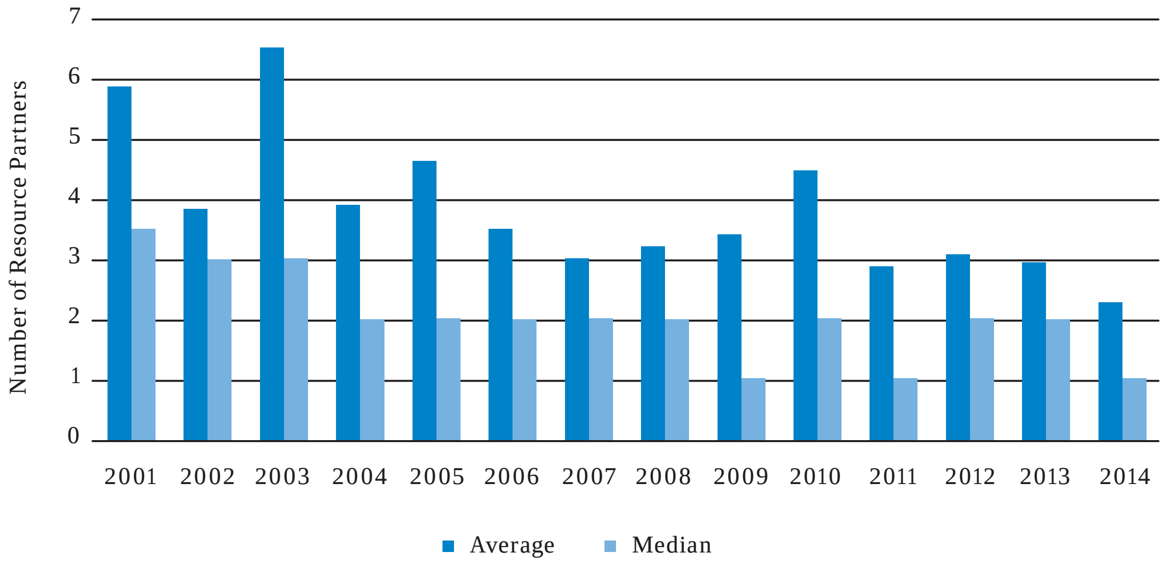
Table II-1. Organizations most frequently participating in USAID PPPs as resource partners: 85 organizations have participated in five or more PPPs

Resource Partner	# of PPPs	Resource Partner	# of PPPs
Microsoft Corporation	62	Google	7
Coca-Cola Company	36	Johns Hopkins University Center for Communication Programs (JHUCCP)	7
Chevron	33	Land O'Lakes	7
Cisco Systems	26	Monsanto	7
Intel	25	Nestlé	7
UK Department for International Development (DFID)	24	Shell	7
World Bank	23	The Nature Conservancy (TNC)	7
ExxonMobil	19	United Nations Foundation (UNF)	7
Citigroup	18	World Resources Institute (WRI)	7
Pfizer	16	Abbott Laboratories	6
Save the Children	15	Coca-Cola Foundation	6
Kraft Foods	14	De Beers	6
Procter and Gamble (P&G)	14	FUPADE	6
The Bill & Melinda Gates Foundation	14	GE Foundation	6
Winrock International	14	General Electric (GE)	6
Inter-American Development Bank (IDB)	13	International Finance Corporation (IFC)	6
United Nations Children's Fund (UNICEF)	13	International Institute of Tropical Agriculture (IITA)	6
Walmart	13	International Youth Foundation (IYF)	6
Conservation International	12	Mars	6
World Wildlife Fund (WWF)	12	McKinsey and Company	6
BP	11	Odebrecht	6
Cargill	11	Olam International	6
Evensen Dodge International (EDI)	11	Pan American Development Foundation (PADF)	6
GlaxoSmithKline (GSK)	11	Population Services International (PSI)	6

Rockefeller Foundation	11	Rainforest Alliance	6
Starbucks	11	Swedish International Development Cooperation Agency (SIDA)	6
United Nations Development Program (UNDP)	11	Aga Khan Foundation	5
World Health Organization (WHO)	11	Atlantic Philanthropies	5
American Chamber of Commerce (AMCHAM)	10	Barclays Bank	5
APLR	10	ConocoPhillips	5
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ, formerly GTZ)	10	David and Lucille Packard Foundation	5
Hewlett-Packard Company (HP)	10	General Mills	5
Johnson & Johnson	10	Green Mountain Coffee	5
Ford Foundation	9	IOM	5
Johns Hopkins University	9	Junior Achievement Worldwide	5
Merck & Co.	9	MacArthur Foundation	5
Qualcomm	9	Norwegian Agency for Development Cooperation (Norad)	5
Rotary International	9	SMART Telecommunications	5
World Cocoa Foundation (WCF)	9	Standard Bank Namibia	5
MAC AIDS Fund	8	Syngenta	5
Nike	8	Western Union	5
TechnoServe	8	World Food Program (WFP)	5
World Vision	8		

USAID distinguishes between resource partners and implementing partners. Resource partners are those organizations that contribute financial or other resources (including technical expertise, in-kind commodities, technology, brand recognition, and training) to the partnership. Resource partners also typically collaborate with USAID on designing the partnership, establishing objectives for the alliance, serving on a governing committee, and assessing progress. Resource partners include private businesses, financial institutions, NGOs, higher education institutions, private philanthropies, local and national government agencies, bilateral and multilateral institutions, and other organization types.

Figure II-9. Average and median number of resource partners per PPP by start year



The USAID database identifies more than 4,000 organizations that have served as a resource partner in one or more PPPs. The list in Table II-1, headed by Microsoft, presents the 85 organizations, 2 percent of the total, that have engaged as resource partners in five or more PPPs with USAID. About half of the PPP resource partners on this list are corporations (41), and 21 percent (18) are NGOs. Governmental donor entities account for 13, of which nine are multilateral or international organizations and four are bilateral donors. Completing the list are nine foundations (seven private foundations and two corporate) and three institutions of higher education (two universities and one university consortium).

Over the 14-year period for which USAID provides data, the average number of resource partners per PPP is 3.85, and the median is 2. Both the average and median have been falling since 2011, with a low average of just over 2 in 2014, shown in Figure II-9. This may come as a surprise, given USAID's increased interest in pursuing multi-stakeholder alliances in recent years. However, many USAID efforts to convene multi-stakeholder partnerships such as Power Africa are not reflected in this PPP database and instead comprise alternative forms of private sector engagement, such as those discussed at the beginning of this section.

Figure II-10 shows the number of resource partners per PPP. The most common PPP structure has only a single resource partner, which occurs in 605 PPPs (41 percent). The vast majority (84 percent) of PPPs have one to five resource partners.

Table II-1 and Figures II-9 and II-10 notably demonstrate that USAID has engaged a vast array of organizations in PPPs and that relatively few are repeat participants.

Figure II-10. Distribution of USAID PPPs by number of resource partners per PPP

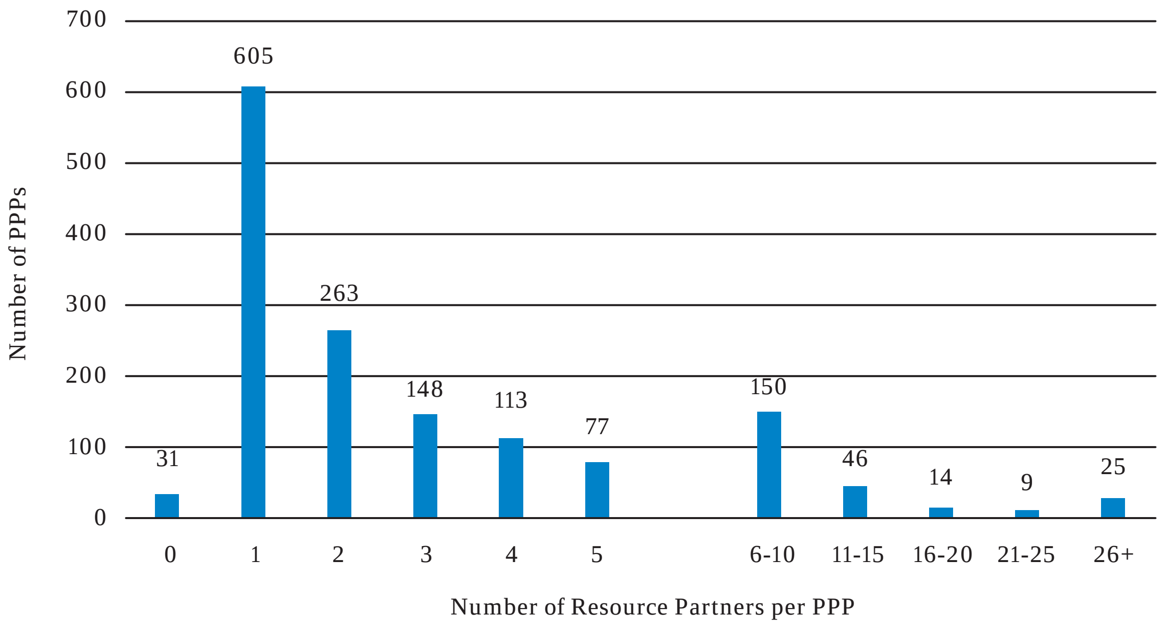
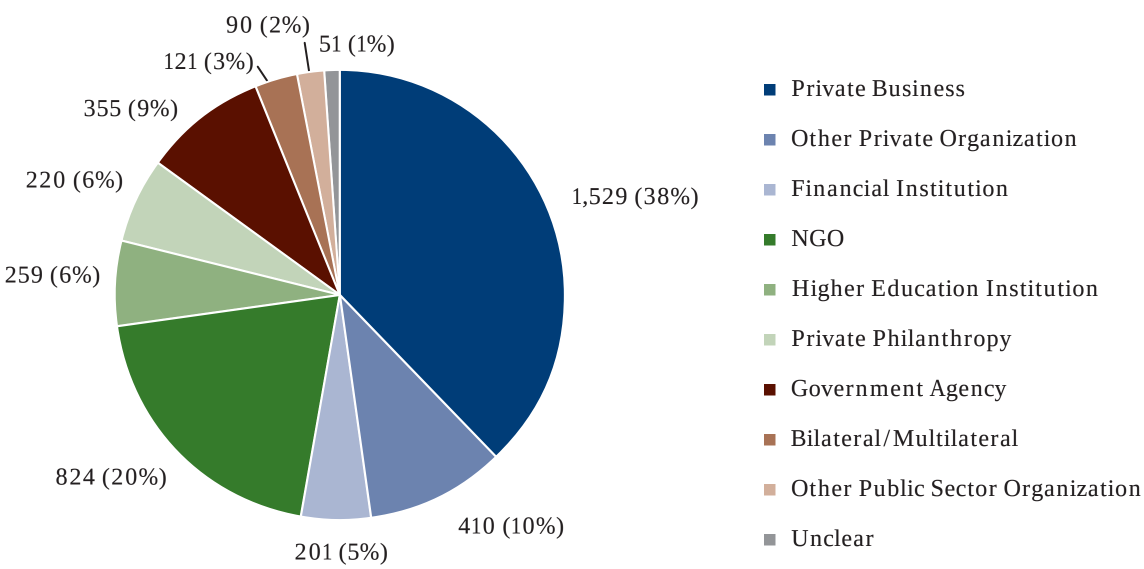
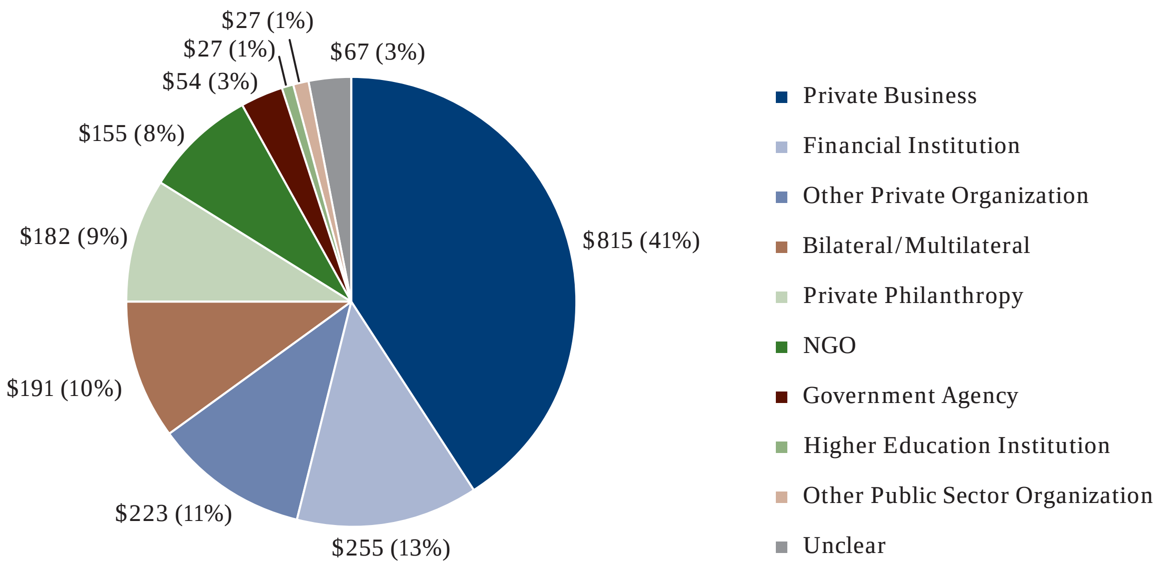


Figure II-11. Number of resource partners by category



Across all PPPs, as shown in Figure II-11, 53 percent of all resource partners are commercial entities—private businesses, private financial institutions, and other private organizations such as business associations or corporate foundations; 32 percent of partners are civil society organizations, such as private philanthropies, NGOs, and educational institutions; and 15 percent are governmental entities—government agencies, bilateral and multilateral governmental organizations, and other public entities.

Figure II-12. FY14 resource partners by investment value (millions, USD)



Beginning in FY 2014, USAID began publishing disaggregated data on the individual financial contributions of each resource partner. Figure II-12 presents these data by resource partner categories and illustrates a distribution roughly similar to that shown in Figure II-11 (which closely mirrors the FY 2014 distribution of resource partners by PPP count, not shown). Financial institutions and bilateral/multilateral organizations represent significantly greater proportions of the total investment value of PPPs, at 8 and 6 percentage points higher, respectively, than the number of PPPs for FY 2014 (not shown).

The presence and contributions of resource partners can also be analyzed according to whether resource partners are local or non-local to the region of a PPP, using USAID's more in-depth FY 2014 data set. Figure II-13 shows that approximately half of the resource partners USAID engaged in those PPPs active in 2014 were local to the region of the PPP; the other half were non-local, including many resource partners headquartered in the United States. When analyzed by investment value (Figure II-14), however, the footprint of non-local resource partners grows significantly to 72 percent of all resource partner investments, while local partners represent just 28 percent.

Figure II-13. FY14 resource partners by location

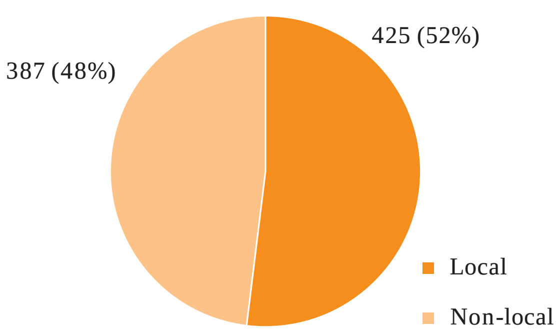
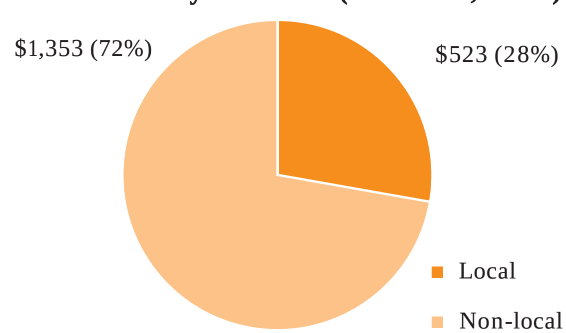


Figure II-14. FY14 resource partner investments by location (millions, USD)



While further disaggregation was outside of the scope of this research, there is an opportunity to examine the PPP engagement of small and medium-sized enterprises (SMEs), women-owned businesses, and other institutional subcategories that have important impacts on global economic development.

Implementing partners are organizations that are contracted to carry out a project. An implementing partner is hired to manage a project on behalf of the resources partners, which are the originators and funders of the project. Implementing partners may develop and carry out annual work plans, conduct monitoring and evalu-

Table II-2. Organizations most frequently participating in USAID PPPs as implementing partners: 20% (41) have participated in two or more PPPs

Implementing Partner	# of PPPs	Implementing Partner	# of PPPs
CARE International	19	Aid to Artisans	3
ACDI/VOCA	16	Conservation International	3
Academy for Educational Development (AED)[18]	11	CHF International/Global Communities	3
Chemonics International	11	Education Development Center	3
Development Alternatives Inc. (DAI)	11	FINTRAC	3
Population Services International (PSI)	11	IREX	3
TechnoServe	10	Johns Hopkins University	3
Catholic Relief Services (CRS)	9	Pact	3
Family Health International (FHI)	8	AECOM	2
Save the Children	8	Africare	2
Research Triangle Institute (RTI) International	7	Counterpart International	2
Deloitte	6	Creative Associates	2
Mercy Corps	6	International Fertilizer Development Center (IFDC)	2
World Vision	6	Jhpiego	2
Carana	5	John Snow Inc.	2
International Youth Foundation (IYF)	5	Junior Achievement Worldwide	2
Winrock International	5	Rockefeller Philanthropic Advisors	2
Gerry Roxas Foundation	4	Solimar International	2
Nathan Associates	4	University Research Co. (Foundation)	2
Program for Appropriate Technology in Health (PATH)	4	World Learning	2
Tetra Tech	4		

[18] Note that AED was acquired by FHI in 2011. Adding AED's PPPs to those implemented by the post-merger company, FHI 360, would place this NGO as tied with CARE at the top of this list.

ations of partnerships, and submit reports to USAID and resource partners. The USAID database identifies more than 200 organizations that have served as an implementing partner in one or more PPPs.

Seven organizations have been involved as implementing partners in 10 or more PPPs, and 41 in two or more (Table II-2). These organizations are traditional USAID development partners that regularly implement USAID grants and contracts.

4. Country and region

USAID has undertaken PPPs in 119 countries; 54 of these, shown in Table II-3, have been the locus of 10 or more partnerships. At the top of the list is Colombia with 109 PPPs—7 percent of the total. South Africa has had 94, India 80, the Philippines 76, and Georgia 62.

The obvious question is why these particular USAID missions rank high in numbers of PPPs. As USAID For-

Table II-3. Distribution of USAID PPPs by country

Country	# of PPPs	$ invested (millions)[19]	Country	# of PPPs	$ invested (millions)[19]
Colombia	109	$837.7	Rwanda	24	$75.3
South Africa	94	$300.8	Global	23	$971.7
India	80	$425.7	Russia	23	$77.2
Philippines	76	$335.0	Ukraine	23	$104.2
Georgia	63	$39.3	Egypt	22	$86.3
Kenya	58	$738.7	Jamaica	22	$47.1
Afghanistan	52	$252.8	Jordan	22	$311.5
El Salvador	51	$105.5	Mexico	22	$90.0
Peru	51	$171.3	Democratic Republic of the Congo	21	$49.8
Indonesia	48	$343.1	Pakistan	21	$426.6
Nigeria	48	$240.1	Bolivia	20	$20.3
Ghana	47	$55.5	Panama	19	$15.8
Guatemala	45	$359.3	Bangladesh	18	$81.6
Uganda	38	$81.6	Mali	18	$7.0
Tanzania	37	$197.5	Senegal	18	$40.7
Zambia	33	$135.2	Namibia	16	$9.2
Honduras	31	$17.1	Haiti	15	$45.8
Malawi	31	$82.2	Nepal	15	$38.6
Brazil	29	$40.0	Thailand	15	$6.9
Nicaragua	29	$76.1	Sri Lanka	14	$75.8

[19] Note: Investment figures do not include multi-country PPPs, due to lack of disaggregated data. Multi-country PPPs represent more than 50 percent all investments in PPPs.

Armenia	27	$58.9	Côte d'Ivoire	13	$2.0
Cambodia	27	$65.2	Kazakhstan	13	$8.3
Vietnam	26	$252.1	Bulgaria	10	$9.6
Dominican Republic	25	$61.2	Burkina Faso	10	No data
Ethiopia	25	$40.2	Burma	10	$14.3
Angola	24	$257.6	Madagascar	10	$17.9
Ecuador	24	$54.2	Morocco	10	$8.8
Mozambique	24	$20.0			

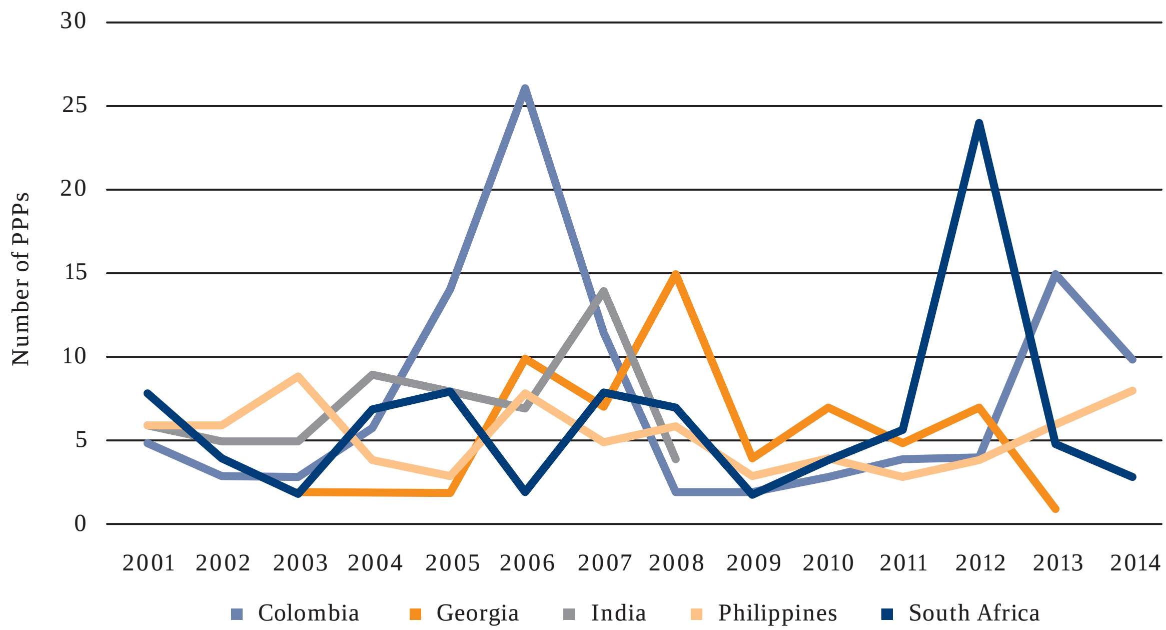
eign Service officers typically shift from one country to another every two to five years, it proved difficult to track down more than a few of those with the relevant knowledge.

The USAID mission in Colombia reports that it has been working with private firms for more than 15 years and that public-private partnerships are embedded across its portfolio. A Mission Order in Columbia established a mandate to promote, create, and incentivize PPPs. The mission established a Private Sector Advisory Board, composed of 16 private sector leaders, that meets four times a year and acts as a sounding board. The mission has held a series of internal forums to advance internal staff awareness on working with the private sector. The mission also has a three-person team focused on private sector relationship management.

India has a designated staff person whose role is to promote and build private sector partnerships. The Philippines mission has no such person designated nor an explicit strategy or policy to engage in PPPs; its partnerships evolved organically in response to the marketplace and local government emphasis on business sector collaboration.

In the case of Georgia, there is no explicit strategy or push from the mission director, but, according to a senior USAID mission officer, mission staff have become business sector-oriented. Local staff took advantage of training programs on reporting and started assiduously tracking business sector partnerships, including those embedded in umbrella programs that are not PPPs themselves. In several new projects, implementers embedded PPPs within the project even though the project solicitation did not require it. So, there is evidence in Georgia that the mission staff and implementers have been attuned to engaging the private sector and seeing PPPs as a means to accomplish project objectives.

Figure II-15. USAID PPPs by start year, top five PPP countries



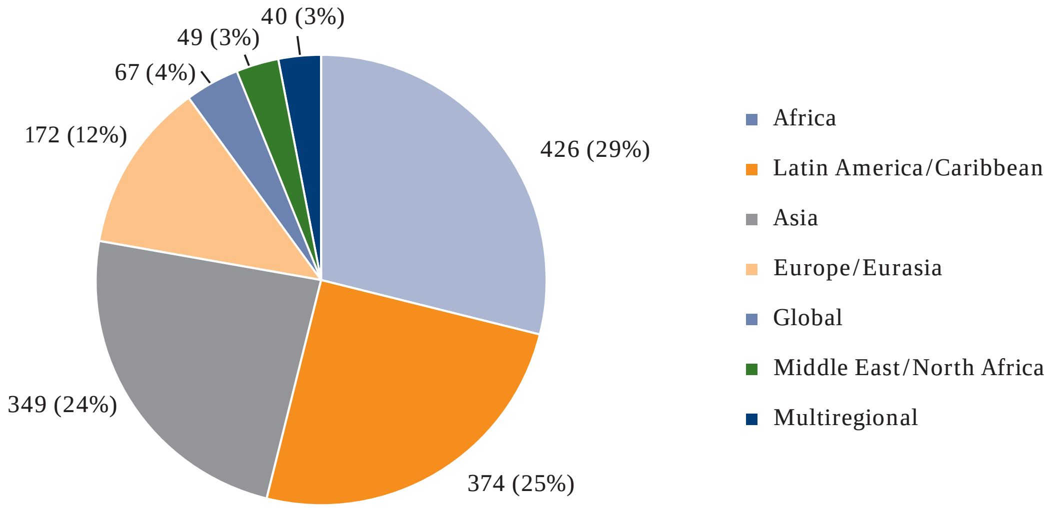
Observing the five top PPP locations over time, as presented in Figure II-15, reveals that the number of PPPs by country follows an erratic course. An analysis instead of PPP investment values across countries (not shown) reveals even more irregular patterns; investment trends appear to be driven by the presence of a few very large PPPs, rather than by consistently high or low levels of investment.

The number of PPPs in Colombia hit a dramatic peak during 2004-2006, and a second smaller peak in 2013. Georgia hit peaks in 2006 and 2008. The other countries experienced steadier, more modest paths, with the exception of South Africa, which exhibits an anomaly of a large peak of 24 PPPs in 2012. Among the top five host countries listed above, only Colombia in the mid-2000s had a volume peak that corresponded with an investment peak.

It is important to note that not all USAID missions conduct or record data on PPPs in the same way. For example, the USAID Colombia mission tends to "projectize" individual partnership initiatives into discrete PPPs. In contrast, the USAID India mission focuses primarily on a limited number of core PPPs and continually adds new partners to these PPPs to enable their "organic" evolution and to build local support that can carry the work forward after USAID's engagement ends.[20]

[20] Anne Johnson and Helen Moser, "Collaboration & Shared Value in the Global Development Alliance: Roles for USAID in Public-Private Partnerships," Georgetown University, master's capstone project, 2015.

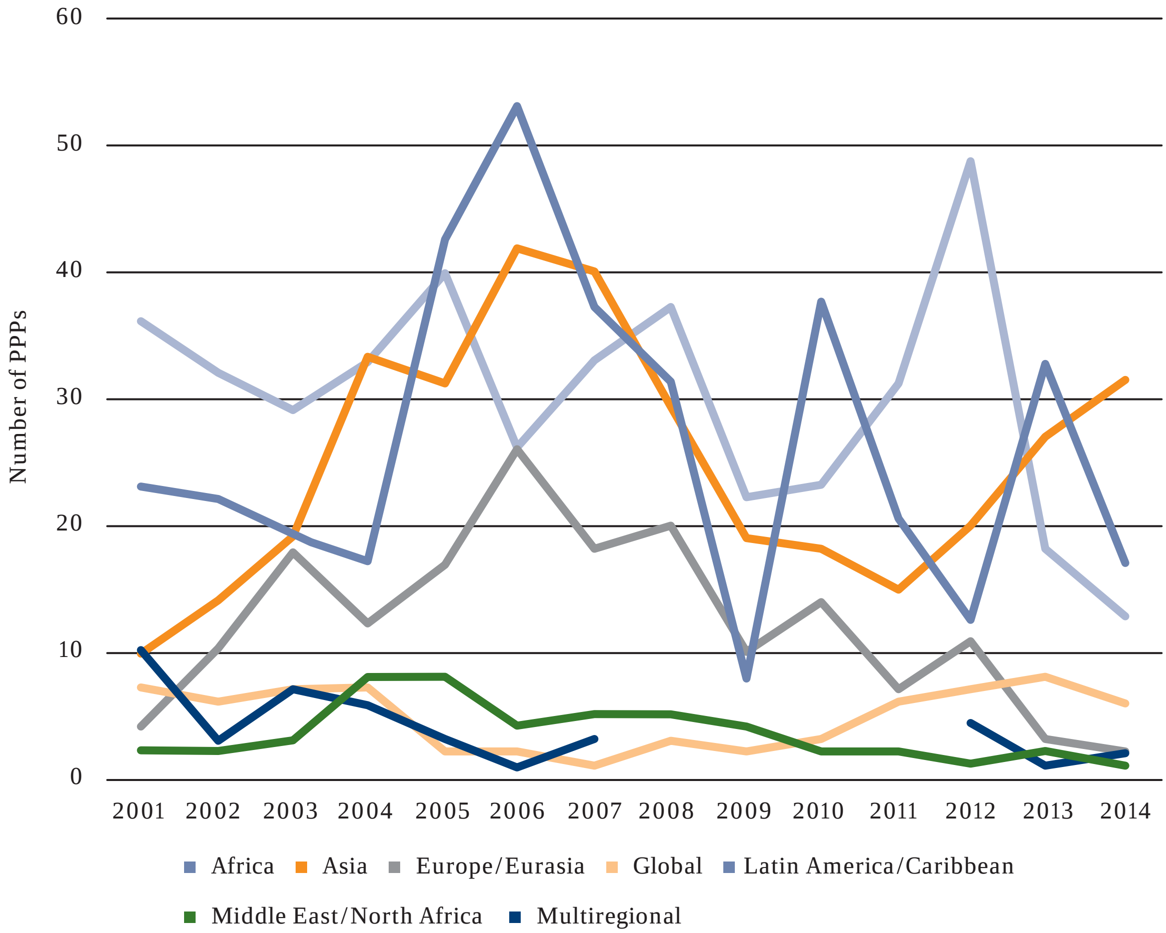
Figure II-16. Number of USAID PPPs by region



Analyzing USAID's PPPs by region reveals that the largest number of PPPs, 426, or almost 30 percent, are in Africa (Figure II-16).[21] Latin America and the Caribbean is in second place with 374. Asia has hosted 349 partnerships. The Middle East has hosted the fewest, with 49 PPPs. Sixty-seven projects are listed as Global and 40 as Multiregional.

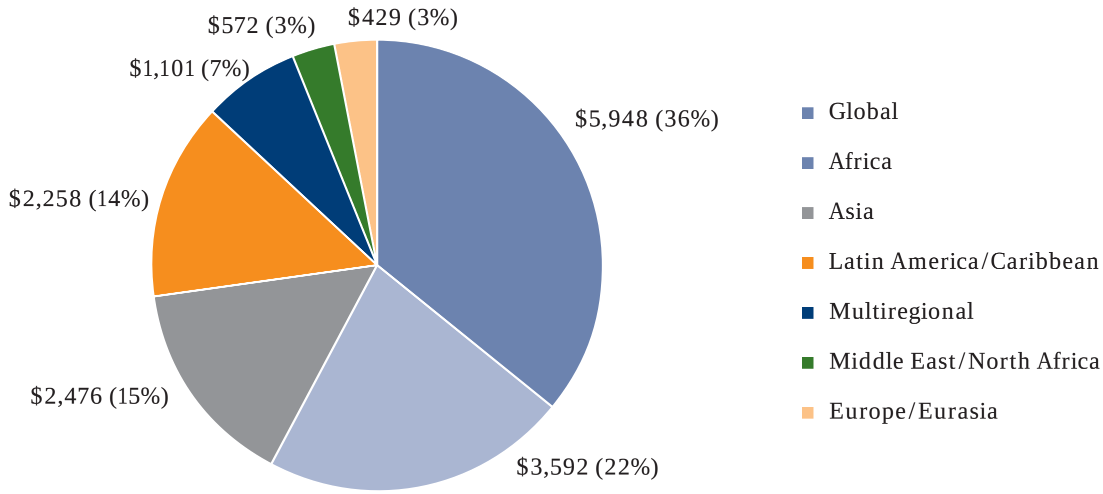
[21] Most of the PPPs in USAID's data set support a single region, but some are identified as supporting multiple regions. When each region is tallied separately, including each region associated with Multiregional PPPs, the top regions remain Africa (461), Latin America/Caribbean (396), and Asia (385).

Figure II-17. Annual USAID PPPs launched by region



Tracking this regional data over time (Figure II-17) reveals certain patterns. The number of PPPs in Europe/Eurasia has been on a gradual decline since 2006, which parallels the decline in overall U.S. assistance funding for the region. Asia has experienced a revival in PPPs since 2011, following a decline that began in 2007. The number of PPPs originating in Africa and Latin America has been erratic over the years. The Middle East/North Africa, Global, and Multiregional PPPs have all followed a consistently low level of PPP launches each year.

Figure II-18. Investment value of USAID PPPs by region (millions, USD)



The picture is quite different when looked at from the value of PPPs in each region (Figure II-18), rather than the number of PPPs. The nearly 30 percent of PPPs that are focused on Africa have a total investment value of $3.6 billion, or 22 percent of the value of all PPPs. In contrast, Global PPPs, which account for less than 5 percent of all PPPs, represent 36 percent of the value of all PPPs. This is not surprising given that many health issues are global in nature, health is the sector with the highest level of USAID funding, and a higher portion of that funding is managed by the central bureau (Bureau for Global Health) than for any other sector.

The 24 percent of PPPs located in Asia represent only 15 percent of total value. The 12 percent of total PPPs in Europe and Eurasia represent 3 percent of total PPP value.

Table II-4 provides the data presented in Figures II-16 and II-18 as well as information on leverage and sector frequency per region.

Table II-4. Distribution of projects by region

Region	Total lifetime investment (millions, USD)	Share of total investment (%)	# of PPPs	Share of total projects (%)	Average leverage	Most frequent sector in region	% of PPPs in top sector
Global	$5,948	36.32%	67	4.54%	7.68	EGTE[22]	48%
Africa	$3,592	21.94%	426	28.84%	3.39	Health	38%
Asia	$2,476	15.12%	349	23.63%	3.17	EGTE	29%
Latin America/ Caribbean	$2,258	13.79%	374	25.32%	2.52	EGTE	31%
Multiregional	$1,101	6.72%	40	2.71%	4.57	Health	40%
Middle East/ North Africa	$572	3.49%	49	3.32%	2.37	Education	29%
Europe/Eurasia	$429	2.62%	172	11.65%	4.56	EGTE	41%

[22] Economic Growth, Trade, and Entrepreneurship.

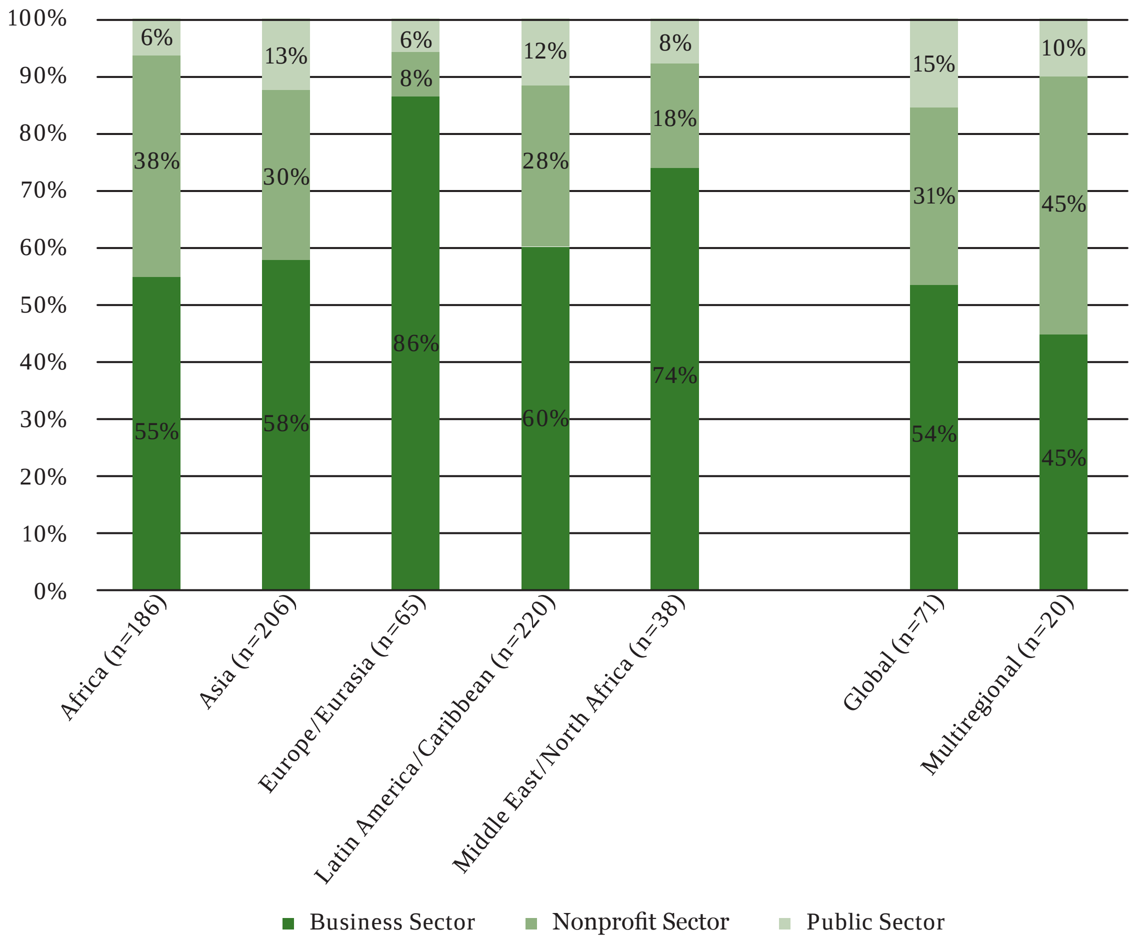
For PPPs that are global, the USAID leverage ratio is very large, at 1:7.68, or $7.68 in partner investment for every dollar of USAID investment. Almost half of the partnerships are in the Economic Growth, Trade, and Entrepreneurship sector.

Multiregional and Europe/Eurasia have the next highest leverage ratio, at just over 4.5 partner dollars for every USG dollar invested. Health dominates Multiregional PPPs, and Economic Growth, Trade, and Entrepreneurship dominates PPPs in Europe/Eurasia.

Overall, Economic Growth, Trade, and Entrepreneurship is the most prevalent sector in four regions, Health in two regions, and Education in one region.

Figure II-19 displays the concentration of business sector, nonprofit, and public sector resource partners across the seven regions of USAID activity in the FY 2014 data set. Business sector partners[23] represent the highest proportion of resource partners in PPPs in Europe/Eurasia and Middle East/North Africa, for which they comprise 86 percent and 74 percent of resource

Figure II-19. FY14 distribution of resource partners by region

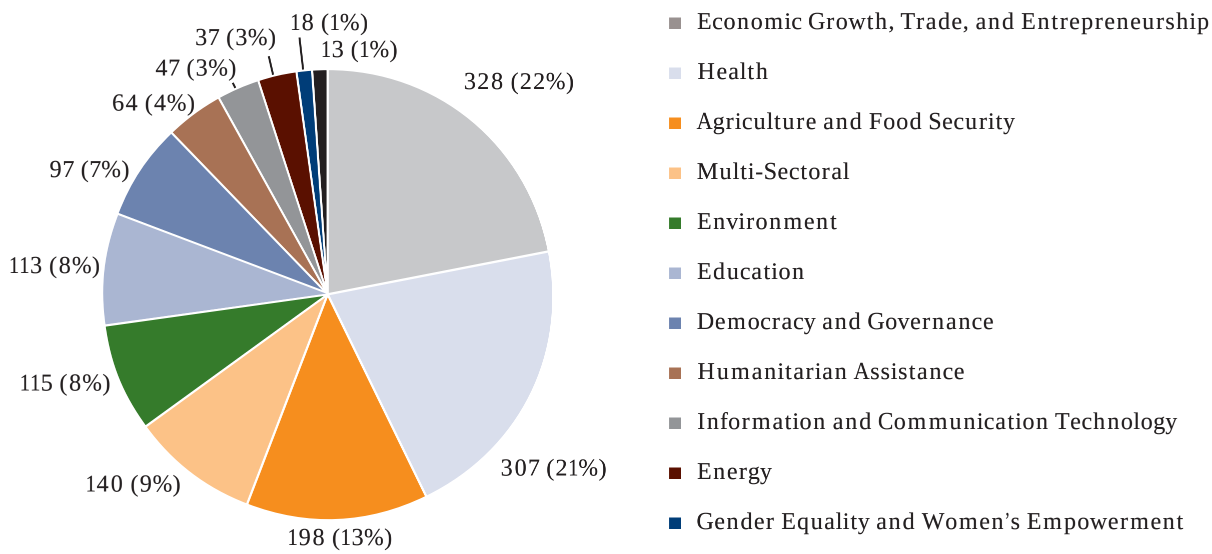


[23] Note that this figure captures all individual resource partner links within a PPP, as each individual resource partner on a given PPP is counted separately. For example, a business sector partner on an Asia PPP is counted once in this graph, and if that PPP also included a public sector partner, that partner is also counted once.

partners, respectively. Global and Multiregional PPPs, by contrast, have much lower concentrations of business sector partners, at 54 percent and 45 percent, respectively; they have higher proportions of nonprofit partners, at 31 percent and 45 percent. In Africa, too, a comparably high 38 percent of partners are from the nonprofit sector. Public sector partners represent 6-15 percent of all partners across regions.

5. Sector

Figure II-20. Number of USAID PPPs by sector: More PPPs focus on Economic Growth, Trade and Entrepreneurship



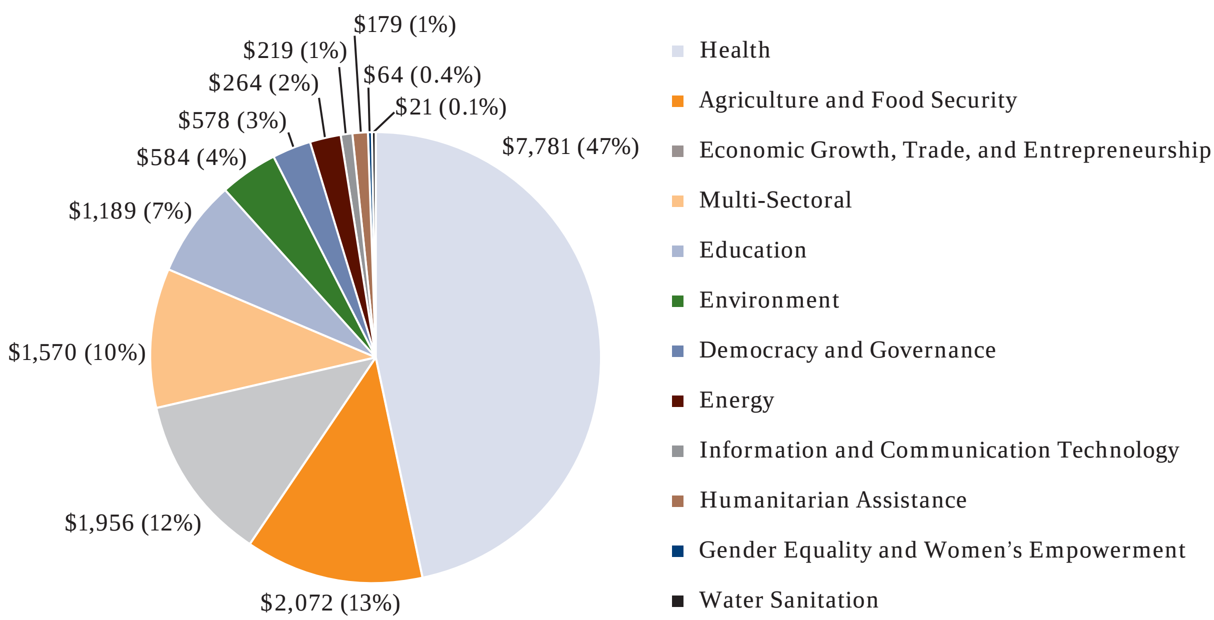
Analyzing the distribution of PPPs across USAID's sectoral categories in Figure II-20 produces a breakdown that places Economic Growth, Trade, and Entrepreneurship in the lead with 328 PPPs, followed by Health (307 PPPs) and Agriculture and Food Security (198 PPPs).[24] Given that agriculture is a significant contributor to the economies of many developing country economies, agriculture-focused projects could logically be categorized along with Economic Growth, Trade, and Entrepreneurship; doing so would place this combined category of economic growth-oriented PPPs even more firmly at the lead among USAID's sectors.

[24] Most of the PPPs in USAID's data set support a single sector, but approximately 10 percent are identified as supporting multiple sectors. When each sector is tallied separately, including each sector associated with Multiregional PPPs, the top sectors remain Economic Growth, Trade, and Entrepreneurship (404 PPPs), Health (347 PPPs), and Agriculture and Food Security (237).

Health represents 21 percent of the number of PPPs but 47 percent of the total value of all PPPs (Figure II-21). More than half of those PPPs are in Africa. This parallels the overall allocation of USAID's budget resources. Health is the largest single sector in the USAID-managed budget and accounts for 60 percent of USAID spending in Africa.

Economic Growth, Trade, and Entrepreneurship represents 22 percent of PPPs (the largest percentage of which are in Latin America and the Caribbean, at 30 percent) but receives only 12 percent of the total value of PPPs. Agriculture and Food Security accounts for approximately 13 percent of both PPPs and PPP value, with 46 percent of agriculture-focused PPPs located in Africa.

Figure II-21. Investment value of USAID PPPs by sector (millions, USD): Health is almost half of the total value



Note: Totals may vary slightly from 100% due to rounding.

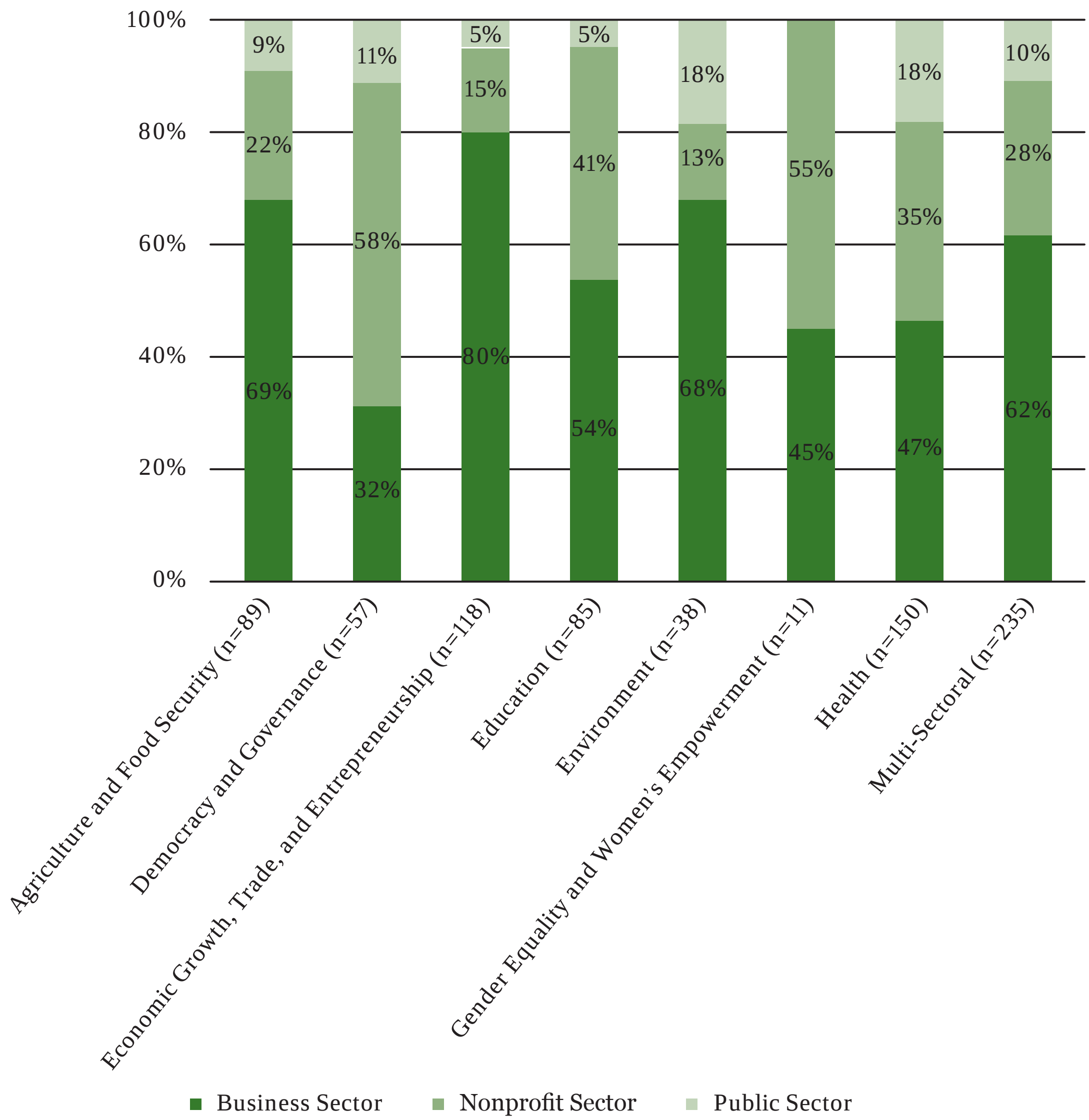
Table II-5. Distribution of projects by sector

Sector	Total lifetime investment (millions, USD)	Share of total investment (%)	# of PPPs	Share of total projects (%)	Average leverage	Most frequent region	% of PPPs in top region
Health	$7,781	47.2%	307	20.8%	4.38	Africa	52%
Agriculture and Food Security	$2,072	12.6%	198	13.4%	3.20	Africa	46%
Economic Growth, Trade, and Entrepreneurship	$1,955	11.9%	328	22.2%	3.55	Latin America/ Caribbean	31%
Multi-Sectoral	$1,570	9.5%	140	9.5%	2.41	Africa	31%
Education	$1,189	7.2%	113	7.7%	4.03	Asia	35%
Environment	$584	3.5%	115	7.8%	3.12	Latin America/ Caribbean	39%
Democracy and Governance	$577	3.5%	97	6.6%	3.86	Latin America/ Caribbean	37%
Energy	$263	1.6%	37	7.8%	1.95	Latin America/ Caribbean	57%
Information and Communication Technology	$218	1.3%	47	3.2%	2.59	Asia	40%
Humanitarian Assistance	$179	1.1%	64	4.3%	2.58	Latin America/ Caribbean	78%
Gender Equality and Women's Empowerment	$63	0.4%	1	1.2%	1.93	Africa	61%
Water Sanitation	$21	0.1%	13	0.9%	1.98	Africa/ Asia	39%
Democracy and Governance	$577	3.5%	97	6.6%	3.86	Latin America/ Caribbean	31%

Table II-5 includes the data presented in Figures II-20 and II-21 as well as information on leverage, and identifies which region is most prevalent for each sector.

Along with being the dominant sector for funding, Health has the highest leverage ratio at 1:4.38. Also high on leverage, in rank order, are Education; Democracy and Governance; Economic Growth, Trade, and Entrepreneurship; and Agriculture and Food Security. Gender Equality and Women's Empowerment, Energy, and Water Sanitation have the lowest leverage ratios, just under 1:2 each.

Figure II-22. FY14 distribution of resource partners by sector[25]



Note: Totals may vary slightly from 100% due to rounding.

[25] This figure captures all individual resource partner links within a PPP, as each individual resource partner on a given PPP is counted separately. For example, a business sector partner on an Education PPP is counted once in this graph. If that PPP also includes a public sector partner, that partner is also counted once separately.

Figure II-22 shows the concentration of business sector, nonprofit, and public sector resource partners across eight of the sectoral categories most prevalent in USAID's FY 2014 data set.[26] Business sector partners represent the highest proportion of resource partners in PPPs focused on Economic Growth, Trade, and Entrepreneurship, for which they comprise 80 percent of all resource partners, followed by Agriculture and Food Security (69 percent) and Environment (68 percent). Nonprofit sector partners are most highly represented in Democracy and Governance PPPs, where they make up 58 percent of all partners, and in Gender Equality and Women's Empowerment (55 percent). Across the board, public sector partners represent a minority of PPP partners in all sectors in FY 2014, with the highest proportion reaching 18 percent in Environment and Health PPPs.

6. Country income

Table II-6. Distribution by country income

Country income level	# countries served	# of PPPs	Total value (millions, USD)	Average value (millions, USD)
Low-income	21	229	$1,101	$5.1
Lower-middle-income	37	565	$4,209	$8.0
Upper-middle-income	30	431	$2,318	$5.7
High-income	4	21	$80	$4.0
Other	130	235	$8,779	$38.8

Note: Due to incomplete data regarding PPP total value, total value divided by the number of PPPs does not equal the average value presented here. The figures here represent only those PPPs for which total PPP investment value is provided (94 percent of all PPPs in the data set).

The breakdown in Table II-6 illustrates the locus and value of PPPs by country income level, using World Bank classifications.[27]

Lower-middle-income countries are the locus of the highest number of PPPs and they have the highest average value per PPP, at $8 million. PPPs in upper-middle-income countries have an average value of $5.7 million. PPPs in low-income countries have the lowest average value at just above $5 million per PPP. The high-income country category should be discounted as it represents only 21 projects in four countries with a total value of $80 million and therefore cannot be considered representative of USAID PPP trends.

The World Bank country income categories are somewhat arbitrary, and many lower-middle-income countries contain large pockets of poverty but also islands

[26] Information and Communication Technology, Water Sanitation, and Energy are excluded from this figure, as fewer than 10 resource partners were active in each of these sectors in FY 2014 and therefore do not provide enough information as to be representative.

[27] This table uses World Bank country income categories: low-income: $1,035 or less; lower-middle-income: $1,036 to $4,085; upper-middle-income: $4,086 to $12,615; high-income: $12,616 or more.

of economic activity more characteristic of developed countries. Therefore, depending on how one views the category of lower-middle-income countries in relation to the categories above and below it, one could determine that a majority of USAID PPPs are in poor developing countries, or that a majority are in better-off developing countries.

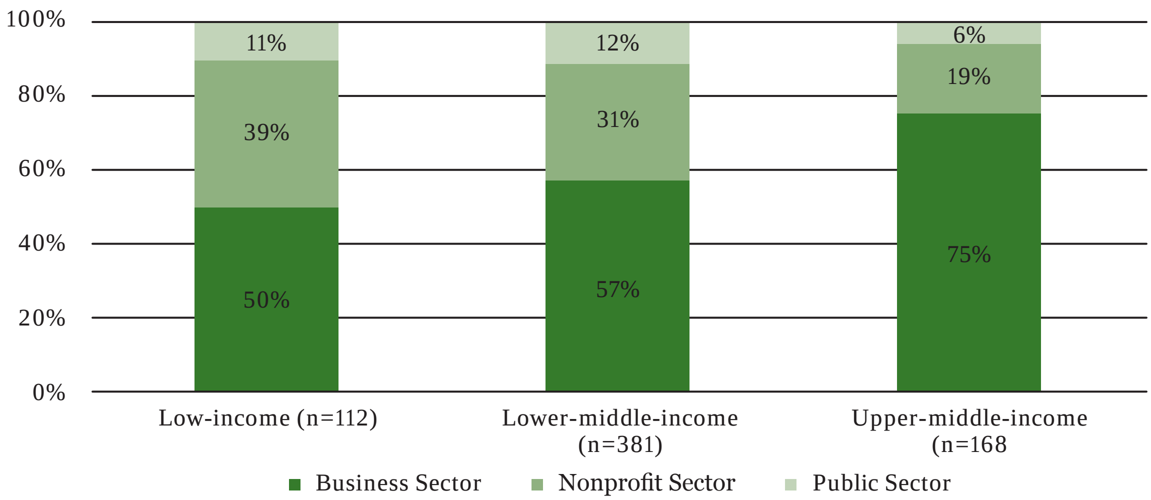
Projects that are multi-country, global, or for which no country is listed are excluded from these classifications and combined under the category "Other." This is a significant void, for while these PPPs represent only about 15 percent of the number of PPPs, they account for half of the total investment value. A further caveat on this presentation is that the World Bank classification used here is the most recent (2013), and as most of the partnerships were commenced during the prior decade, some countries have transitioned to a higher income category. As such, these data present a limited picture because the country income categories represent only half the value of PPPs and may not reflect a country's income status when a particular PPP was initiated.

Table II-7 presents data on PPPs that are global or multiregional ("Other" in Table II-6). The sector distribution is dominated by Health, followed closely by Economic Growth, Trade, and Entrepreneurship.

Table II-7. Sector distribution in global and multiregional PPPs (shown as "Other" in Table II-6)

Sector	# of PPPs	Share of Projects (%)
Health	57	24.57%
Economic Growth, Trade, and Entrepreneurship	50	21.55%
Agriculture and Food Security	38	16.38%
Multi-Sectoral	32	13.79%
Education	14	6.03%
Environment	14	6.03%
Democracy and Governance	12	5.17%
High-Information and Communication Technology	8	3.45%
Energy	3	1.29%
Gender Equality and Women's Empowerment	3	1.29%
Humanitarian Assistance	1	0.43%

Figure II-23. FY14 distribution of resource partners by PPP host country income



Analyzing the concentration of FY 2014 resource partners from the business sector, nonprofit sector, and public sector by income levels of the PPP host country reveals that the participation of business sector partners rises as PPP host country income levels rise. Accordingly, the proportion of nonprofit sector and public-sector resource partners is lower among PPPs in upper-middle-income countries than in low-income countries.

Table II-8 lists the 50 most fragile states, as identified by the World Bank and the Fund for Peace, and the number of USAID PPPs in each country. Fragile states are typically perceived as not having business-friendly environments and as not being adept in attracting foreign investment other than in resource extraction. As such, it is surprising that many fragile states are frequent venues for USAID PPPs: 38 of these countries host at least one PPP, and 19 have 10 or more. Of the 12 countries in which there are no PPPs, USAID does not have operations in nine of them. Thus, USAID has PPPs in almost all of the 41 fragile states in which it has an aid program, and has 10 or more PPPs in almost half of these countries.

Table II-8. PPPs in World Bank/Fund for Peace 2015 list of fragile states

Country	# of USAID PPPs	Country	# of USAID PPPs
Afghanistan	52	Madagascar	10
Bangladesh	18	Malaw	31
Bosnia and Herzegovina	8	Mali	18
Burma	10	Marshall Islands	0
Burundi	4	Mauritania	0
Cameroon	7	Micronesia	0
Central African Republic	1	Nepal	15
Chad	1	Niger	5
Comoros	0	Nigeria	48
Congo, Rep.	0	Pakistan	21
Côte d'Ivoire	13	Rwanda	24
Democratic Republic of the Congo	21	Sierra Leone	1
Egypt	22	Solomon Islands	0
Eritrea	0	Somalia	1
Ethiopia	25	South Sudan	1
Guinea	7	Sri Lanka	14
Guinea-Bissau	1	Sudan	1
Haiti	15	Syrian Arab Republic	0
Iraq	3	Timor-Leste	5
Kenya	58	Togo	3
Kiribati	0	Tuvalu	0
Korea, Dem. Rep.	0	Uganda	39
Kosovo	5	West Bank & Gaza[28]	11
Liberia	5	Yemen	3
Libya	0	Zimbabwe	5

[28] USAID's PPP data set separates West Bank & Gaza into two entities, West Bank (3 PPPs) and Palestinian Territories (8 PPPs).

7. Leverage ratio

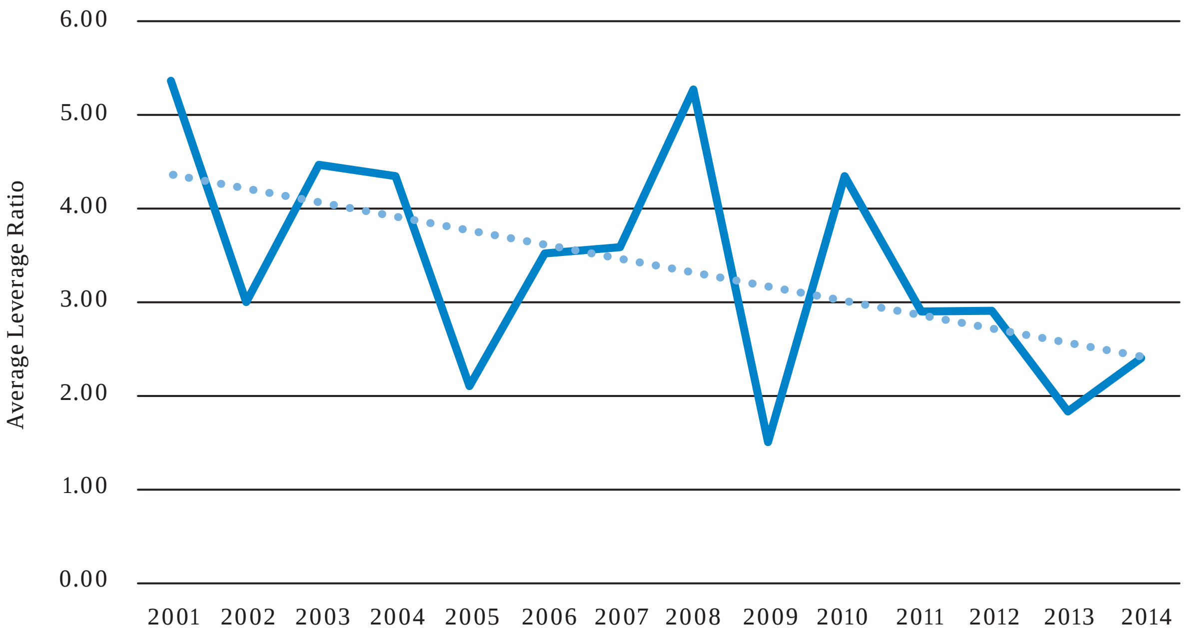
USAID places emphasis on the private sector resources leveraged by its investment in PPPs, with a leverage ratio of at least 1:1 required for a GDA but no specific leverage requirement for the broader category of PPPs. As such, it is worth looking at PPP leverage ratios in general, as well as a breakdown of leverage ratios by start year, country income level, and sector.[29]

The U.S. government's investment of $4.708 billion in 1,481 PPPs from 2001 to 2014, to which non-AID entities contributed a total of $11.531 billion, produces an overall leverage ratio of 1:2.45, or $2.45 non-USG dollars invested for every USG dollar.

However, in 2013 and 2014, the overall ratio is just barely above 1:1. If there is a trend, it is toward a lower ratio. The ratio for the first six years was 1:3.6 (excluding the Drug Donations for Neglected Tropical Diseases PPP, in which non-USG partners contributed $3.88 billion, the ratio is 1:2.41). For the following eight years, 2007-2014, the ratio is 1:1.36.

However, the average leverage, a measure distinct from overall leverage,[30] is 1:3.44 across all PPPs for which USAID has data. Figure II-24 shows an erratic yet gradual pattern of decline over the years of the average PPP leverage ratio, from a high of more than 1:5 in the first year, 2001, another peak in 2008, a stark drop in 2009, and then a gradual decline since 2010.

Figure II-24. Average leverage ratio of PPPs by start year



[29] See Table II-4 for leverage ratio data by region.

[30] Overall leverage is computed by comparing the totals of all USG investments and all non-USG investments to one another. Average leverage is calculated by computing the leverage for each individual PPP, and then averaging those leverage figures for a given year, sector, or other subset of PPPs. The former method is useful for comparing total contributions; the latter method reduces the impact of outliers and is therefore used in the graphs that follow.

Figure II-25 shows there is no substantial difference in the average leverage ratio by country income level. The average leverage ratio for lower-middle-income and upper-middle-income countries is nearly the same, in the range of 1:3. The ratio for low-income countries is slightly lower at about 1:2.7.

The high-income (non-Organization for Economic Co-operation and Development) average leverage ratio is not meaningful, as it represents only 21 projects in four countries valued at $80 million out of a portfolio of $14.268 billion.

Figure II-25. Average leverage ratio of PPPs by host country income

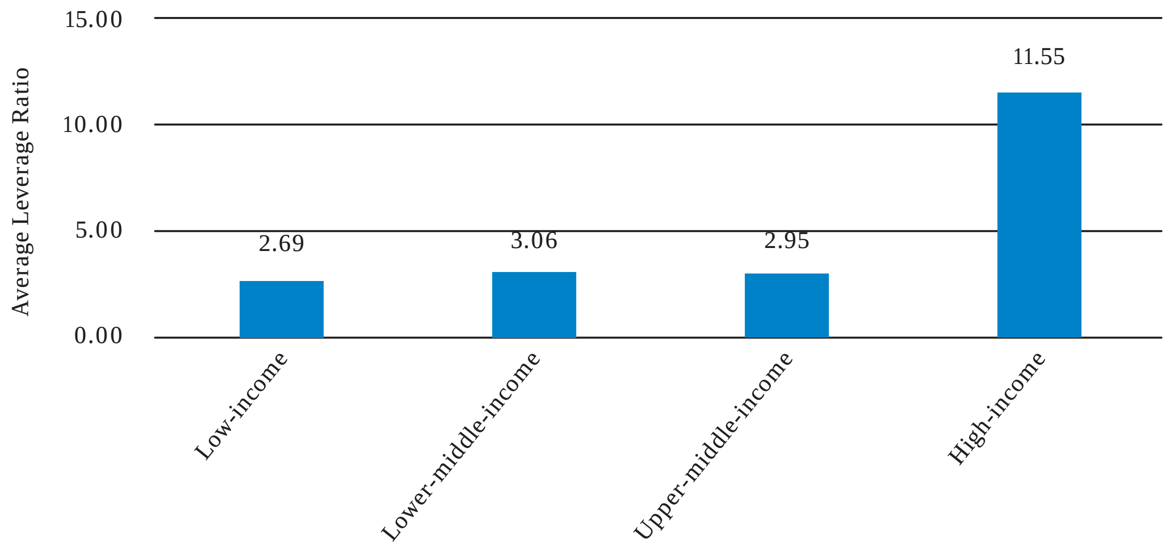
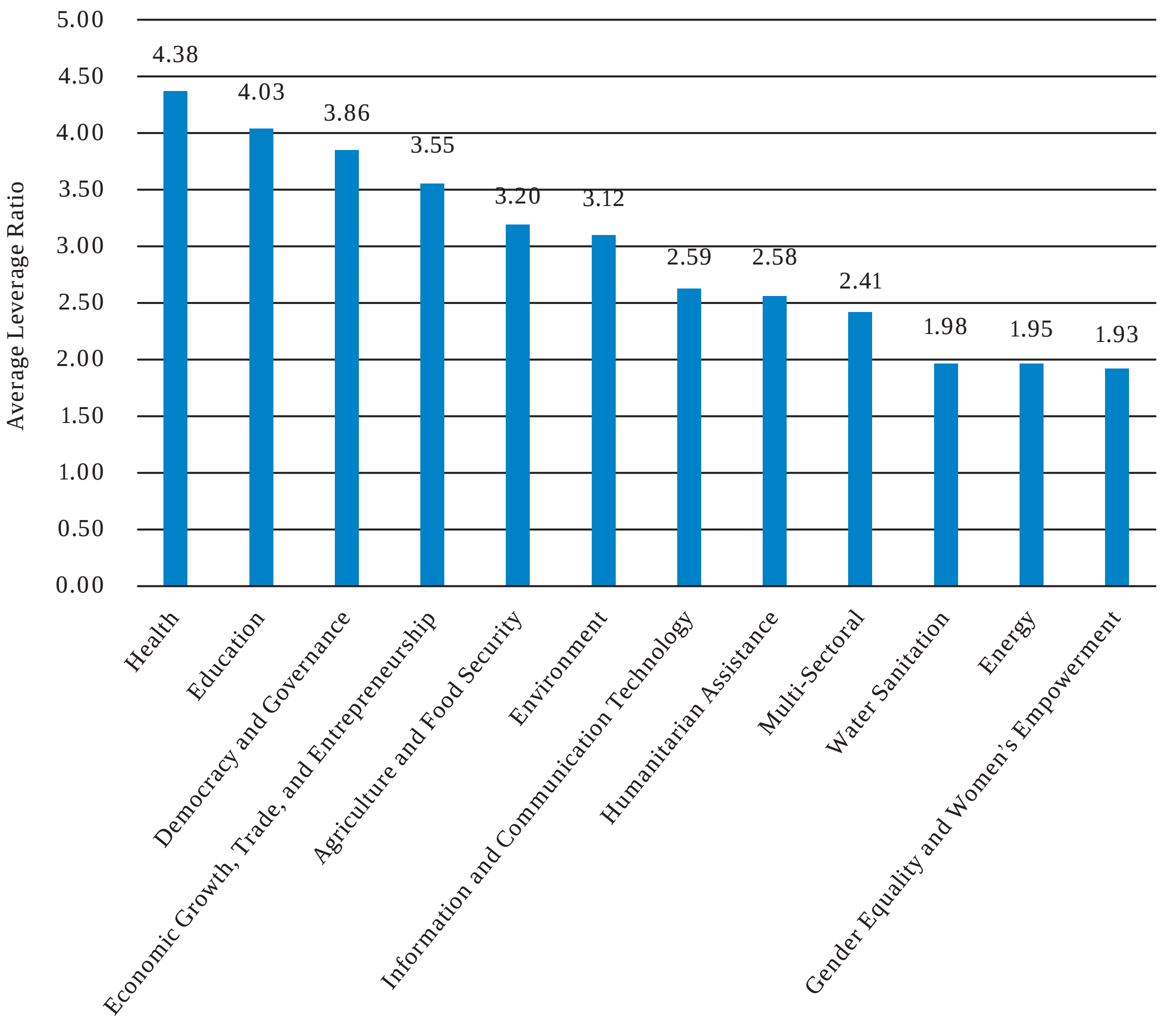


Figure II-26 shows a distinct difference in average leverage ratio by sector, with Health, Education, and Democracy & Governance at the top, and Water Sanitation, Energy, and Gender Equality and Women's Empowerment at the low end of the range.

Figure II-26. Average leverage ratio of PPPs by sector



SECTION III: BUSINESS PRESENCE AND SHARED VALUE IN PPPS

1. Shared value and coding methodology

As noted, a catalyst for this research is the emphasis that USAID places on business entities as partners in its PPPs and the growing attention to shared value. The authors determined that certain data in the USAID PPP data set could be analyzed to illustrate trends on these topics.

In approaching this research, our intention was to identify those PPPs that represent shared value and those that are purely philanthropic in nature. Several points quickly became clear. There is no common use of the term "shared value," or of corporate social responsibility (CSR). There is considerable overlap in the understanding of these two terms, their use is not discrete, and most initiatives fall somewhere on a continuum from philanthropy to CSR to shared value.

We start from the concept of shared value as set forth by Michael Porter and Mark Kramer, who in 2011 defined "shared value" as:

> *Policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.*[31]

CSR is a more established term that grew out of the business community's philanthropically oriented efforts to engage in social issues beginning in the 1950s. Given this legacy, CSR activities are often viewed as philanthropic, or as benefiting a business principally through contributing to its reputation and community relations. However, as the business community increased its engagement in social and community issues in the latter half of the 20th century, acknowledgment of the reciprocal impact of core business decisions and social issues grew, and CSR programs have become increasingly tied to internal business strategy. It is within this environment that the term "shared value" arose.

Today, the terms CSR and shared value are often used by different corporate executives to describe similar approaches. In some corporations there is little operational distinction among business units, CSR units, and the corporate foundation—they collaborate closely and co-fund initiatives—while in other corporations there is a sharp division.

We were also interested in the degree to which a corporation brings strategic assets and expertise to a PPP. The contribution of corporate and technical knowledge and resources to a partnership is an indication of the degree of corporate commitment and engagement and is a possible indicator of shared value.

The PPPs in USAID's data set were analyzed and coded according to the *types of resource partners* engaged in each PPP, alignment with business partners' *commercial interest*, and linkages to business sector partners' *expertise*, as summarized in Table III-1. The table explains how the terms are used and provides examples of types of PPPs that represent each coding category (see also Appendix A).

This coding exercise was completed by three coders who analyzed each PPP independently; their judgments were then collated and reconciled. The full coding methodology is presented in Appendix A. The data derived from this coding are presented in the following tables and figures.

[31] Michael Porter and Mark Kramer, "Creative Shared Value," *Harvard Business Review*, January-February 2011.

Table III-1. Coding indicators

Indicator	Population under analysis	Coding process	Examples
Indicator 1: We coded each PPP to identify whether one or more business sector entities engaged in the partnership. *Business sector entities* include for-profit companies as well as "other private organizations" that represent the business sector, such as business associations and corporate foundations (see Appendix B).	All PPPs	We reviewed each PPP's resource partners to determine the presence of business sector entities. Coders also reviewed PPP descriptions and implementing partners in case of incomplete resource partner data.	**PPP that includes business sector partners:** The Advanced Maize Seed Adoption Program, with DuPont and the Ethiopian Ministry of Agriculture **PPP with no business sector partners:** The Health Leadership and Governance Program, with the Zuellig Family Foundation
Indicator 2: We analyzed and coded each PPP description for *commercial interests*, our proxy for shared value.[32] Specifically, PPPs were coded for evidence of (a) direct *commercial benefit* to the business partners through the PPP, such as increased demand for its products or improved productivity of actors in its supply chain; (b) indirect *strategic benefit* to the business partners and/or broader business environment such as capacity building in the economy at large, meeting industry compliance standards, or off-setting negative externalities; or (c) a primarily philanthropic approach such as donations or community relations.[33]	PPPs with at least one business sector partner	USAID does not provide indicators on business partner intent or partners' realized benefit from PPPs. We surmised that alignment between PPP goals and companies' profit-making goals provides a proxy measure for shared value. This analysis is based solely on the information presented in the data set, principally the PPP descriptions, as the research team was not privy to the detailed considerations by PPP partners regarding possible and perceived benefits.	**Commercial benefit PPP:** The Jordan Tourism Development Project, with numerous Jordanian tourism companies **Strategic benefit PPP:** The Strengthening Water and Sanitation in Urban Settings partnership, with Coca-Cola and TERI University **Philanthropic PPP:** The El Salvador Adopt-a-School Partnership, with Agrisal, ADOC, and AEROMAN, Kimberly-Clark, and FEPADE

[32] The term "commercial interest" is used here because of the varied definitions of the term "shared value."

[33] In practice, the degree of commercial interest across PPPs is best represented by a spectrum; in this analysis, the data were coded into three discrete categories for the sake of simplicity.

Indicator 3: We further coded each PPP according to whether the PPP was linked to business sector *partner expertise* or other corporate assets such as corporate staff time, the company's technologies, or use of its products.	PPPs with at least one business sector partner	USAID does not include indicators on partner expertise contributions to PPPs.[34] We hypothesized that if the subject matter of a PPP illustrated in the PPP description was related to the technical competence of the corporation, then some degree of corporate and technical knowledge sharing could be assumed. This likely overestimates this engagement for some corporations, but also underestimates it for those with no technical or market overlap, but for which the corporation provides management and organizational expertise.	**PPP linked to business partner expertise:** The Sustainable Sourcing Partnership Project, with Fair Trade USA and Green Mountain Coffee **PPP not linked to business partner expertise:** Partnership for Child Health, with ExxonMobil

We present the findings from this coding exercise with a caveat and encourage the reader to treat the data as relative and indicative of the nature of USAID PPPs and their partners rather than as hard statistics. The descriptions of the PPPs in the data set are brief and often incomplete, and in some cases it is not clear whether a resource partner is a business sector entity, especially in light of entities that blend social and profit-making objectives. Therefore, the coders occasionally had to use judgment to determine the existence of a business sector partner and whether a PPP links to commercial benefit and corporate technical expertise. Given that many alliances may include commercial interests that are not apparent in the short descriptions, coders erred on the side of assuming the existence of commercial interest and partner collaboration rather than not.

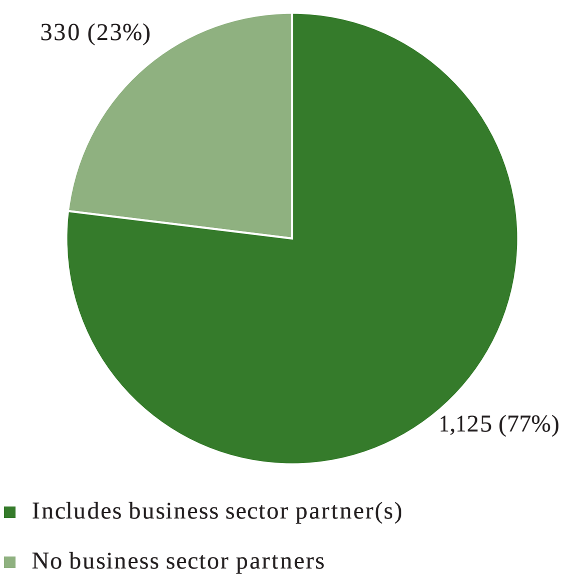
[34] Given resource limitations, the researchers were not able to investigate beyond the descriptions in the PPP data set to analyze the participation of each partner in each PPP.

2. Indicator 1: Business-sector partner participation in USAID PPPs

Figure III-1 reveals that 77 percent of all PPPs engage one or more business partners. That means that just under one-quarter of PPPs have no commercial partner—the resources partners are solely nonprofit or governmental entities. This picture matches USAID's definition of the "private sector" for PPPs, which includes not only business-associated entities, but also private grant-making foundations or philanthropic entities and individuals.[35]

Given that the focus of this research is on business and shared value as described above, the figures presented in this section cover only those institutions that represent business interests (businesses, financial institutions, and other institutions such as corporate foundations and industry associations; see Appendix B for details), and exclude detail data on philanthropic entities and NGOs. Since USAID promotes the PPPs primarily as one of its key tools for engaging business interests, it is notable that almost one-quarter of alliances do not involve any partners that represent business interests. An example of this kind of PPP within the USAID data set is the "Siraj—Middle East/North Africa Youth Leadership Development Alliance" in Egypt, Jordan, Lebanon, Palestinian Territories, and Yemen. This PPP delivered youth leadership training and networking services, and its sole resource partner was the Ford Foundation.

Figure III-1. Proportion of PPPs that includes business sector partner(s)



[35] USAID's definition of a PPP varies across documents. We use the definition in the background note that accompanies the PPP data set (https://www.usaid.gov/data/dataset/83ace88b-c6a3-4520-990f-439ffc74e08f). We also used as guidance the greater detail provided in the FY 2014 and FY 2015 Global Development Alliance (GDA) Annual Program Statement (https://www.usaid.gov/sites/default/files/documents/1880/2014_GDA_APS.pdf).

Figure III-2. Proportion of PPPs that includes business partner(s) by year

Figure III-2 reveals that over the time period documented, 2001-2014, there is a modest increase in the proportion of PPPs with at least one business partner. The year 2013 was notable with 85 percent of PPPs having at least one business partner, but that share declined to 77 percent in 2014.

As to value of the investment, while 77 percent of partnerships contained a business partner, the data in Figure III-3 show that those PPPs with a business partner account for almost 90 percent, or $14.4 billion, of the total value of all 1,481 PPPs ($16.5 billion).

Figure III-3. Presence of business sector partner(s) by investment value (billions, USD)

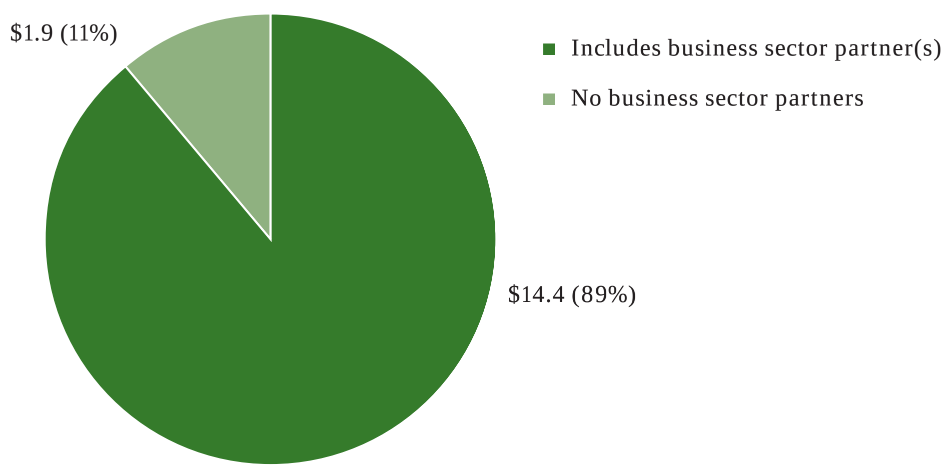
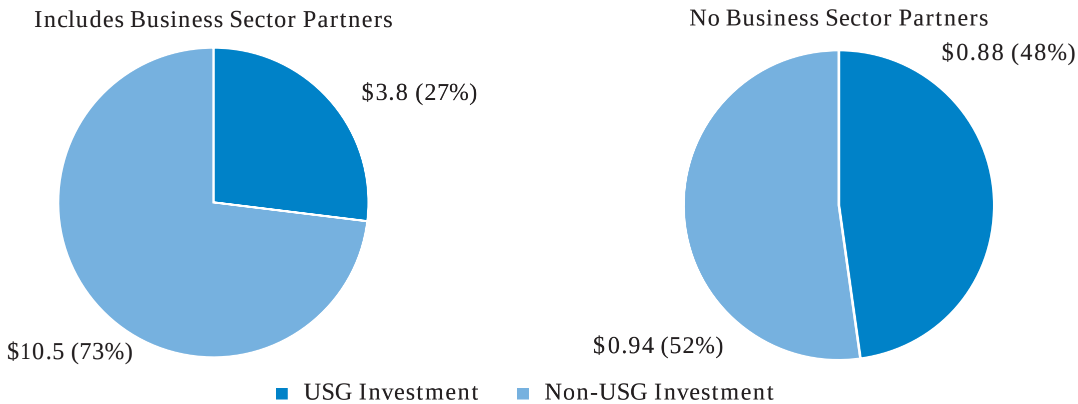


Figure III-4 illustrates that in those PPPs with a business partner, 73 percent of the investment (a total of $10. 5 billion) comes from non-USG sources and 27 percent ($3.8 billion) is contributed by the U.S. government. But when there is no business partner in the PPP, the investment drops to a nearly even split between USAID (48 percent) and the other partners (52 percent).

As illustrated in the more detailed data set for FY 2014 (not shown), non-USG resource partners contribute an average of 55 percent of the lifetime value of PPPs active in 2014. Further disaggregating non-USG contributions, private sector partners contribute an average of 46 percent of the total lifetime value of PPPs, and other partners—such as NGOs and foundations—contribute the remaining 9 percent of total value.

Figure III-4. Presence of business sector partner(s) by USG and non-USG investment (billions, USD)



3. Indicator 2: PPP link to corporate interest

The information presented in the description of each PPP in the data set provides information that can be used to make a judgment as to whether a PPP aligns with the commercial interests of the business partners. As stated above, this is the closest the data come to indicating whether the PPP represents a shared value approach.

The data in Figure III-5 indicate a robust presence of commercial benefit in PPPs that involve at least one business sector partner. Of the 77 percent of all PPPs that have business entities as partners (shown in Figure III-1), just over half are linked to the commercial benefit of those partners. Over time this link follows an erratic path, shown in Figure III-6, veering from a high of 66 percent in 2002 to a low of 43 percent three years later.

Figure III-5. Proportion of PPPs connected to business partner commercial interests: 83%

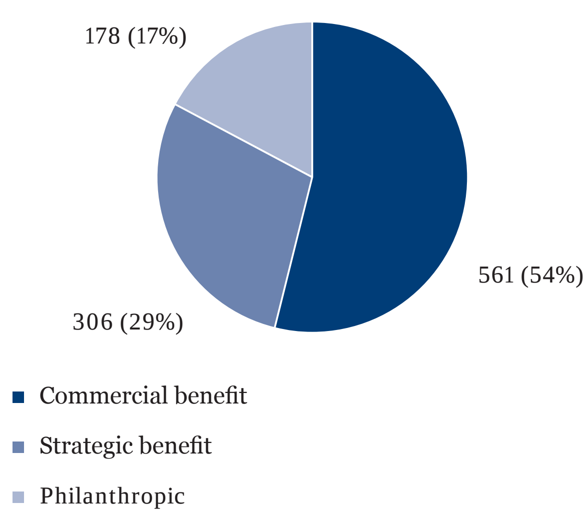
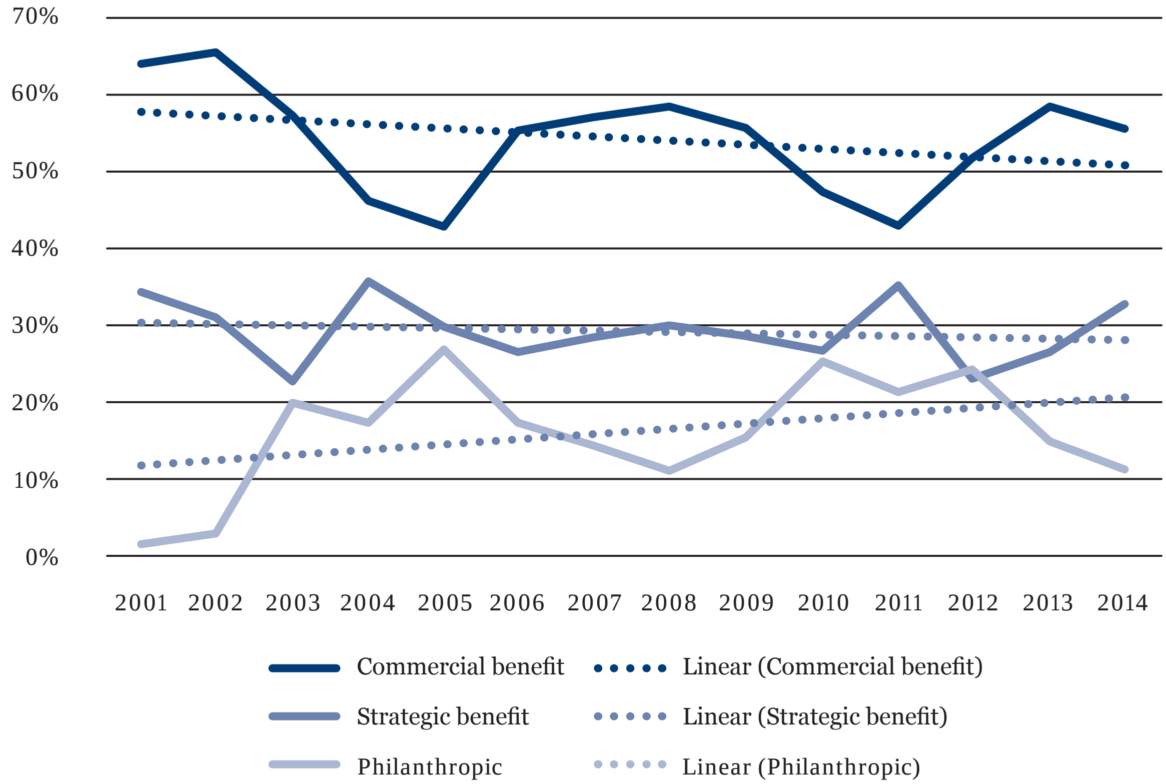


Figure III-6. Connection to business partner commercial interests by year



As explained in Table III-1 and Appendix A, the coding also utilized an intermediary category, "strategic benefit," to describe PPPs that have an indirect benefit to a commercial resource partner or to the broader business sector and business environment. Figure III-5 reveals that of those PPPs with a business partner, 29 percent have a strategic benefit. Figure III-6 indicates that this characteristic is relatively consistent over time, staying within a range of 23 percent to 36 percent of all PPPs, and for the past 10 years within a range of 26 percent to 33 percent, except for two outliers: 35 percent in 2011 and 23 percent in 2012.

Taking commercial benefit and strategic benefit together, Figure III-5 shows that 83 percent of PPPs with a business partner had ties to some degree of commercial interest.

As for the value of PPP investment, Figure III-7 shows that PPPs that exhibit commercial benefit represent three-fifths of the value of all PPPs (60 percent, or $5.4 billion), while PPPs with strategic benefit comprise 24 percent ($2.2 billion), and philanthropic PPPs comprise 16 percent ($1.5 billion).[36]

Figure III-8 shows that among PPPs that exhibit commercial benefit to the business sector partners, 71 percent of the investment is by non-USG entities and 29 percent is by the U.S. government.[37] Of PPPs exhibiting strategic benefit, 81 percent of overall PPP investments

[36] An outlier PPP, the $4.2 billion Drug Donations for Neglected Tropical Diseases partnership, is excluded from this figure.
[37] An outlier PPP, the $4.2 billion Drug Donations for Neglected Tropical Diseases partnership, is excluded from this figure.

are by non-USG partners and 19 percent is by the U.S. government; however, if the single drug donation outlier PPP valued at $4.2 billion is removed from the data as illustrated in Figure III-8, the percentages move closer, at 62 percent for non-USG investments and 38 percent for the U.S. government's investment. Among philanthropic PPPs, this proportion drops to a 50/50 split between USG and non-USG investments.

Not surprisingly, Figure III-8 reveals that PPPs with a commercial connection—either commercial benefit or strategic benefit—have higher levels of non-USG investment. Conversely, the greater the philanthropic focus of a PPP, the greater the proportion of USG investment.

Figure III-7. Connection to business partner commercial interests by investment value (billions, USD)

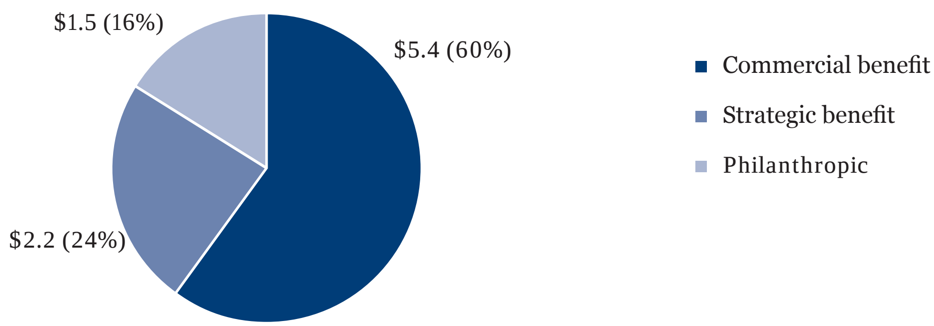


Figure III-8. Connection to business partner commercial interests, by USG and non-USG investment (billions, USD)

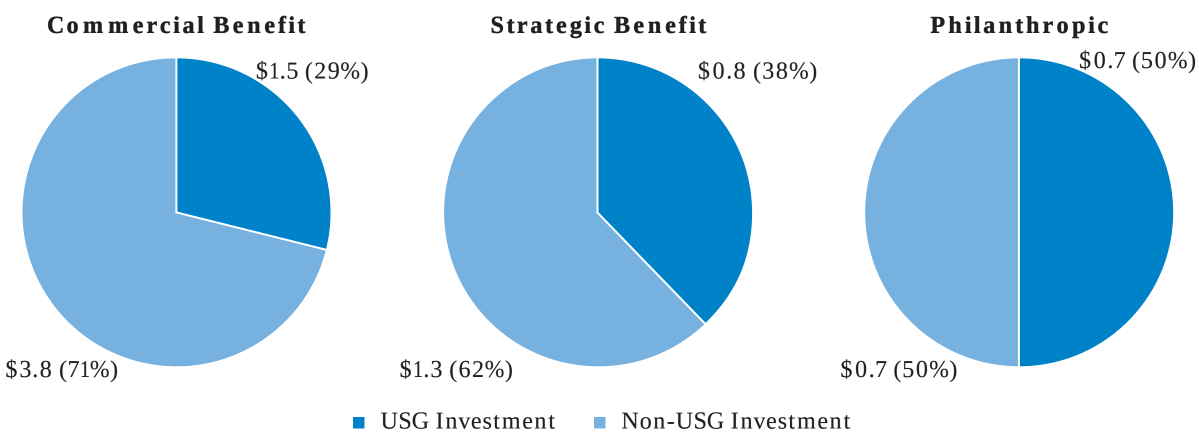


Figure III-9. Connection to business partner commercial interests by resource partner type

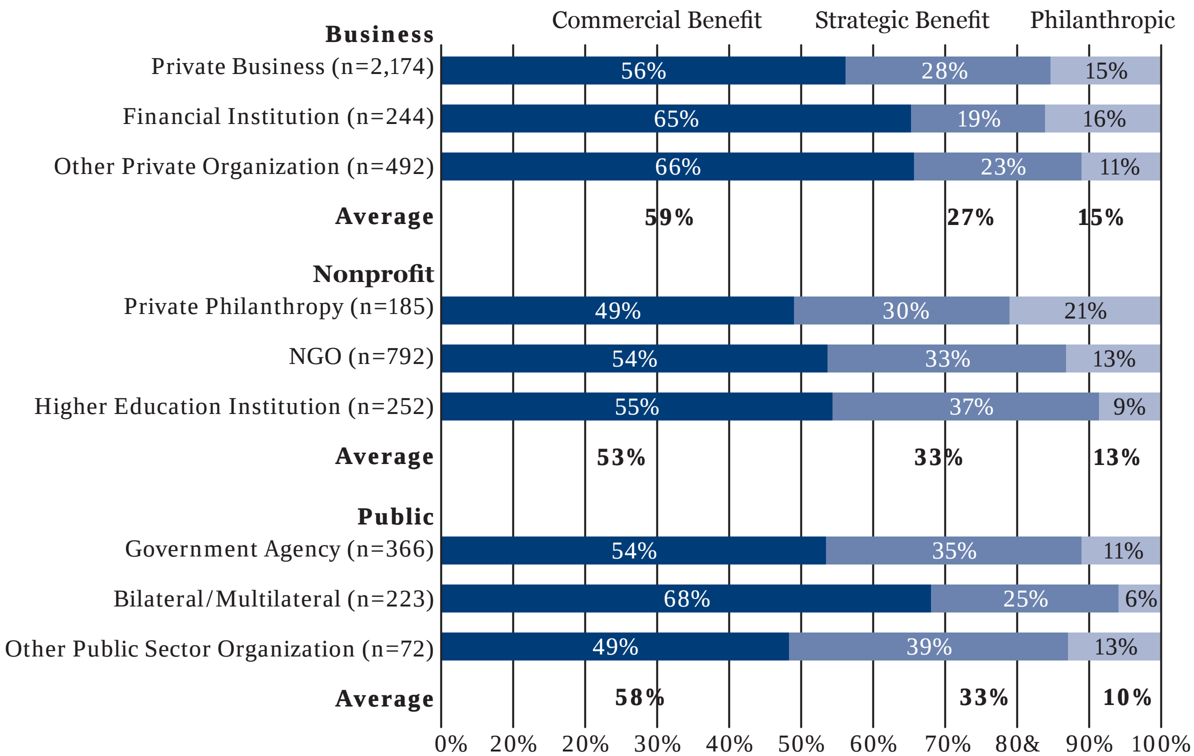


Figure III-9 provides a further dissection of commercial interest, showing the nine categories of resource partners described in Appendix B. A comparison of commercial interest across these categories surprisingly shows commercial interest at essentially the same level in the business sector and public sector categories. Commercial interest is highest in PPPs that include bilateral/multilaterals, financial institutions, and other private organizations. It is lowest with other public sector organizations.

The limited variation across categories is likely due to two factors: first, this graph's unit of analysis is individual resource partner links within a PPP; that is, individual PPPs with multiple resource partners are represented more than once. For example, a PPP categorized as having commercial benefit with two financial institution partners and one NGO partner would be represented twice in the financial institution bar, and once in the NGO bar. This has the effect of dispersing any major differences between the categories.

Second, the resource partner categories provided in this report are relatively broad; further disaggregation of each resource partner category would likely result in clearer trends by partner type. For example, preliminary research on USAID's data set conducted by two of the authors of this paper[38] disaggregated business sector partners into seven discrete subcategories rather than the three subcategories presented

[38] Anne Johnson and Helen Moser, "Collaboration & Shared Value in the Global Development Alliance: Roles for USAID in Public-Private Partnerships," Georgetown University, master's capstone paper, 2015.

here. This analysis suggested that large multinational companies and corporate foundations were more frequently associated with philanthropic PPPs than PPPs with shared value. Conversely, shared value was highest by far among business associations, for which there were more than 3.5 times as many commercial benefit PPPs as philanthropic PPPs.[39] As referenced in Section II, an opportunity exists for future research to further examine trends among additional disaggregation of resource partner types.

4. Indicator 3: Contribution of business sector partner expertise

The contribution of technical expertise and assets by business sector partners to a PPP is common. Figure III-10 illustrates that almost 80 percent of PPPs with at least one business partner were linked in some way to the expertise of the business partner(s). Over time, the linkage to business partner expertise is in the range of 70-90 percent, with peaks in 2001 and 2014 of just above 90 percent (not shown).

As to the value of the investments, PPPs in which partners contribute technical expertise represent 88 percent of the total value of all PPPs (Figure III-11), compared with 79 percent of the number of PPPs (Figure III-10).

Figure III-12 shows that across all PPPs where there is engagement of partner technical expertise, 78 percent of the total investment value comes from non-USG sources and only 22 percent comes from the U.S. government. In contrast, for PPPs that do not engage partner technical expertise, a majority of the funding (54 percent) is from the U.S. government, and only 46 percent comes from non-USG sources. This suggests that non-USG financial contributions decrease when PPP focus areas are not linked to the expertise of business sector partners.

Figure III-10. Proportion of PPPs linked to business partner expertise: 79%

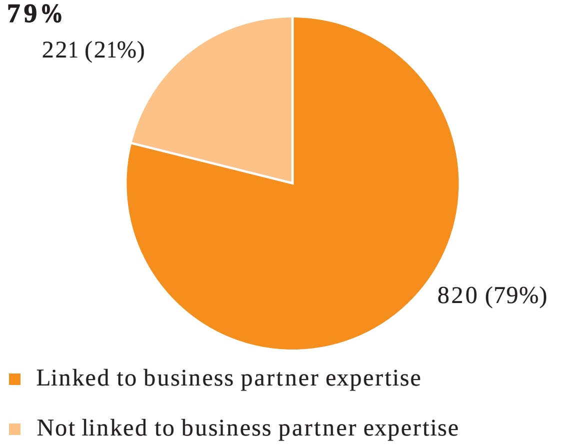
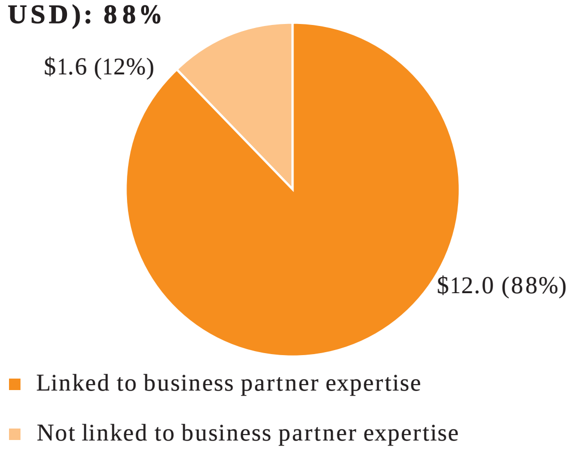
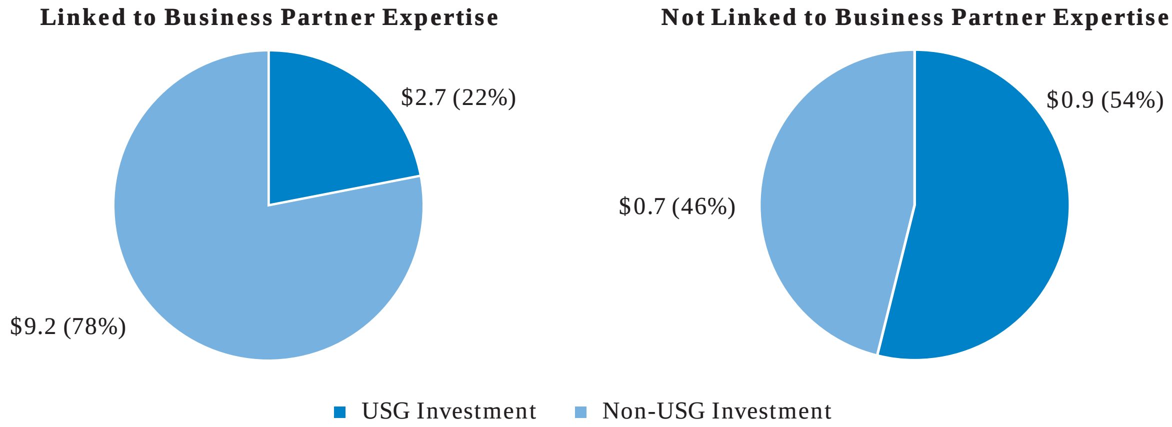


Figure III-11. Link to business partner expertise by investment value (billions, USD): 88%



[39] Note: The definition of shared value used by the Georgetown graduate research study differs from the definition of commercial interest used in this report and is therefore not directly comparable to the figures presented here.

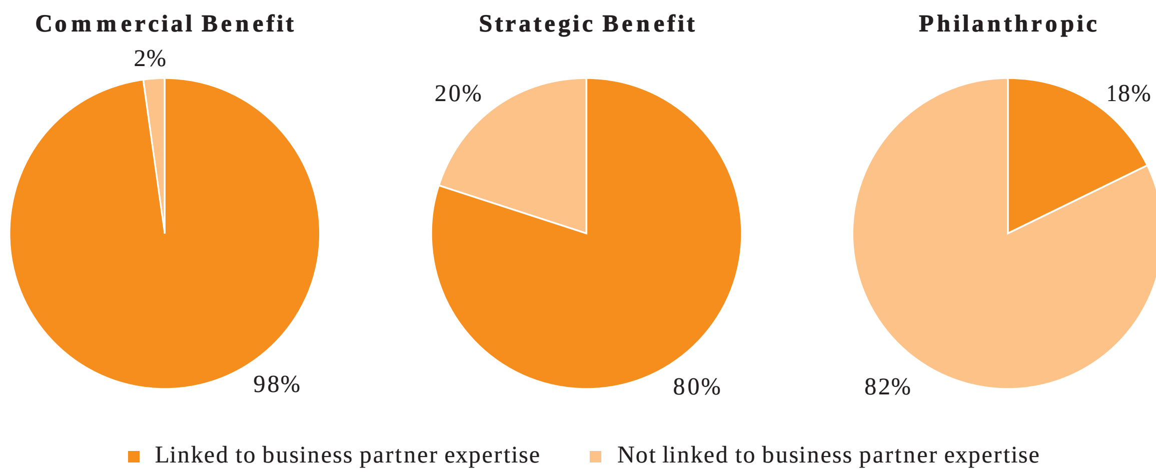
Figure III-12. Link to business partner expertise by USG and non-USG investment (billions, USD)



5. Commercial interests vis-à-vis business partner expertise

Figure III-13 compares the data on commercial interests (Indicator 2) with the data related to business partner provision of expertise (Indicator 3). The breakdown is as would be expected, suggesting that where business sector partners contribute greater expertise, it is also more likely that the PPP is tied to their commercial interest. Almost all (98 percent) PPPs that evidence commercial benefit also include provision of business partner expertise. Where there is strategic benefit, the percentage drops to 80 percent. For philanthropic PPPs, only 18 percent evidence any engagement of corporate technical expertise.

Figure III-13. Relationship of business partner commercial interests to provision of expertise



6. Indicators by country income

Figure III-14 shows that the largest number of PPPs are in lower-middle-income countries and the fewest are in low-income countries. It also reflects little variation in the frequency of business partner presence in PPPs across the three developing country income categories.[40]

Figure III-15, which dissects the data according to whether a PPP is tied to business partners' commercial interest, reveals a surprising difference. The highest proportion of PPPs with commercial interest (75 percent of PPPs) is in low-income countries and the lowest proportion (42 percent of PPPs) is in upper-middle-income countries. The reason is not clear, but one premise is that companies have little interest in engaging in low-income countries unless there is a strong business rationale.

Figure III-14. Presence of business sector partner(s) by PPP host country income

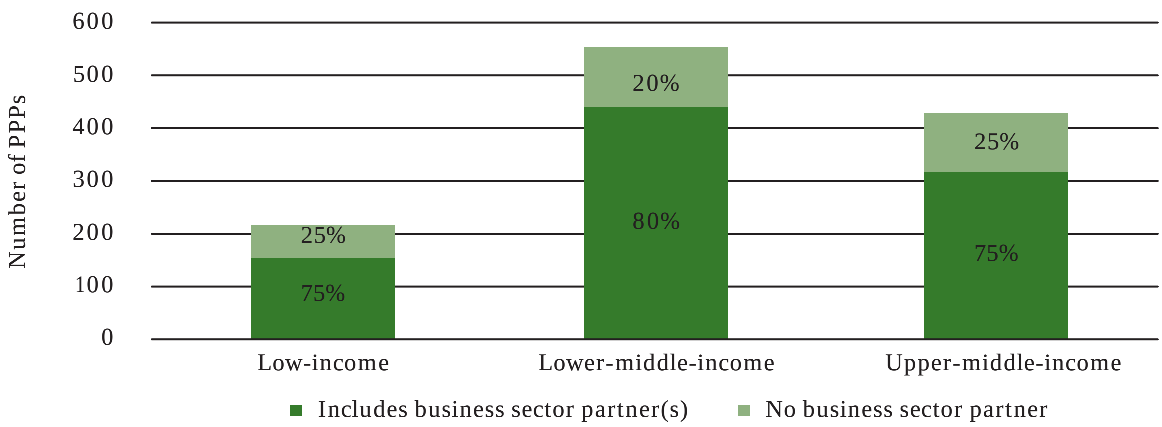
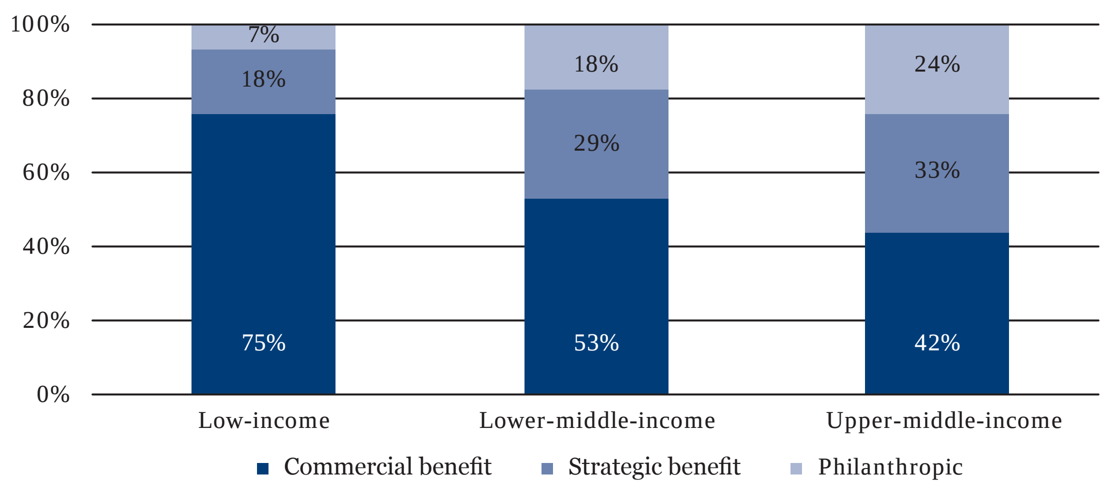


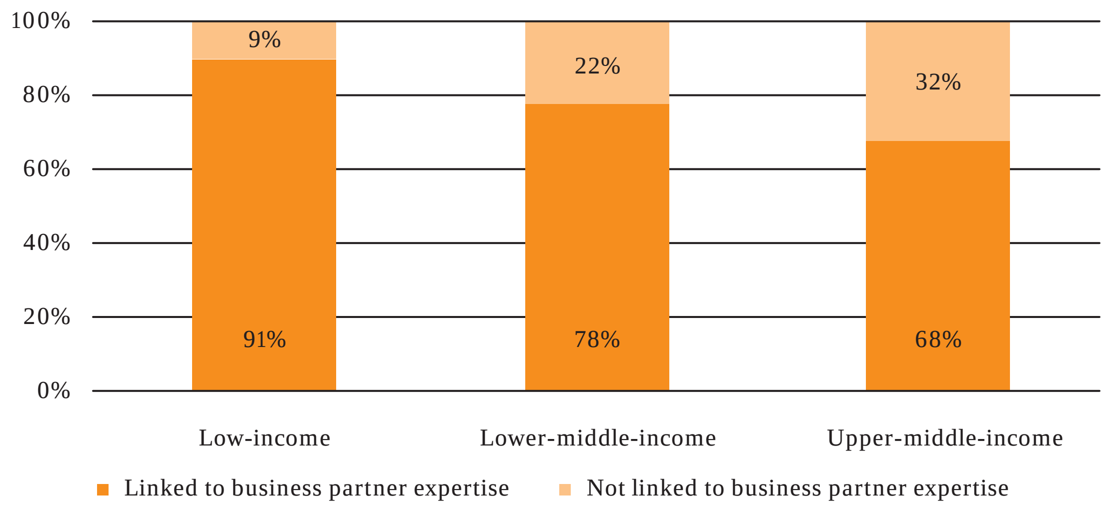
Figure III-15. Connection to business partner commercial interests by PPP host country income



[40] High-income countries are excluded from these figures as the population (n=21) is too small to provide representative conclusions.

The same distribution appears in Figure III-16 as to whether the business partners contribute expertise to the PPP: 91 percent of PPPs in low-income countries engage partners' expertise, but only 68 percent of PPPs in upper-middle-income countries do so.

Figure III-16. Link to business partner expertise by PPP host country income

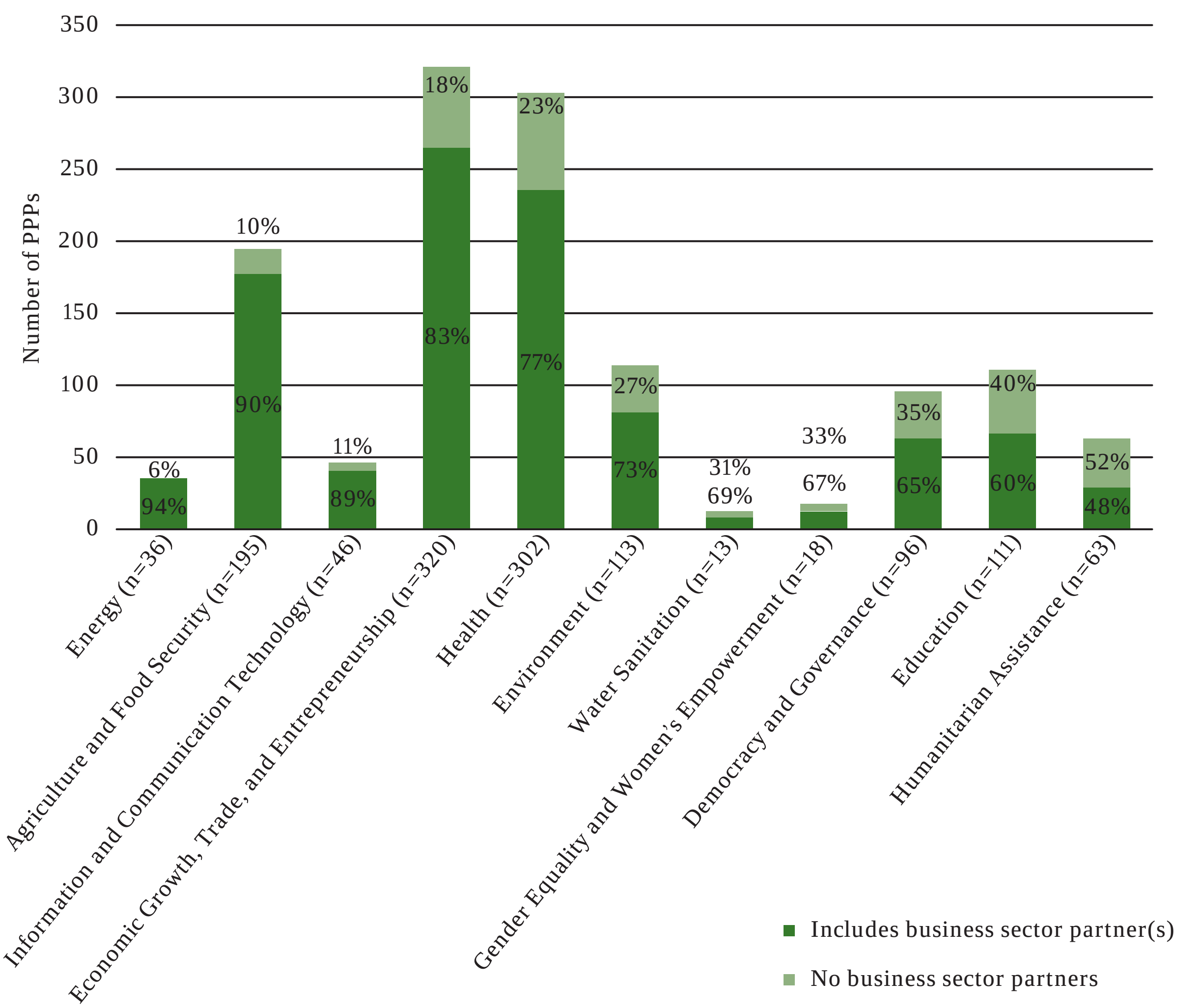


7. Indicators by sector

Figures III-17-19 present the coding by the 11 development sectors in the USAID PPP data set. Agriculture and Food Security ranks high among the sectors for business participation in a PPP, commercial benefit, and utilization of corporate expertise: 90 percent of agriculture PPPs have a business partner, 88 percent evidence a commercial link to the business partner(s), and 94 percent utilize partner technical expertise.

As would be expected, this direct correlation between business participation in PPPs in a sector and commercial interest carries throughout the 11 sectors, with the top six being the same in both categories. In addition to Agriculture and Food Security, they are Energy; Information and Communication Technology; Economic Growth, Trade, and Entrepreneurship; Health; and Environment. This correlation is likely due to the abundance of highly regarded market-driven models available for replication in those sectors, such as agricultural supply-chain programs with small-scale farmers, or technology companies' promotion of tech-based solutions worldwide.

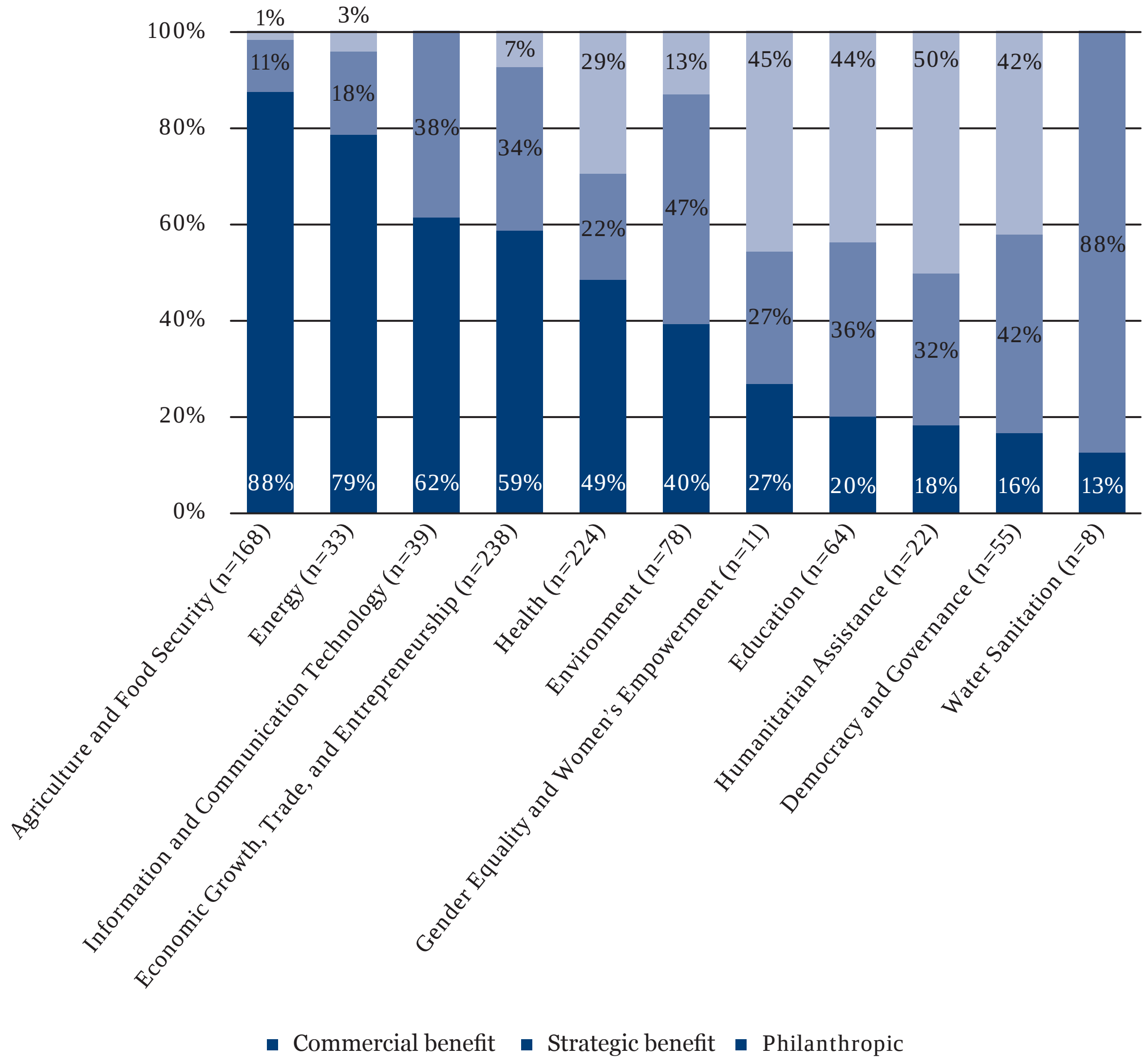
Figure III-17. Presence of business sector partner(s) by sector



Note: Totals may vary slightly from 100% due to rounding.

Per Figure III-17 and III-18, the sectors with the least business participation and commercial interest are Gender Equality and Women's Empowerment, Democracy and Governance, Education, and Humanitarian Assistance.[41] These four categories also exhibit a high frequency of philanthropic approaches. This indicates room for growth in both demonstrating to the business community how social impacts in these less traditional partnership sectors can benefit their bottom line and developing innovative and replicable models through which to do so.

Figure III-18. Connection to business partner commercial interests by sector



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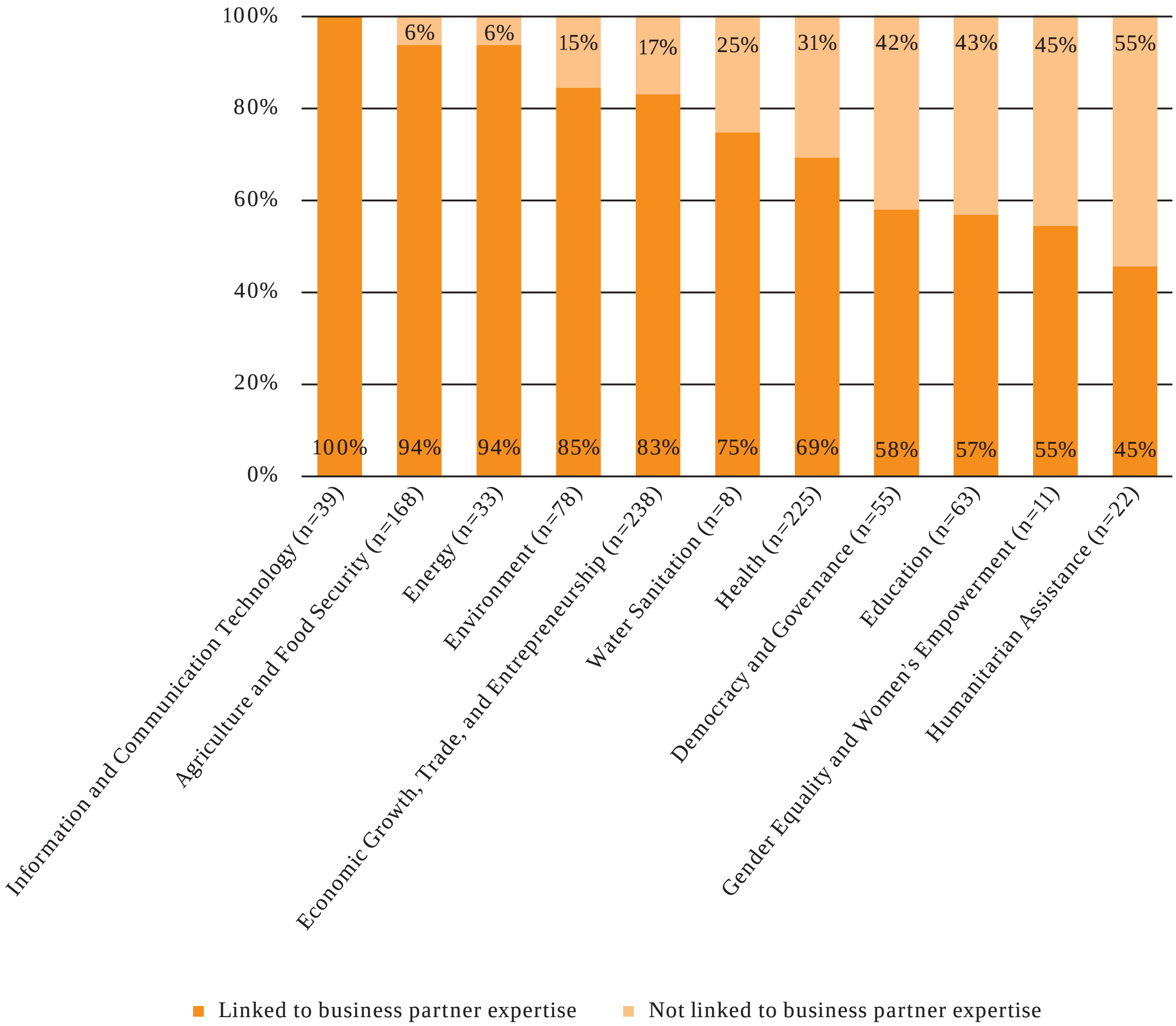
[41] Note that the small number of PPPs for Water Sanitation and Gender Equality and Women's Empowerment limits the meaningfulness of these data.

Figure III-19 shows that Information and Communication Technology tops the list at 100 percent of PPPs involving partner technical expertise, with Agriculture and Food Security closely following at 94 percent.

With the exception of Water Sanitation, there is a close correlation across all 11 sectors along the three categories of business presence, commercial linkage, and provision of technical expertise.

Figure III-19. Link to business partner expertise by sector

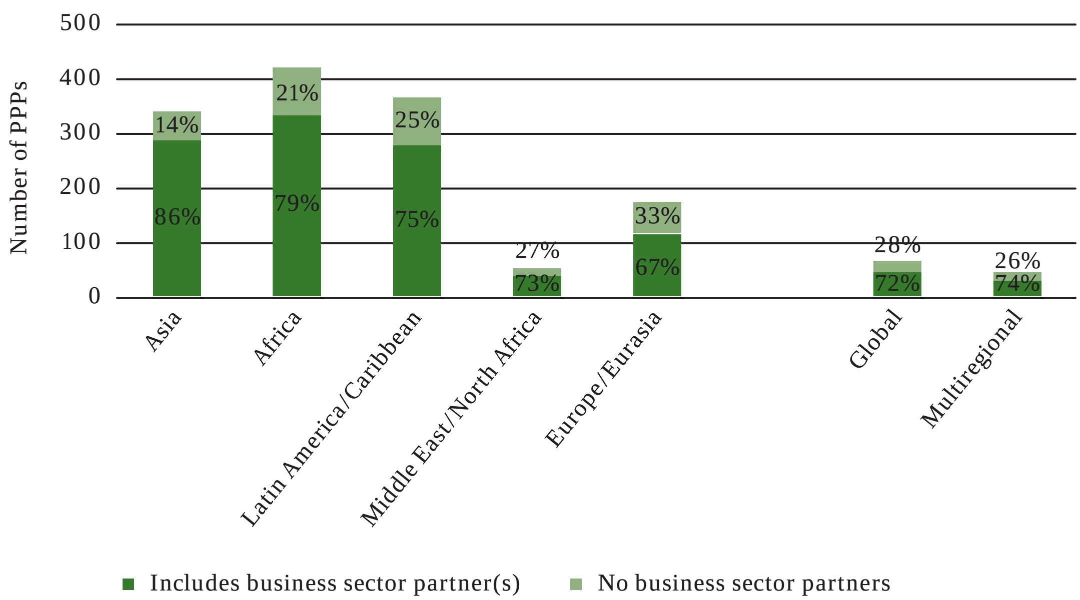


8. Indicators by region

Figures III-20-22 segment the data by geographic region. Unlike the analysis by sector above, regional analysis reveals significant variation among regions on business participation, commercial benefit, and technical engagement. Figure III-20 shows both the number of PPPs and the percentage with a business partner. The outliers are Asia, on the high end with 86 percent of PPPs having a business partner, and Europe/Eurasia at the low end with 67 percent of PPPs having a business partner.

On the extent to which PPPs with one or more business partner(s) evidence commercial linkage (Figure III-21), the variance among regions is modest. The highest are Asia-based and Global PPPs at 59 percent, followed closely by Africa-based PPPs at 56 percent. The high prevalence of business participation and commercial benefit in Asia is unsurprising given the region's long reign at the top of global foreign direct investment (FDI) measures.[42] Africa's high ranking in these two measures of business participation and commercial interest mirrors the surge in FDI to the region in recent years.[43] At the low end of these two indicators, the Middle East/North Africa, Latin American/Caribbean, and Europe/Eurasia all fall within the narrow range of 45-48 percent.

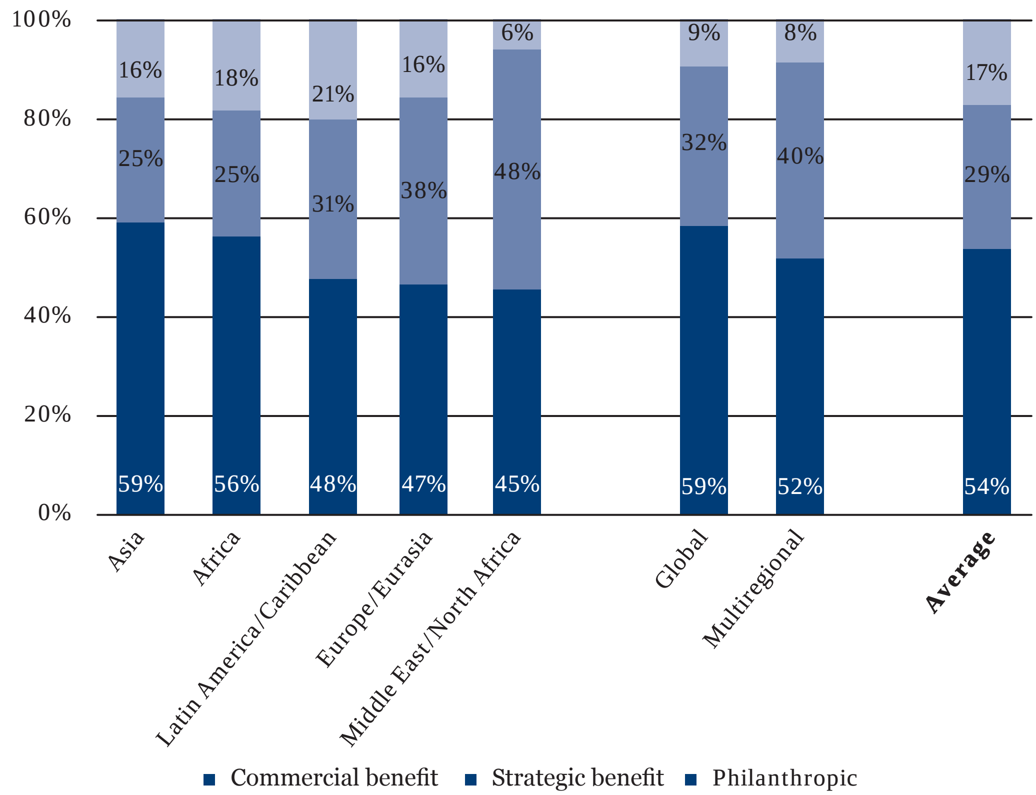
Figure III-20. Presence of business sector partner(s) by region



[42] World Investment Report 2014: Investing in the SDGs: An Action Plan, 2014, United Nations Conference on Trade and Development (UNCTAD) <http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf>.

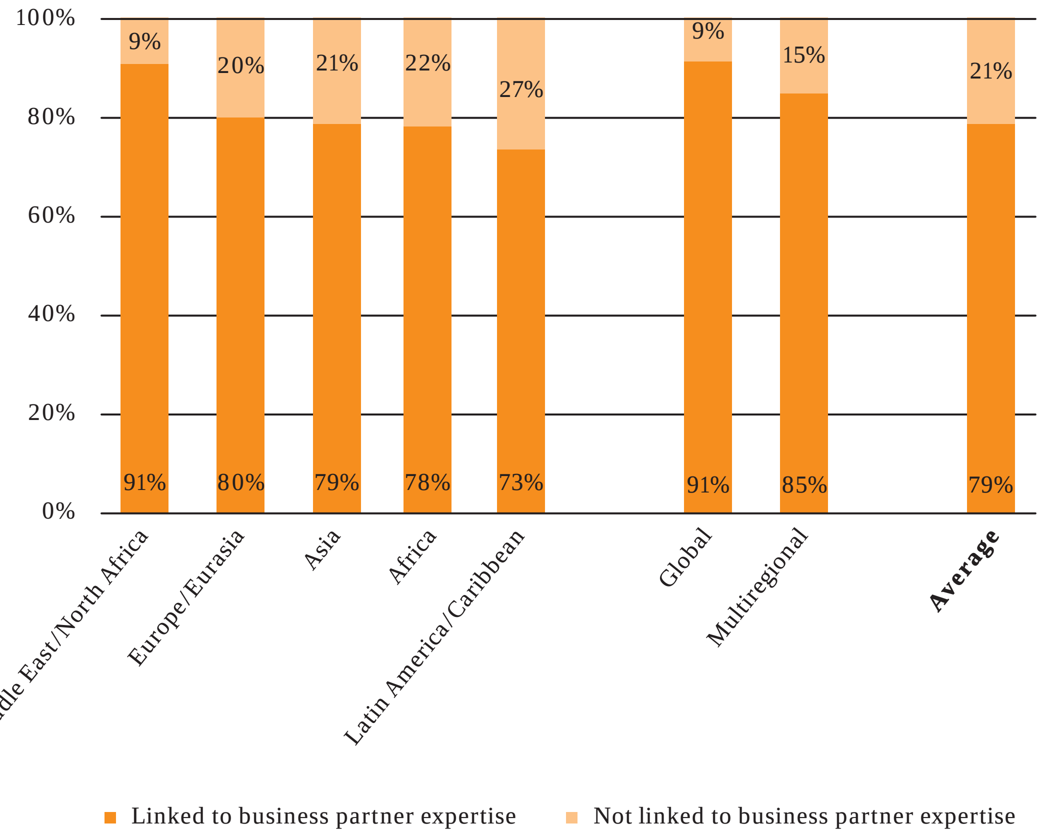
[43] EY Africa Attractiveness Survey, 2013 <http://www.ey.com/GL/en/Newsroom/News-releases/News_Africa-share-of-global-FDI-increases-over-the-last-five-years>, fDi Intelligence, 2014 <http://www.ft.com/cms/s/0/79ee41b6-fd84-11e4-b824-00144feabdc0.html#axzz3qeTCtFYG>.

Figure III-21. Connection to business partner commercial interests by region



Note: Totals may vary slightly from 100% due to rounding.

Figure III-22. Connection to business partner commercial interests by region



With respect to provision of corporate technical expertise, Middle East/North Africa and Global PPPs stand out in Figure III-22, with 91 percent of PPPs evidencing sharing of technical expertise. Multiregional PPPs follow closely at 85 percent. The rest of the regions are in the range of 73-80 percent. It is striking that Middle East/North Africa PPPs stand at the lower range for business presence and commercial linkage, but in the high range for PPPs that engage corporate technical expertise; however, with only 33 PPPs in the region with sufficient data to evaluate for this measurement, this population size is not large enough to draw firm conclusions.

SECTION IV: FINDINGS FROM CORPORATE INTERVIEWS

USAID's data set provides a robust view of the range of PPPs conducted since 2001. Yet to understand the nuanced experiences of resource partners in their collaboration with USAID, a further source of information was needed. Section IV presents the findings from a structured query of executives from 17 U.S. corporations, all of which are among the organizations that have engaged in multiple PPPs with USAID (Table II-1).[44] These findings are not presented as the view of any individual interviewee but as a composite of their experiences and perspectives.

The focus of the interviews was on why and how corporations engage with USAID on PPPs, where in the corporation the "ownership" for a PPP lies, how the relationship with the PPP is managed by the corporation, and to what extent PPPs involve shared value and corporate technical expertise.

The discussion below is presented with a caveat: The executives interviewed are from corporations that have engaged in the largest number of PPPs with USAID. With limited resources to undertake this review, this grouping of corporations was chosen on the assumption that they would reflect the deepest experience with USAID PPPs. Accordingly, the findings do not necessarily represent the experiences of all USAID PPP business partners, but rather those American multinational corporations that likely have the most enduring, sophisticated approach to USAID. Non-U.S. companies, smaller U.S. companies, and companies with limited engagement with USAID may offer different perspectives, experiences, and approaches.

Box IV-1: Benefits of PPPs for corporations
Credibility and reputation
Expertise
Funding
Scale
Networks
Alignment
Leverage
Government relationships
Country knowledge
Risk Management
Mutual learning
Power to convene
Business development
Global citizenship

1. Why engage in PPPs?

Corporate executives identify a variety of benefits from participating in USAID PPPs.

Credibility & Reputation – USAID has credibility as a U.S. government agency and a brand that is respected globally and is recognized for its development experience.

Expertise – USAID has expertise, both in certain technical areas and in designing and operating programs, that is broader and deeper than a corporation's. Joining the two can produce better solutions.

"The Coca-Cola Company learns as much from USAID as vice versa."

Jennifer Ann Ragland

Director, International Government Relations & Public Affairs, The Coca-Cola Company

[44] For a list of Interviewees, see Appendix C.

> “MasterCard has a vision about how we can leverage our core competences in payments technology and digital infrastructures to significantly impact the world’s most critical development challenges. However, challenges like financial inclusion, poverty alleviation, and inefficiencies in humanitarian aid delivery are too big for any one entity to tackle on its own and require joint action from the private and public sectors.”

Tara Nathan

Executive Director, Public-Private Partnerships | International Development, MasterCard

Funding – Partnering with USAID brings additional resources to a corporation’s investment in its philanthropic and shared value activities.

Scale – Some challenges are greater than a single corporation can take on. Challenges such as financial inclusion, poverty alleviation, water, and efficiencies in humanitarian aid delivery are too big for any one entity to tackle alone.

Networks – USAID’S reach into local organizations and communities is extensive and provides a corporation with access it may otherwise lack.

Alignment – Executives point out that their corporations and USAID have common interests. They often align on multiple dimensions, including on business interests, such as mobile technology, education, health, and women’s entrepreneurship; on geography and market reach; alignment in clientele and partners, including strategic relationships with international institutions and foreign governments; and with other stakeholders such as local government and civic organizations.

Leverage – Corporate executives view collaboration with USAID as a means to leverage their own investment in objectives and projects they have in common with USAID.

Government relationships – Working with USAID can introduce and help a corporation gain access to and recognition by host country government officials.

Country knowledge – USAID has institutional and political knowledge and insights, including understanding of a country’s issues and people and how to operate in a country, that can add to a corporation’s knowledge and understanding.

Risk management – Some executives see a significant benefit in partnering with USAID to reduce risk. Corporations view USAID’s process of vetting the organizations with which it works as a stamp of assurance. As corporations build their own local partnerships, USAID’s vetting reduces the risks of reputation and project failure and provides a level of security.

Mutual learning – Both USAID and the corporation can learn through collaborative efforts.

Power to convene – USAID is in a position to bring together a range of players that is beyond and different than those a corporation normally engages. Further-more, USAID can focus its attention and efforts around public goods that may bring value to the corporation.

Business development – Partnering with USAID can help a corporation pilot in an area of potential future business and can lead to new ideas; it can serve as a way for a corporation to enter a new market.

Global citizenship – Several executives mentioned that partnering with USAID fits with, and can help enhance, internal corporate culture and vision of global citizenship. The term appears to capture how corporate executives would like the corporation to be viewed and also the vision they hope guides their company colleagues.

As one executive expressed it, PPPs are the best way to combine the respective expertise, technical skills, market knowledge, and capital from the public and private sectors to work in unison rather than in isolation.

Box IV-2: Benefits of PPPs to USAID
Credibility
Expertise
Funding
Scale
Network
Alignment
Leverage
Innovation
Market access
Inclusive growth

Reviewing USAID's documents[45] and asking USAID staff why the agency wants to engage in partnership with corporations produced responses that echo some of the corporate perspectives. Paralleling corporate executives' perspectives, USAID values corporate credibility, corporate expertise and assets, the funding corporations can contribute to the USAID investment, corporate ability to take investments to scale, corporate access to networks outside the typical development community, alignment of interests, and the opportunity to leverage USAID investment.

Such leverage can occur through the contribution of corporate funding and other assets to USAID's investment in a project or program; beyond that, leverage can relate to program results. For example, the prospect of new private investment provides an incentive for host country governments to adopt USAID policy recommendations aimed at promoting a business-friendly environment.

USAID values the ability of corporations to innovate (in areas such as technology and health) that can make USAID projects more effective and efficient.

USAID values corporations' access to markets and supply chains that can be linked to and benefit aid recipients such as farmers and small businesses. Chris Jurgens, director of global partnerships at USAID's Global Development Lab, notes,

USAID, for example, will never have capacity in coffee like Starbucks does. Working through their value chain, we can actually link our work to a major source of demand for coffee, ensuring that trainings and capacity building for farmers and farmer groups are closely aligned to the needs of the market.[46]

Given the growing global acknowledgment of the central role of business as a fundamental driver of growth and development, partnerships with the business sector give USAID the opportunity to make that growth more inclusive by bringing the agency's public goods and values approach to a PPP. USAID sees PPPs as a tool to advance more inclusive business practices.

[45] This principally included several GDA Annual Program Statements.
[46] Interview with Chris Jurgens, 2015.

As summed up in one USAID statement,

> *While PPPs are sometimes characterized by the private sector making a simple financial contribution to a public sector initiative, public-private alliances combine the assets and experience of strategic partners (such as corporations and foundations), leveraging their capital and investments, creativity and access to markets to solve complex problems facing government, business, and communities in developing countries. This approach to partnership relies on the overlapping interests of the U.S. Government's strategic objectives for foreign assistance and the core business goals of industry.*[47]

2. What do corporations see as their contributions to PPPs?

Corporations bring a number of assets to a PPP. One is money. However, almost all executives who were interviewed emphasized that money is not the principal value corporations bring to a PPP. Some were adamant that they never contribute financial resources and that money is the wrong basis for a relationship. This is notable, given that monetary investment remains the predominant method by which partner engagement is measured and tracked by USAID. And, as evidenced by the data in this paper, non-USG financial contributions to PPPs are substantial and constitute a majority of the funding.

More significant, from corporate executives' perspectives, is the technical expertise, knowledge, and experience the corporation brings to the partnership. This expertise ranges from technical knowledge in areas such as health, water, agriculture, and education, to knowledge of markets and supply chains, sharing of technical assets, and lending of expertise on quality business processes and operations management. Several corporate executives suggested that the key reason to embed responsibility for a PPP in a business unit is the knowledge and access business managers have of the markets and supply chains relevant to the work of the PPP. For instance, who better to work with an agricultural PPP than a farm manager or a commodities market expert who knows the market needs and demands for crop yields? Despite the prime importance of corporate expertise in PPPs, however, it remains an unmeasured and therefore undervalued asset in USAID PPPs.

A third asset that corporations bring to a PPP is in-kind contributions. Examples include computer software, training, pharmaceutical products, and sponsored events.

Less frequently, corporate executives also mentioned contributing to PPPs their awareness of alternative sources of capital, networks that attract other companies and organizations into the PPP, and experience in branding and marketing.

3. Who initiates a PPP?

A PPP can be initiated by a business sector partner (corporate headquarters, a business unit, a country unit); by USAID (a bureau or office at USAID Washington headquarters, or a country mission); or by a third party (such as a development NGO or a foundation).

Corporations whose executives were interviewed for this report demonstrate this diversity of approaches. Their PPPs are sometimes initiated by corporate headquarters or a country unit, sometimes by USAID headquarters or by a country mission, and less frequently by a third party. As a corporation's relationship with

[47] USAID, "(Re)Valuing Public-Private Alliances: An Outcomes-Based Solution," 2010.

USAID develops, initiation at the country level between the USAID mission and the corporate business unit in the country becomes more common. This may or may not occur with USAID headquarters and/or corporate headquarters involvement, depending on the nature of the partnership and whether someone at corporate headquarters is designated as the point person on PPPs.

Among corporations that have been involved in PPPs with USAID for some years, the partnership initiation process has evolved. Initially, these corporations most often became party to PPPs through an invitation from USAID. As these corporations have gained experience and have become more knowledgeable and sophisticated in regards to PPPs and their own corporate interest in them, the roles have shifted. More frequently now, the corporation acts as a PPP initiator, but interviewees note that USAID often lacks the geographic reach, sector focus, or financial resources to participate in proposed PPPs.

4. Where in a corporation is a PPP "owned"?

A strong indicator of whether a PPP will be viewed as representing shared value, corporate social responsibility, or philanthropic approaches is where and by whom the PPP is "owned" within the business sector partner. We define "ownership" of a PPP as the *ongoing responsibility for PPP implementation and oversight*.

There is no single path or model for PPP ownership. It can reside anywhere in a corporation, sometimes in several units, and it varies across and within corporations depending on the nature of the PPP. Among interviewees, it is typical for the principal responsibility for a PPP to lie with a business unit, which may be located at headquarters or in-country. But responsibility can also reside in a governmental, strategic, or CSR affairs department, or even in the company foundation, typically housed in corporate headquarters. It is also common for a corporation's governmental, strategic, CSR, or foundation unit to serve as the point of contact for a PPP or to lead initial negotiations and launch, all the while engaging one or more business units in the technical substance or ongoing management of the partnership.

When a PPP flows from a core business interest, one or more business units typically serve as the principal interlocutor with USAID, even if non-core units are also involved. Many of the executives interviewed for this report assert that their corporate partnerships with USAID today are strategic in nature and merge social objectives and core business interests. A few stated that, from the beginning of their engagement with USAID, they have approached PPPs with the clear intent of advancing business interests and that business units are involved in PPP initiation.

More commonly, corporations' approaches to partnership have shifted over time. Many executives said they have experienced a learning curve rooted in frustration with the lack of impact and sustainability of

> "Our approach to PPPs with USAID has not changed; it has always involved our commercial interests in addition to our desire to enable every person and organization on the planet to achieve more."
>
> John Cann
>
> *Managing Director, International Organizations, Asia Public Sector, Microsoft*

philanthropically driven activities in their early years of partnership with USAID. Increasingly, these corporate leaders have become convinced that lasting impact and accomplishment of their goals can come only from engaging their core business interests, and they now approach PPPs with a shared value approach managed by a business unit. It is important to note that in some corporations there is a clear separation between business units and the CSR and foundation functions, whereas in others these units are virtually seamless.

Beginning in 2012, USAID appointed staff to serve as "relationship managers" for corporations identified as having significant engagement with or high potential for engagement with USAID. USAID initiated this step to meet both an internal and an external need. Internally, USAID had no center of knowledge regarding its relationships with key corporate partners. Externally, partners have long voiced a need for a "one-stop-shop" to help them navigate the agency's internal structures and complain that they receive uncoordinated requests from disparate USAID offices. As of November 2015, USAID had designated and trained 35 relationship managers. These individuals simultaneously hold other agency positions and devote 5-10 percent of their time to relationship manager responsibilities. Many relationship managers are based out of USAID headquarters, but as the program grows, country missions, too, have begun to name PPP relationship managers, and the program is also spreading to other USAID private sector engagement mechanisms including platforms such as Power Africa.

Those corporations with the most extensive experience with USAID's PPPs tend to have taken a similar step by designating a USAID point of contact at corporate headquarters. This person usually does not "own" the corporation's PPPs but serves as a coordinator, communications channel, and PPP knowledge center. Sometimes this point of contact is involved in the negotiation and launch of a PPP, and less frequently in the regular management of the PPP.

> "Our USAID relationship manager and I function like air traffic controllers—aware of all that is going on, directing traffic to the right place, stopping or diverting bad ideas."
>
> Sarah Thorn
>
> *Senior Director, Federal Government Relations, Walmart*

5. What is the corporation's involvement in the governance, management, technical aspects, and monitoring and evaluation of a PPP?

Engagement in the governance and management of PPPs varies widely within and across corporations, depending on the nature of the PPP. Some corporations report that PPPs require significant time and work, while others say they play a more hands-off role.

In general, the more a PPP's activity is tied to a core business interest and the more the corporation invests expertise in the PPP, the deeper the engagement by the corporation (see Figures III-8, III-12, and III-13 for illustration). Typically, deep engagement involves active corporate business unit participation in a steering or operational committee, monthly and quarterly review sessions, and periodic site visits. It seldom involves day-to-day implementation, although that does sometimes occur if the corporation is lending expertise or its brand or the activity is an extension of a business activity. The more deeply a corporation is involved in a PPP, the more likely it is a "true partnership" in that there is parity among the partners in design, finance, governance, and risk taking.

Most PPPs are managed on a day-to-day basis by an implementing partner. As noted, resource partners are those entities that contribute resources and expertise to a PPP and that share in the risks and outcomes. An implementing partner is hired by the resource partners and USAID to manage and implement the PPP activities. As part of implementation, a key role of the implementing partner may be as "systems integrator" or "backbone" organization. This integrator or backbone function[48] is necessary because the various partners bring a diversity of expectations and capabilities that have to be woven together: the public sector brings to the partnership the ability to affect the policy environment, the corporation brings operational capacity, and a civil society organization brings issue-area expertise and an ability to function at the community level. The implementing partner often knits it all together.[49]

The role of the corporation in PPP monitoring and evaluation varies greatly, both across corporations and internally in the same corporation across different PPPs. The common thread suggested by corporate interviewees is that the closer a PPP's activity is to a core business interest, the more engaged the corporation is in monitoring and evaluation. Some corporations depend on an implementing partner to monitor and evaluate, a few execute the two functions jointly with the implementing partner, and others undertake their own monitoring and evaluation, particularly those corporations that have internal research departments. A few corporations utilize third parties for evaluation. Monitoring a PPP is more common among the corporations than evaluating a PPP.

As to the question of whether PPPs have identified target outcomes and benchmarks, the response was universally "yes." Like USAID, corporations are driven by results and measurements, and they bring that discipline to PPPs. All of the corporate executives interviewed report that clear targets are set up front and are monitored by the corporation and/or the implementing partner. Several interviewees note that, to make a PPP effective, it is important to maintain the flexibility to adjust the targets and measurement to changing circumstances.

6. Does the company have an explicit policy or strategy on PPPs?

Very few corporations have an explicit policy or strategy on PPPs, either in general or for PPP engagement with USAID. When asked about PPP strategy, interviewees typically stated that their corporations do not have an explicit PPP strategy but that partnering is embedded in the way they do business and is part of the company's overall corporate strategy. A few executives said they have corporate guidelines for dealing with governments, mainly covering ethical and legal matters, and other high-level guidelines that inform their engagement in PPPs.

In some instances, a formal signed memorandum of understanding (MOU) with USAID sets a framework for a corporation's involvement in PPPs. These MOUs

[48] One USAID evaluation notes that USAID staff serve this function. It refers to backbone organizations as "neutral conveners." USAID, "Public-Private Partnerships: Lessons Learned from a Partnership," January 2009.

[49] Brookings Institution, "Jump-Starting Inclusive Growth in the Most Difficult Environments," 2014 Brookings Blum Roundtable. http://www.brookings.edu/~/media/Research/Files/Reports/2015/jump-starting-inclusive-growth-post-conference/Aspen14_Brookings_Blum_Roundtable.pdf?la=en..

are relatively general in nature. Some corporations are comfortable entering into an MOU, but several interviewees said that negotiating an MOU is too time-consuming given their general nature, and they have little interest in having an MOU aside from agreeably consenting to USAID's preference for MOUs. While MOUs are not binding, USAID values them because it sees the process of developing the MOU as forcing a conversation regarding mutual interests and helping to crystalize opportunities for PPPs. USAID staff report that an MOU can identify potential issues in advance and focus roles and responsibilities. It also forces higher-level attention both within the corporation and USAID.

7. Has the corporation's approach to PPPs with USAID changed over time?

Corporate executives provide varied answers as to whether and how their approach to USAID PPPs has evolved. Some report that their approach has not changed; others indicate an evolution. But the clear trend is toward PPPs engaging the corporation's core business and embedded in shared value. As noted in the discussion of PPP ownership, this trend is rooted in many corporations' experiences with philanthropic PPPs that did not engage their business interests and were found to produce inadequate results and to be unsustainable.

Corporate executives are increasingly aware of the intersection between their own business interests and USAID's advancement of public goods. It is in this space that they value PPPs with USAID. Several report richer, more engaged PPPs as their relationship with USAID has developed, including an evolution from money as the foundation of the relationship to an emphasis today on other corporate assets and expertise. They also report that their relationship with USAID is becoming more strategic and more connected to commercial ends, although this trend is not reflected in the data for all PPPs in Figure III-6.[50]

Several executives report that it took a long time to "sell" their corporation's value as a partner to USAID and to develop champions within USAID that see beyond the corporate profit motive and recognize the business as a partner that can help USAID achieve its objectives. One contribution to this better understanding has been USAID's appointment of relationship managers described in the discussion above of who owns a PPP.

Echoing the progression in PPP approaches described in the section above on ownership, the interviews indicate that some corporations with extended engagement in USAID PPPs describe an evolution in their approach to partnership in general. One company reports that it sees a three-phase progression in its approach to partnerships: (1) from initially engaging with USAID PPPs of a philanthropic/community nature; (2) to later, engaging in PPP activities that are tied to the company's core business; and (3) now, as an experienced PPP initiator, envisioning future partnerships directly with other businesses, nonprofit organizations, and local government entities rather than with a donor agency or national government. The thinking behind this third phase is that business-to-business partnership, or even business-to-local government and community partnerships, may be more nimble and responsive to local and market needs.

[50] The data in Figure III-6 represent all business partners, but the interviews for Section IV are not representative of the majority of business partners in the data set. Interviewees were executives of large U.S. corporations, many of whom are USAID's most frequent and experienced PPP partners.

> “Increasingly sustainability investments are considered core to our business. They are strategic in nature, with a preference for addressing long-term social issues in which the Company can add value and support the economic development of the communities where we operate.”
>
> Jennifer Ann Ragland
>
> *Director, International Government Relations & Public Affairs, Coca-Cola Company*

This shift could be seen as a failure in how USAID handles PPPs, or it can be seen as a sign of success—as USAID introducing corporations to PPPs and helping them to bring their assets and business interests into sync with social objectives. That's the very thing that is needed to achieve the new set of Sustainable Development Goals.

The reason for the trend toward PPPs that engage a corporation's core business interest is that this approach is broadly seen as the way to achieve concrete results and sustainable impact. However, as valuable as this appears, it should not lead to undervaluing PPPs based solely on philanthropy. A number of corporations continue to engage in PPPs through their foundations in three areas:

First, some corporations espouse philanthropic goals in order to contribute to the broader enabling environments of countries in which they operate, especially to advance the health and education needs of communities. This is common in the extractives industry, where giving back to the community per the communities' own priorities plays an important role in government and community relations.

Second, some corporations recognize that their technical capabilities and strategic assets are uniquely positioned to solve important social objectives that are unlikely to fall within their or any other corporation's commercial interests. One example is the involvement of United Parcel Service (UPS) with USAID, international organizations, and international NGOs in the aftermath of natural disasters. Through this engagement, UPS regularly contributes its logistics knowledge and capabilities to move life-saving commodities on a pro bono basis.

Finally, initiatives that begin as philanthropic endeavors can provide the experience and capital required to initiate shared value later in a partnership's life cycle or to enable large gains in scale. As an example of the latter case regarding scale, a very large PPP in 2006, Drug Donations for Neglected Tropical Diseases, endeavored to “ensure wide-scale and sustainable availability of effective and affordable drugs needed to treat

> “At the beginning we had to sell ourselves, our unique technology, and our credibility, to convince AID folks we were not just trying to make a profit.”
>
> Carolyn L. Brehm
>
> *VP, Global Government Relations & Public Policy, Procter & Gamble*

> "We'll continue to work with USAID and other partners on philanthropic projects, but we see even greater opportunities to work together on areas that apply the power of our business to address poverty and drive economic development through market-based solutions."

Katherine Pickus

Divisional Vice President, Global Citizenship and Policy, Abbott

neglected tropical diseases in affected countries." This partnership garnered an unprecedented level of corporate commitment, including $3.8 billion in corporate contributions through drug donations and reduced prices for non-donated drugs. Such scale would be difficult to achieve in the short term through market-driven means.

8. Strengths and weakness of working with USAID

The corporate executives who were interviewed identified both strengths and weaknesses in USAID management of their partnerships. The development of the relationship manager program is seen as a positive step in improving USAID relationship with corporations. While corporations have varying experiences with their relationship managers, finding some more accessible, experienced, and responsive than others, overall executives increasingly find this initiative constructive and useful. Several noted that the relationship managers are partially fulfilling their need for a "one-stop-shop" in helping partners navigate USAID bureaucracy.

Box IV-3 - Strengths of USAID collaboration
Relationship managers
Country missions
Collaborative
Open
Expertise
Strategic
Influence

USAID country missions are seen as having strong capacity and as the most effective route through which corporations can engage USAID. Compared with USAID headquarters, the missions have more control over resources, are quicker to make decisions, and better understand the needs of local business and the country context.

Executives of some corporations report being pleased with USAID's willingness to collaborate and have found it a relatively open organization.

At the same time, there are aspects of USAID's PPP relationships in which corporate officials see weaknesses. It is customary for large government organizations to be charged with being bureaucratic. In the case of corporate experience with USAID, there are several specific complaints. One is that USAID's planning occurs too far in advance, is too rigid, and, along with delayed implementation, does not account for changing circumstances and learning-while-doing. Another complaint is USAID's slowness in making decisions. Officials in the private sector assert that USAID's timelines require short turnaround from partners despite labor-intensive and time-consuming requirements, but that USAID decision making is protracted. They suggest this relationship needs to be more equitable. They also note that USAID is a very complex organization that can be difficult for outside organizations to navigate. They argue that the agency is not sufficiently transparent and that greater openness about its funding choices and other decision making processes would better enable outside organizations to understand USAID operations and where and how they can plug in.

Several corporate officials acknowledge that there are bureaucratic tendencies on both sides of PPP relationships: that USAID is not always any slower than their own corporations, that there is not always good coordination within large companies, and that both public and private parties are often so "lawyered-up" as to inhibit moving expeditiously.

Corporations also point to cultural barriers in dealing with USAID. Too many USAID personnel do not "speak the language" of business and do not understand the potential benefits of doing business with the commercial sector. While a few interviewees indicate they are pleased with the growing understanding among USAID staff of the value of business engagement in development, more express a concern that this understanding has been slow to develop and does not extend very deeply into the agency. Some see USAID as having an engrained grantor mentality of being "in charge" and not behaving as a collaborative partner. USAID staff are at times seen as unresponsive and rejecting corporate advancements or proposals without due explanation.

Box IV-4 - Weaknesses of USAID collaboration
Bureaucracy
Transparency
Institutional and cultural barriers
Lack of strategic approach
Grantor mentality
Lack of internal coordination
Timelines
Labor-intensive

Corporations approach PPPs as relationship-based, and officials note that they tend to maintain the same staff on a PPP over time, whereas USAID personnel frequently change roles, which necessitates rebuilding the relationship. Too often, interviewees suggest, USAID personnel do not take the time to introduce the new point of contact and ensure a smooth transition.

Corporate officials also say that USAID lacks strategic and systems approaches. They see USAID activities as too often comprised of small, one-off projects that do not fit into a comprehensive whole and are not scalable. There are complaints of a lack of internal coordination within USAID, with agency units not knowing what others are doing, and a lack of common messaging across the agency.

SECTION V: RECOMMENDATIONS

Improvement and evolution of PPP practice requires the attention of all actors that engage in them. Large corporations and smaller business sector partners, nonprofit partners, and public sector entities including USAID itself all have important roles to play in improving PPP design, implementation, and evaluation.

Section V presents recommendations on how USAID can enhance its engagement with corporations as development partners. These recommendations are drawn largely, but not solely, from feedback provided in the corporate interviews in Section IV. It is important to note that the scope of this research did not include consultative analysis with USAID on internal agency processes. As such, these recommendations focus on overall strategy rather than tactical management choices and policy changes for USAID.

Understanding the business sector: Corporations would like USAID staff to better understand the role of the business sector in advancing development and as a partner to USAID. Given broad acknowledgment of the central role of the business sector in advancing inclusive growth, including in the recently agreed SDGs, it is critical that USAID staff understand how the business sector functions, what it brings to the development table, and how it can best engage the private sector. The level of business exposure among USAID staff has grown significantly in the past decade, but it can advance further. USAID can enhance its staff's exposure and knowledge through targeted recruitment, deeper training, and professional development opportunities in the form of sabbaticals with private companies.

Corporations value having a dedicated point of contact through USAID's relationship manager program, and they want more from these relationship managers. Specifically, corporations want USAID relationship managers to devote more effort to communicating with them, helping them navigate USAID systems, and apprising them of key staffing or relationship manager changes that may affect their partnerships. Rather than the current initial one-hour orientation and periodic events for resource managers to connect and share experiences, new relationship managers could receive more in-depth preparation and mentorship from existing and former relationship managers. Further analysis is needed on how and whether to scale and improve this program, including on the comparable positions in select USAID missions.

Deepening strategic relationships: Corporations want a more strategic relationship in which USAID treats them as real partners on more equal footing. Corporate officials view USAID as developing projects and policies in a vacuum. This deprives USAID of knowledge and insight from the business sector, which could contribute to the development and design of new strategies and activities. They also suggest that the agency be more open to noncompetitive proposals from the business sector even when these proposals do not fit USAID's existing country and sector strategies and priorities.

One approach is to bring into the PPP arena the experimentation already under way in the USAID Lab with the Development Innovation Accelerator (DIA), also called the BAA (Broad Agency Announcement), which allows the agency to enter into a brainstorming relationship with interested parties about how to approach a development challenge and then move the identified solution into an implementation instrument.[51] Another is through a Collaborative Agreement,[52] a tool that is intended to be more flexible and less intrusive for large corporations to engage with USAID, but whose extensive requirements have prevented it from being used very often.

Fostering transparency: It is common for those outside a large bureaucracy like USAID to view it as a "black box" and to have difficulty knowing where and how to engage it. To begin with, USAID and specifically the Center for Transformational Partnerships deserve commendation for making the PPP data set public in 2014—score one for transparency and sharing information.

Further, the development of the relationship manager program has proved to be a constructive step, but only for those 35 companies that benefit from this initiative. It does nothing for the hundreds of other businesses interested in working with USAID.

One solution is for the administration to act on the multiple suggestions made in recent years by various observers of U.S. development finance programs that the foreign affairs agencies engaged in promoting the business sector in development—USAID, the Department of State, Department of Commerce, Overseas Private Investment Corporation, U.S. Trade and Development Agency, and the Export-Import Bank—should create an electronic one-stop-shop backed up by a secretariat that could direct informational inquiries to the right agency.

Another step USAID could take is to simplify its procedures. The 2015 GDA annual program statement, which introduces potential partners to USAID's GDA, is 43 pages in length and covers some issues multiple times and in different ways. A simple, clear, two- to five-page introductory paper that enables interested partners to understand the essence of the GDA program would be more useful and could be backed up by more in-depth companion appendices for those interested.

Expanding convening: Corporate officials see USAID's biggest strength as convening and creating alliances at the international, national, and subnational levels, with both public and private institutions. They would like the agency to devote more energy to this area. Yet neither the act of convening nor its outcomes are easily measured or reported upon, making it difficult for USAID to "get credit" for its convening power from key stakeholders in Congress, the Office of Management and Budget, National Security Council, Department of State, and civil society.

USAID needs a convening strategy or policy statement to articulate a vision and path to using this unique capability. It can also serve the important purpose of launching a dialogue with stakeholders on the value and importance of USAID's convening authority and how the agency can get credit for utilizing this capacity. This task is more challenging than it might appear, as key oversight stakeholders tend to see USAID's staffing and meetings more as unfortunate overhead rather than as the critical contribution to development that they often are.

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[51] Development Innovation Accelerator: https://www.usaid.gov/sites/default/files/documents/15396/Accelerator%20Factsheet_external%20partners%20(v.07%2022%2014).pdf;
Development Innovation Accelerator Factsheet: https://www.usaid.gov/GlobalDevLab/fact-sheets/development-innovation-accelerator-factsheet-10202014.

[52] Acquisition & Assistance Policy Directive USAID (AAPD) 04-16; Public-Private Alliance Guidelines & Collaboration Agreement. https://www.usaid.gov/sites/default/files/documents/1868/aapd04_16.pdf.

Streamlining decision making: Slowness in USAID decision making is a major issue for some companies, discouraging some from even trying to work with USAID. They seek greater streamlining of USAID processes. While some corporations are open to drafting an MOU with USAID to set a foundation for specific partnerships to follow, others question their value and the time required to negotiate one.

This is an age-old topic for USAID and most large organizations, and is best dealt with on an agency-wide basis across all programs. The way to start is on an experimental basis for select programs, as the Lab is doing.

Enhancing evaluation and knowledge sharing: As noted in Section IV on corporate involvement in PPP management, corporations take a range of approaches to PPP evaluation. All exercise some degree of monitoring, most often through the implementing partner. Some undertake evaluations either internally or through third parties, and some do not.

What is surprising is that there is little evidence of significant USAID evaluations of PPPs. Enhancing evaluation is an important element of the agency-wide reform agenda, as set forth in 2010 in *USAID Forward*. In 2011, the agency adopted an evaluation policy that has been well received by evaluation experts, and it undertook a reported 364 evaluations in fiscal years 2013 and 2014.[53]

In reviewing the evaluation catalogue in the USAID Development Experience Clearinghouse, we found several mega-evaluations of a general nature and a few reports intended to serve as guides to building a PPP but only a handful of evaluations of the results and impact of specific PPPs and the efficacy of particular PPP structures. This would seem to be a huge knowledge gap that needs to be filled if USAID is to continue to tout the effectiveness of PPPs.

This knowledge gap can be filled through two mechanisms. One is for USAID to undertake evaluations of PPPs, preferably in collaboration with implementing partners, and share them with external stakeholders.

Evaluations are needed in several areas.

- One, it is clearly important to assess the *impact* of PPPs: Do they achieve the intended results and in a cost-effective way? Are they worth the trouble compared to other assistance mechanisms? Such evaluation will likely need to occur on a sectoral basis given the difference in outcomes and scale across industries and issue areas.

- A second focus is on the *functioning* of partnerships: How are PPPs structured and what facilitates successful ones? This may vary by sector, by types of partners engaged, and by objective of the partnership.

- Third, looking to the future, it is important to assess the *sustainability* of the endeavor: After a partnership is over, or USAID's participation ends, do PPPs have ongoing utility that furthers the public purpose of the partnership?

[53] USAID website: For FY 2014 at https://www.usaid.gov/usaidforward. For FY 2013 at https://www.usaid.gov/sites/default/files/documents/1868/2013-usaid-forward-report.pdf.

> “We should talk about PPPs as a means rather than an end goal. The question we need to ask ourselves is, ‘Are we achieving greater sustainability by partnering?’”
>
> Ann Mei Chang
>
> *Executive Director, U.S. Global Development Lab, and Chief Innovation Officer USAID (From roundtable discussion)*

The second way the knowledge gap can be closed is for USAID to use its convening power to join with its PPP partners, both business and nonprofits, and other organizations with PPP experience, to share the findings and analysis of their respective evaluations of PPPs.

Expanding data collection and transparency: USAID is to be commended for making its PPP data set public and working in the past several years to improve the quality and depth of the data. In the most recent data call on PPPs, USAID began collecting data on whether a partner is local to the PPP target region. Another useful addition would be data on the source of business partner contributions—whether funding is budgeted through a business unit, CSR, government relations, foundation, or other unit. Collection of this and other useful information will require partner collaboration but could provide further insight regarding whether a partner's participation represents shared value.

Research: This paper seeks to help fill the knowledge gap on USAID PPPs, and in doing so also reveals areas for which there is insufficient data and knowledge which could be addressed in further research.

First, further disaggregation of the types of institutions that engage in USAID's PPPs, such as SMEs and women-owned businesses, could help to build the evidence base surrounding those institutions' roles in development and economic growth. For example, analyzing USAID's resource partners through the lens of the International Finance Corporation's model for "inclusive businesses," which include commercially viable businesses that engage base-of-the-pyramid populations in their supply chain,[54] could support the case for further investment in—and partnership with—such businesses by USAID and other development stakeholders.

Second, as discussed in Section II, analysis on the number and monetary value of PPPs goes only so far in demonstrating the scale and nature of development partnerships. Section IV reports that corporate executives prioritize their contributions of *technical* expertise as more important than their *financial* investments, yet these contributions are not measured in any systemic way. Basic data on whether parties to a PPP contribute R&D, marketing insights, technical assets, business operations management and/or other common expertise-based inputs can not only help USAID understand the components of successful PPPs, but also enable prospective partners to see how they can plug in effectively to future development partnerships.

Finally, and most important, a key knowledge gap discussed above is the lack of evaluation of the impact and results of PPPs: Are they having the intended benefit, are some PPP structures more effective than others,

[54] Inclusive Business at IFC, International Finance Corporation (IFC), 2015 < http://www.ifc.org/wps/wcm/connect/f669250043e7497caa4aba869243d457/May2015_Inclusive+Business+Models+Group+_External.pdf?MOD=AJPERES>.

and are the results sustainable? USAID's public private partnerships have provided an experimental seeding ground for new development programs and socially responsible business models. Continued investment in data and evidence on whether and how PPPs deliver impact can enable USAID and its partners to design effective and mutually beneficial future collaboration in the developing world.

APPENDICES

Appendix A

Brookings USAID database partnership coding rubric

Indicator 1: Is there at least one business sector partner?

A. Yes – Includes business sector partner(s)

Notes:
- Private sector partners include private businesses, financial institutions and other private organizations, per the Resource Partner Categorization Rubric (Appendix B).
- In certain PPPs, no business sector partners are listed as resource partners, but one or more business sector entity clearly and significantly contributes to the partnership per the PPP description data or implementing partner data. These PPPs were reviewed individually, sometimes determined to be errors in the database and, when appropriate, coded as including business sector partner(s).

B. No – Does not include business sector partners

Note:
- Indicators 2 and 3 measure business sector partner engagement. Where no business sector partner is present, Indicators 2 and 3 are coded as "not applicable."

Indicator 2: Is the PPP connected to the commercial interests (i.e., direct commercial benefit, or strategy and enabling environment) of the business partner(s) identified in Indicator 1? Or is it philanthropic?

A. Yes, the PPP appears to provide clear and direct commercial benefit for one or more business partners.

Examples:
- **Human capital:** Builds capacity of immediate workforce, including employees or direct employee candidates, such as training and health interventions:
  - A TB prevention initiative for employees of local Chamber of Commerce members
  - Training for mining apprentices by a mining company
- **Market:** Directly improves market demand for partner's products and is revenue-generating in the near term:
  - Provision of mobile banking services to rural farmers by a telecom company
  - Use of a mobile money company's platform to build capacity and response by rural health facilities
- **Local institutions and businesses:** Directly increases productivity, competitiveness, and capacity of current and potential suppliers, distributors, retailers, or other partners relevant to the business sector partner's industry and/or value chain:
  - Technical assistance to relevant small and medium-sized enterprises (SMEs)
  - Major retailer provision of technical assistance and sourcing from local businesses relevant to their supply chain
  - Chocolate company supporting cocoa farmer training relevant to its supply chain
  - Provision of marketing and customer service skills to local retailers selling a firm's products

Note:
- PPP descriptions often do not provide direct causality between the PPP and partner firm profits or other benefit. As such, coder judgment is required.
- The profits that accrue to for-profit contractors implementing a PPP are not considered for the purposes of this rubric.

B. Yes, the PPP provides strategic benefit or supports the broader enabling environment of one or more business partners.

Examples:

- **Human capital:** Builds workforce-related capacity for possible future workers, including students in secondary school and higher education, out-of-school youth, and adults:
  - Advice to technical and vocational institutions on workforce demands by major local employers
  - Information and communication technology training of local workers by a technology company
  - Livelihoods and skill-related training for youth
  - Oil company support to higher education
  - Development of higher education system management by an ERP (enterprise resource planning) company
- **Market:** Uses partner company's goods or services in a new sector or market (including in-kind donations) but does not appear to be revenue-generating within the PPP in the near term:
  - Healthy behaviors or hand-washing promotion by a soap company
  - Training for builders on construction materials and entrepreneurship by a multinational cement firm
  - Information technology training for local leaders by a tech company
  - In-kind hardware or software donations to schools by a software company
- **Local institutions and businesses:** Addresses general enabling environment through local businesses not directly engaged in business sector partner's industry or supply chain, or through government and civil society groups:
  - Support to local businesses that are not directly engaged in the supply chain/industry of the business, such as oil company support to farmer productivity
  - Support by a multinational firm to local governance, institutions, and anti-corruption
- **Responsible business standards:** Assists business partner in meeting industry operations commitments related to human rights and ESG (environmental, social, and governance) compliance measures:
  - Retailer support to factory social and environmental compliance
- **Industry-wide challenges:** Offsets negative externalities or industry-wide challenges:
  - Clean water initiatives by a beverage company to offset bottlers' water usage
  - Support for anti-trafficking efforts by a hotel chain
  - Climate change readiness and sustainable forest management with a forest products firm

C. No, the PPP is philanthropic in nature.

Examples:

- **Human capital:** Provides support to local communities where a partner company operates, primarily for the purpose of community relations:
  - Contributions to child welfare or primary schools by companies unrelated to educational products
  - Support to youth or secondary school-level activities not directly related to livelihoods or employability, such as leadership sports camps, or activities to empower youth to make positive life choices
  - Support to community health initiatives, such as support by an extractive company to maternal health or bed-net distribution
- **Humanitarian aid:** Donations to social institutions, advocacy campaigns or relief efforts, and any contribution for which the sole benefit to the business is employee morale or corporate image:
  - Logistics assistance by a shipping company during humanitarian crises
  - Employee matching programs or donations to a relief agency during a humanitarian crisis

Indicator 3. Does the PPP utilize at least one business partner's expertise?

A. Yes, the PPP is clearly linked to business sector partner's expertise.

Examples:

- Active technical assistance that uses a company's or business association's core expertise, or that of its staff:
  - Corporate volunteerism by bank staff on anti-money laundering techniques
  - Logistics assistance by a shipping company during humanitarian crises
  - TV company development of public service announcements on sexual health
  - Climate change readiness and sustainable forest management with a forest products firm
  - An AIDS prevention initiative with a local business coalition on HIV/AIDS

• Assumed provision of business advice and/or technologies aligned with the business sector partner's core business activities, even if only in PPP strategy, design, and monitoring: - Development of an online jobs portal in a PPP with a digital company - Development of an insurance product in a PPP including an insurance company - Improvement of supply chains by a buyer in that supply chain • In-kind donations of a company's products: - Healthy behaviors or hand-washing promotion by a soap company - In-kind hardware or software donations to schools by a software company - Sports company provision of equipment to multi-ethnic sports camps in conflict zones - Use of a mobile money company's platform to build capacity and response by rural health facilities Note: Due to limitations in the available data, this indicator measures alignment of expertise, not the level of active engagement of PPP business partners.
B. No, the PPP is not clearly linked to the business sector partner's expertise. Examples: • PPP activities are unrelated to business partner's industry or expertise: - Contributions to child welfare or primary school students and school systems by companies unrelated to educational products • Partner does not provide technical capacity other than access to its network (often relevant to business associations): - A TB prevention initiative for employees of local Chamber of Commerce members • Business sector partner provides only financial contributions: - Employee matching programs or donations to a relief agency during a humanitarian crisis

Note: To prevent coding error, indicators were coded as "unclear" if the dataset provided insufficient data to reliably evaluate it.

Appendix B

Brookings resource partner categorization rubric

Resource partner categories	
Business Sector	**Private business:** Includes for-profit businesses, from SMEs to large corporations, as well as benefit corporations and for-profit social enterprises, or subsidiaries of these entities. **Financial institution:** Includes organizations for which the primary purpose is related to banking and financial services, such as banks (including state-owned banks), insurance companies, private equity firms, microfinance organizations (including nonprofits), investors, and impact investors. Note: This category does not include multilateral development banks; these are categorized as bilateral/multilaterals. **Other private organization:** Any other organization that represents the business sector but is not included in the categories above. Examples include chambers of commerce, business and trade associations (even if incorporated as a nonprofit); cooperatives; unions; corporate foundations; and other PPPs.
Civil Society	**Nongovernmental organizations (NGOs):** Includes nonprofits and faith-based organizations. **Higher education institutions:** Includes universities, colleges, community colleges, and other academic or research institutions, such as think tanks. **Private philanthropy:** Includes private foundations and philanthropists with the core purpose of making grants to other organizations. Projects that are funded by private foundations but listed as an independent resource partner in the USAID data set are also categorized as private philanthropy. Note: This category does not include corporate foundations associated with a for-profit business; these are categorized as "other private organizations."
Public Sector	**Government agency:** Any ministry, bureau, council, department, office, subdivision, or other entity, within the national, state/provincial, municipal, district, and village levels of government. **Bilateral/multilateral:** Any intergovernmental agency or representative of another country or group of countries that provides assistance or cooperation to third country (or persons or organizations within a third country). Projects of bilateral or multilateral institutions that are listed as independent resource partners are also categorized as bilateral/multilateral. **Other public sector organization:** Any other organization that is part of the public sector but not included in the categories above. Examples include public utilities, public companies/state-owned enterprises (if less than 50 percent government-owned, such enterprises are categorized as private business), government-operated investment promotion agencies, government-funded projects, and government-led community groups.

Notes:

- *This rubric is based on USAID's categorization of its resource partners, with minor modifications for the purposes of this research.*
- *To prevent categorization error, resource partners that could not be categorized following desk research were coded as "unclear" (a total of 50 of the more than 4,000 resource partners in the data set).*

Appendix C

Corporate executives interviewed

Abbott	Katherine Pickus
Accenture	Roger Ford
Chevron	Linda Padon, Johanna Tuttle, Simon Lowes
Citi	John Finnigan
Coca-Cola	Jennifer Ann Ragland, Katherine Cherry, Joe Rozza, Kate Irvin
Deloitte	Kimberly Switlick-Prose
GSK	Shira Kilcoyne
HP	Debbie Ledbetter, Nat Hurst, Jonathan Crum
Intel	Renee Wittemyer
MasterCard	Tara Nathan
Microsoft	John Cann
Pfizer	Darren Back
Proctor & Gamble	Carolyn L. Brehm
Qualcomm	Angela Baker, Edith Saldivar
TOMS	Karen Byrnes
UPS	Joe Ruiz
Walmart	Sarah Thorn

Appendix D

Participants in November 20, 2015 Roundtable

Laura Ashbaugh	Chevron	**Lilian Lee**	Georgetown
Manisha Bharti	FHI360	**Ricardo Michel**	USAID
Ann Mei Chang	USAID	**Helen Moser**	Georgetown
Daryl Edwards	Australian Embassy	**Sinead Mowlds**	Brookings Institution
Ann Florini	Brookings	**Tara Nathan**	MasterCard
Roger Ford	Accenture	**Jane Nelson**	Harvard
Matt Guttentag	USAID	**Lorenz Noe**	Brookings Institution
Helena Hansen	Danish Embassy	**Anders Ornemark**	Danish Embassy
George Ingram	Brookings Institution	**Richard Parker**	PCI
Kate Irvin	Coca-cola	**Dan Silverstein**	CSIS
Anne Johnson	Georgetown	**Kimberly Switlick**	Deloitte
Chris Jurgens	USAID	**Johanna Tuttle**	Chevron
Debbie Ledbetter	HP	**Holly Wise**	Georgetown

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