

Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



# Private Sector Engagement – A Fundamental Development Value

Dr. Craig Kirkpatrick, Regional Wildlife Conservation Advisor, USAID RDMA

**CTI-CFF Public Private Partnership Preparation (PPP)**

**Expert-Consultation Meeting on PPP Design and Arrangement**

Aryaduta Hotel

Jakarta, Indonesia

4-5 April 2018



Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Overview

- USAID's ideas about **private sector engagement** continue to evolve
- “**Enterprise-driven development**” is crucial to “**the journey to self-reliance**”
- There are many models (mechanisms) for private sector engagement --  
**design to solve a problem, not to meet the requirements of a mechanism**

Organizers:



**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:

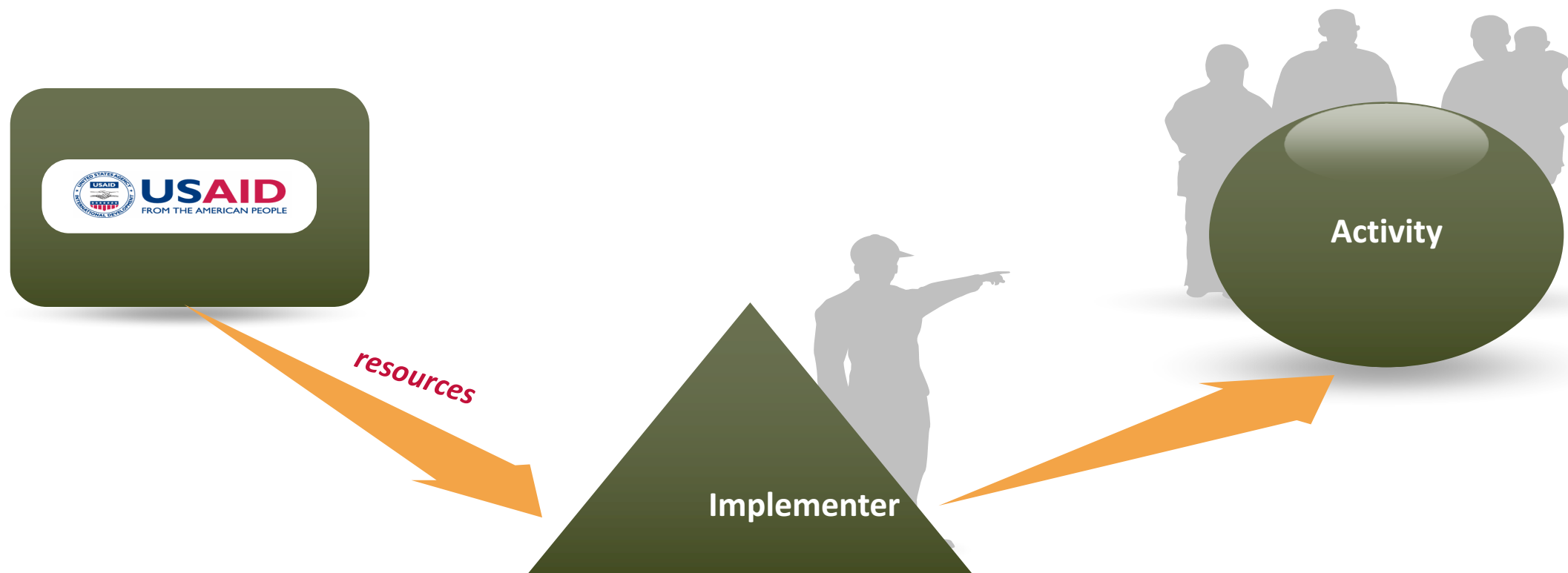


**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Private sector engagement continues to evolve

### Traditional Model of Development



Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:

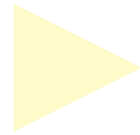


**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



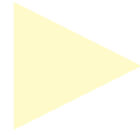
## The Opportunity

**91%**



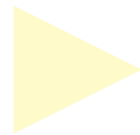
**Of financial flows from the US to developing world from pvt sector**

**\$2.6 trillion**



**Total annual revenue for USAID's 'top 40' corporate partners**

**78%**



**% of CEOs believe companies should engage in partnerships to address development goals**

Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



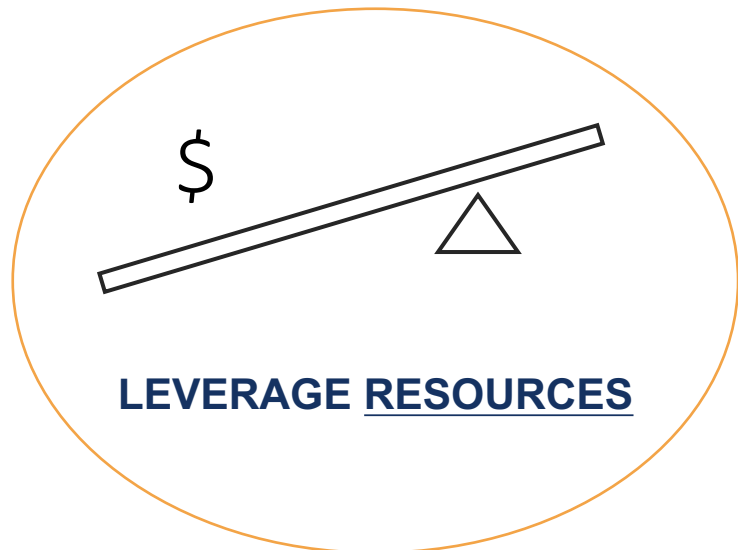
Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



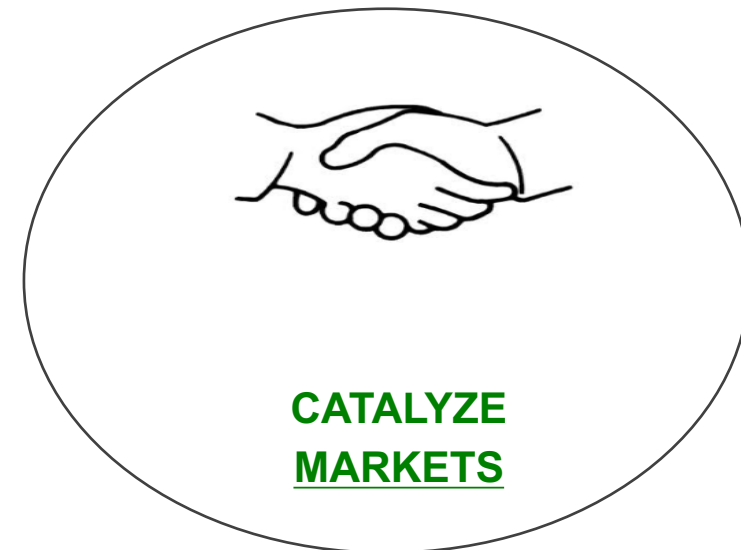
## Partnering with the private sector increases impact & helps solve big problems



- Make development dollars go further
- Increase **scale & impact** of projects



- Access private sector skills, assets, and technologies
- Increase program **effectiveness**



- Tap the power of market-based solutions to drive impact
- Increase **sustainability**

Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



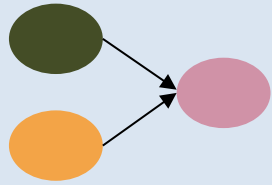
Co-organizers:



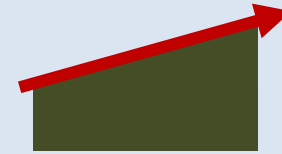
**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## By engaging the private sector, the development sector can...



Harness **world class expertise & capabilities**



Catalyze **investment & mobilize financing**



Develop & grow targeted **markets & value chains**



Promote more **inclusive & sustainable business practices**



Tackle **systemic challenges through collective action**



Drive **innovation** at the intersection of business & development



Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



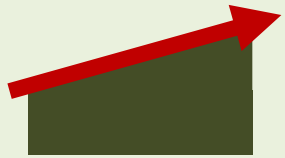
Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## By engaging the development sector, the private sector can...



### **Drive growth & profitability**

Revenue growth, new markets,  
new customers, new products



### **Mitigate risk**

Political, operating, financial,  
market, reputational, etc.



### **Achieve sustainability goals**

Reduce environmental impact,  
positive impact on employees &  
communities



### **Attract & retain talent**

Employee engagement,  
recruitment, healthy & productive  
workforce



### **Strengthen brand & relationships**

Improve image, build relationships  
with governments & communities.



### **Innovate**

reduce cost, increase profitability,  
improve quality & efficiency

Organizers:



**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Private Sector Engagement Continues to Evolve Through Increasing Alignment of Interests



### Corporate Philanthropy –

*Contributions or volunteerism from a private sector partner to ‘do good’ in the communities or countries where a company may operate or sell products*

### Corporate Social Responsibility –

*Engaging in social, environmental, & developmental issues that are aligned to a business’s strategy & operations, but not part of its core business*

### Shared Value –

*Co-creative partnership between USAID & the private sector that addresses long-term strategic business interests while creating sustainable development impact*



#### **Malaria Program**

ExxonMobil Foundation makes range of philanthropic grants to global malaria campaigns & initiatives



**4Afrika & YouthSpark** Scholarships, mentoring skills, development in entrepreneurship, & employability to build a competitive workforce



**Coffee Farmer Resilience Initiative**  
Green Mountain Coffee Roasters is helping coffee farmers (their suppliers) combat the leaf rust epidemic in Latin America



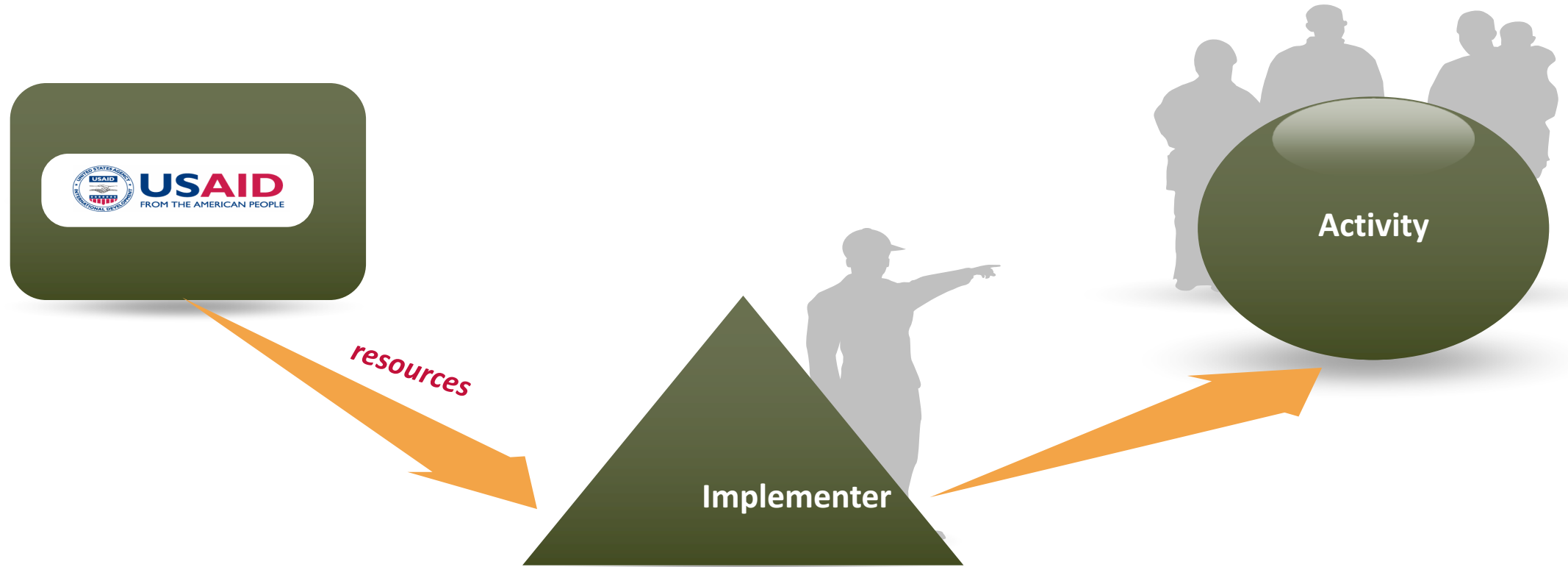
Organizers:



Co-organizers:



# Traditional Model of Development



Organizers:



**USAID**  
FROM THE AMERICAN PEOPLE



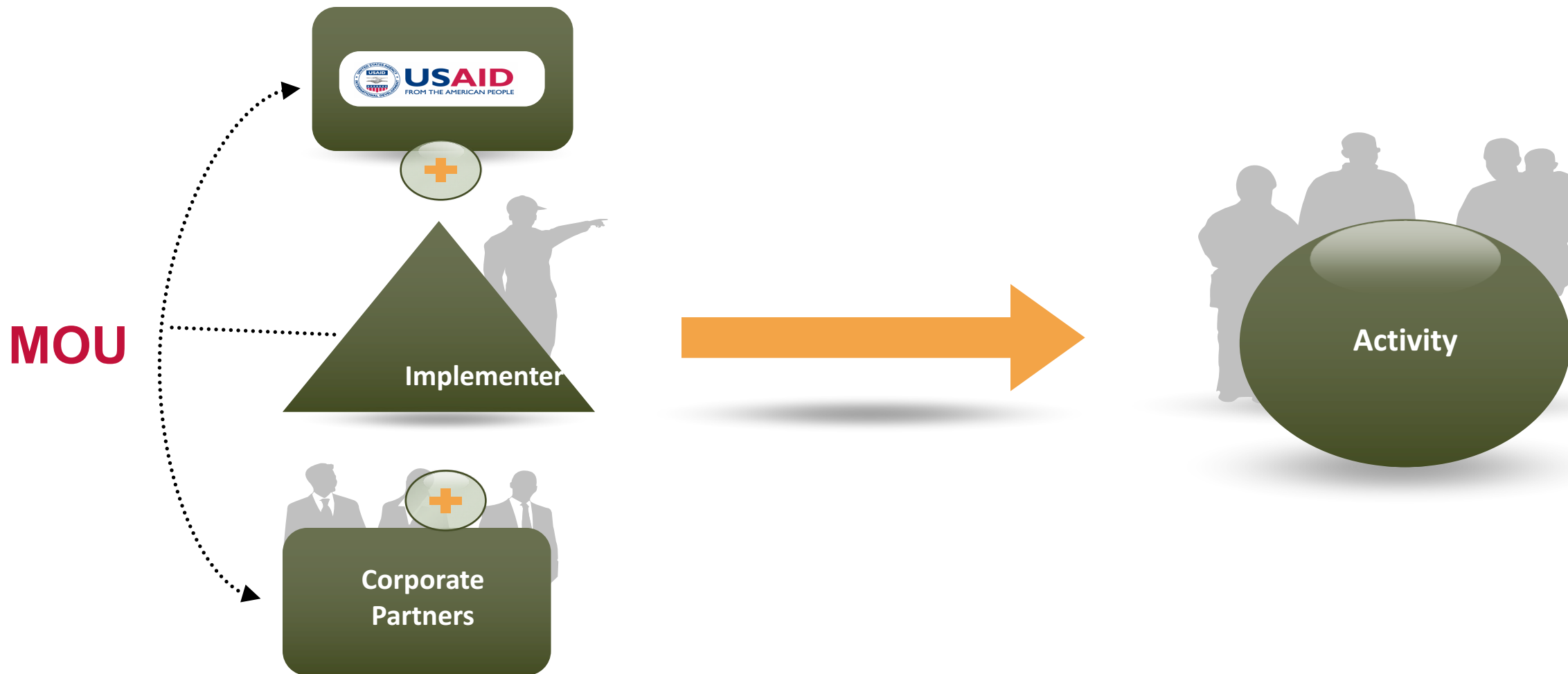
Co-organizers:



**CORAL TRIANGLE INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



# New Model: Private Sector Engagement



Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Seeking *enterprise-driven development*

- Enterprise-driven development means aligning with the private sector as co-creators of market oriented solutions. Together, this drives **shared interests** and **shared risk**, while working toward results that create **shared value**.
- USAID will shift away from an over-reliance on traditional procurement-focused models, which are often outdated, and instead prioritize collaborative solutions which unlock private investment.
- Crucial consideration as **exit strategy** and **the journey to self-reliance**.

Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Public/Private Partnerships & Enterprise-Driven Development Core Principles

- Build upon our respective, **individual interests**
- **Jointly** identify and define problem
- **Co-create** approaches and solutions
- **Mutual** responsibilities
- **Shared** risks
- Focus on **outcomes and impact**

Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Initiating a Partnership

- 1 Identify **shared priorities** that align with company's goals and USAID's development objectives
- 2 Determine **types of value** that each partner could contribute
- 3 Initiate process of design and **"co-creation"** of the partnership activities
- 4 **Find the "model"** of partnering that fits the opportunity
- 5 Develop a **formal partnering agreement** (which can include a global MOU) that includes desired results and expected roles for each partner

Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Models for Private Sector Engagement



**Risk-Sharing  
Agreements**  
*e.g. DCA*



**Investment Facilitation**  
*e.g. USAID's Private Capital  
Group*



**Shared Value  
Partnerships**  
*e.g. GDAs, BAA*



**Multi-Stakeholder  
Alliances**  
*e.g. New Alliance*



**Prizes & Open  
Innovation**  
*e.g. GCD, DIV*



Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Example: Gap, Inc.

### Empowering Women in the Garment Industry

Gap Inc. is partnering with CARE International and USAID to deliver its women's advancement program, P.A.C.E. (Personal Advancement & Career Enhancement) in the factories in which it does business. P.A.C.E. aims to promote the advancement of female garment workers by providing life skills education and technical training to help them become more successful both personally and professionally.



Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Example: Coca-Cola Water Access in the Philippines

USAID, Coca-Cola Philippines and the Philippine Business for Social Progress (PBSP) have entered into a partnership that will enable more Filipinos to access safe drinking water. The partnership addresses the issues of water security and sustainability of water supply and will employ technologies that are simple, low-cost and low-maintenance. These technologies include groundwater infiltration wells, rainwater harvesting and storage, flood water diversion and storage, and others and will be implemented from 2015-2017.



Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



## Overview

- USAID's ideas about **private sector engagement** continue to evolve
- “**Enterprise-driven development**” is crucial to “**the journey to self-reliance**”
- There are many models (mechanisms) for private sector engagement --  
**design to solve a problem, not to meet the requirements of a mechanism**

Organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY



**USAID**  
FROM THE AMERICAN PEOPLE



Co-organizers:



**CORAL TRIANGLE  
INITIATIVE**  
ON CORAL REEFS, FISHERIES  
AND FOOD SECURITY  
Indonesia



# **TERIMA KASIH – MARAMING SALAMAT – TERIMA KASIH – TAGIO TUMAS – OBRIGADO – TANK IU**

Craig Kirkpatrick, Regional Wildlife Conservation Advisor, USAID RDMA  
[crkirkpatrick@usaid.gov](mailto:crkirkpatrick@usaid.gov)

Ira Frydman, Regional Partnership Advisor, USAID RDMA  
[ifrydman@usaid.gov](mailto:ifrydman@usaid.gov)