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Developing Sustainable Synergies in the BOP Landscape: A Private-Public Partnership Perspective

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The Basics – Why Partner?

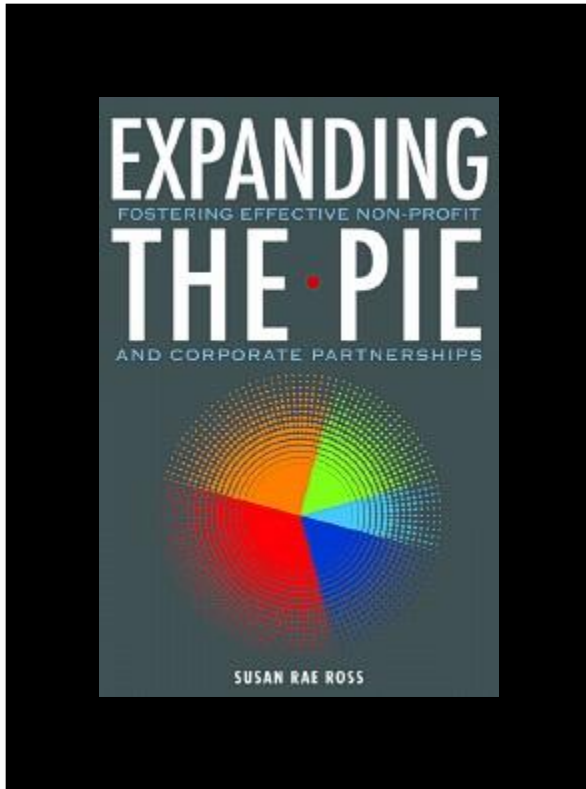
Facing complex development and investment challenges, no one entity can do it alone -- combined interaction between entities is greater than the sum of their individual parts

- Tackle cross-cutting issues
- Address Shared Interests and Goals
- Avoid duplication of investments/activities
- Leverage Complementary Skills, Knowledge, Expertise
- Increase Efficiency & Effectiveness of Funds
- Improve Sustainability and Impact



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Tri-Party Partnerships



Partnerships in which key actors from the public sector, private sector and civil (NGO) sector all participate to achieve a commonly held goal, each adding value from their unique set of resources, skills, and networks.

Focus on SOCIAL returns as well as (or in place of) financial returns.

Seeking a 'win-win-win' solution.

Source: drawn from "Expanding the Pie: Fostering Effective Non-Profit and Corporate Partnerships", chapter 7, by Susan Rae Ross (Kumarian Press, 2012)



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Unique Contributions

Donors

- Technical Development Expertise
- Global Presence
- Convening Power

Corporations

- Core Business Skills
- Expertise in Market-Driven Approaches
- Ties to Local Suppliers

Local Govt

- Understand Local Devt Priorities
- Political Will, Policy Influence

Local NGOs

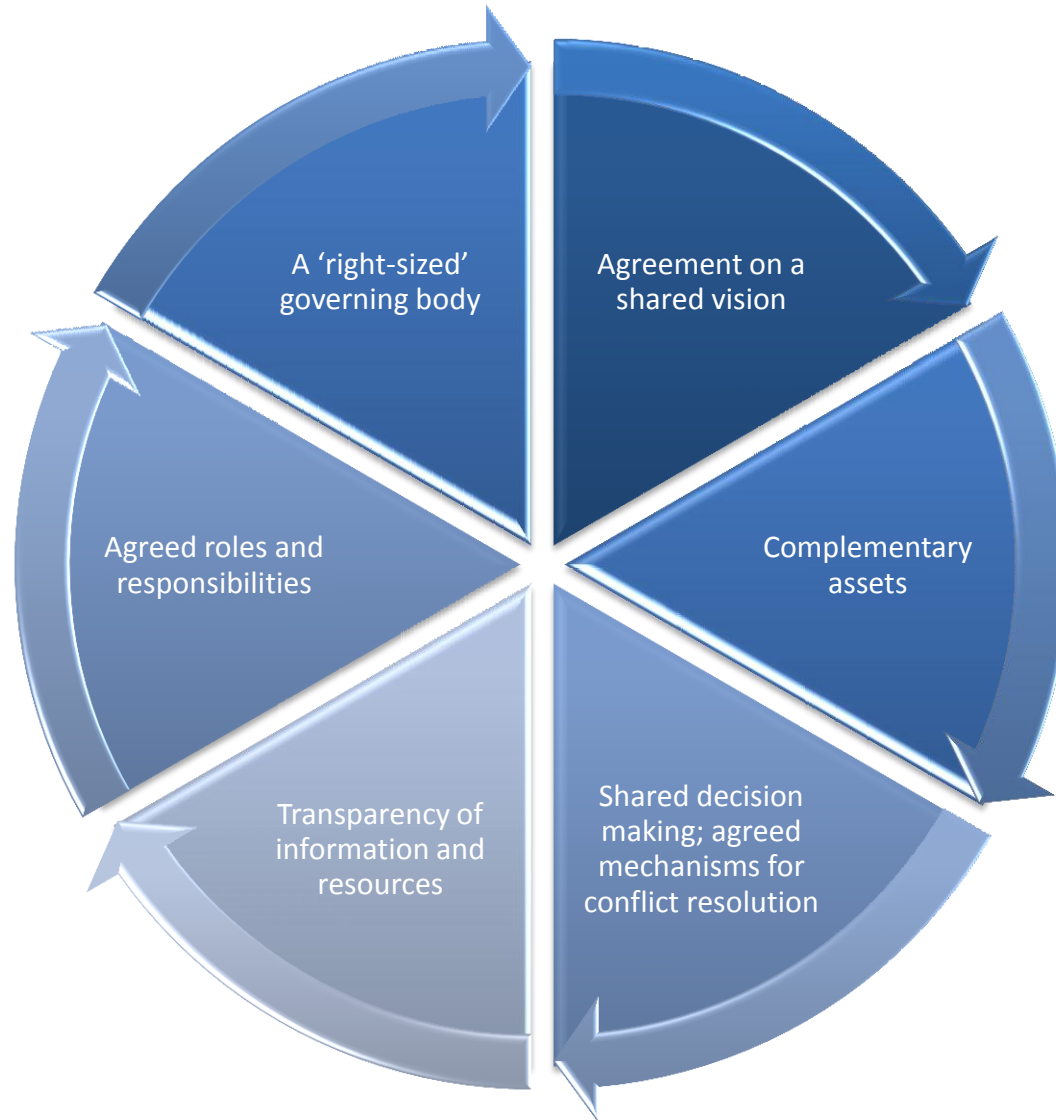
- Understand Community Concerns
- Links to Stakeholder Networks
- Ability to “Get Things Done” on Ground



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Success Factors

*for partnership
operations*





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Reality Check

Important considerations (HBR, 3/11 & 6/12)

- Large no.s of low margin transactions
- Informal markets
- Legacy and overhead costs
- Need a long-range mind-set
- Need a flexible, non-traditional organizational culture approach
- New products for BOP markets – context is key
 - Imperfect knowledge
 - Markets and costs are segmented for the same product



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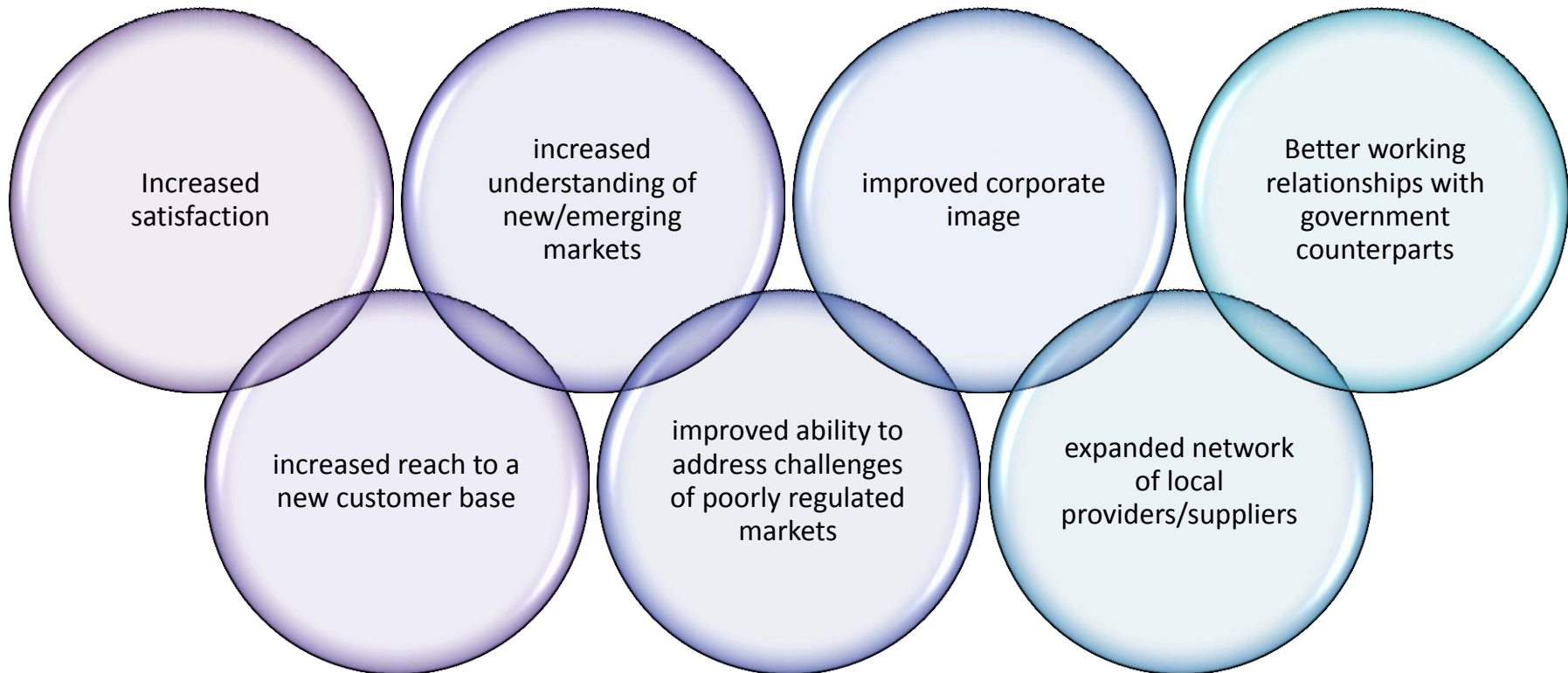
Understanding The Private Public Partnership:

How can Partnering with the Public Sector assist in Market Access?



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What corporate partners say:





USAID Partnerships: *Examples*

Partnership	Focus	Partnership Strength
World Cocoa Foundation West Africa	➤ Strengthening smallholder cocoa farmer productivity	➤ Strong intersection of a business challenge and a development need
Swiss Re Horn of Africa	➤ Introducing weather-based insurance products for farmers and pastoralists	➤ Leverages core competence of private sector partner
PepsiCo and World Food Program <i>Ethiopia</i>	➤ Developing chickpea value chain & new products	➤ Dual impact – business benefit & development impact
MTV Exit <i>Asia</i>	➤ Anti-trafficking media and social messaging campaign	➤ Leverages partner capabilities to enable scale



Early Approaches

- Often implementer-led; agency 'responds' to proposals
- Opportunistic approach, central funds
- Helped private sector meet 'CSR' objectives
- Measured leverage, track *quantity* of partnerships
- Focused on leveraging cash from private sector
- Partnered 'all over' to learn, pilot, experiment



Current Approaches

- USAID 'at the table'; co-create partnerships based on mutual interests
- Tied to agency priorities & mission strategies + budgets
- Align to core business interests
- Measure devt impact; track *quality* of partnerships
- Focus on leveraging private sector skills, technology, core capabilities ... and cash
- Partner in those contexts where partnering adds value



Investments by PPP Type

Coordination

- Communication design
- Marketing
- Communications mgmt.
- Communication channels and networks

Funding

- Financial planning
- Asset management
- Financing Instruments
- Fundraising

Development

- Market research for product design and introduction
- R&D capacity
- Access to compounds

Delivery

- Marketing expertise
- Supply chain expertise
- Logistics/distribution
- Local presence
- Project management



Question: What are the complementary assets of USAID/JICA and private sector partners?

USAID/JICA

- Policy influence
- Development expertise
- Convening power
- Local and global networks
- Relationships
- Long-term country presence
- Credibility
- Funding

Resource Partners

- Market driven approaches
- Skills, services and expertise
- Access to supply chains/ markets
- Technology and intellectual support
- Relationships
- Long-term country commitment
- Communications and marketing
- Funding



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USAID and JICA Synergies

Increase bilateral synergies of core strengths and modalities

How we achieve it

JICA

PSIF and Yen Loans

USAID

DCA and GDA (resources for PPPs)



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Conclusion

“It’s rooted in our conviction that true development involves not only delivering aid, but also promoting economic growth – broad-based inclusive growth that actually helps nations develop and lifts people out of poverty.”

*President Obama
May 18, 2012*

“We are witnessing an unparalleled opportunity for innovative, large-scale private sector partnerships to achieve meaningful results in global development.”

*USAID Administrator Rajiv Shah
June 27, 2011*