



USAID
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RESEARCH SUMMARY

HEARTH Private Sector Engagement

A Summary of the Keys to Success When Working with Private Sector Partners on Multisectoral Programming

PHOTO CREDIT: JASON HOUSTON

ABOUT THIS RESEARCH

The United States Agency for International Development (USAID)'s Health, Ecosystems, and Agriculture for Resilient, Thriving Societies (HEARTH) activity portfolio engages private sector partners to collaboratively implement integrated sustainable development activities that conserve high-biodiversity landscapes and improve the well-being and prosperity of communities that depend on these landscapes.

In 2023, to build on the knowledge of [USAID's Private Sector Engagement \(PSE\) Hub](#) and understand stakeholder perspectives on private sector collaboration, USAID initiated research that included a series of interviews with 30 HEARTH stakeholders across USAID Washington (9) and Missions (7), private sector partners (6), and other traditional implementing partners (8) associated with 11 HEARTH activities. The interviews covered topics ranging from partners' motivation to engage in public-private partnerships; the added-value of cross-sectoral stakeholders during implementation; enabling conditions and barriers to successful partnerships; and feedback on USAID's co-creation process. The research team coded the interviews according to the [PSE framework](#) and partnership [dictionary](#) developed by Long-term Assistance and Services for Research (LASER) Partners for University-Led Solutions Engine (PULSE) for USAID's PSE Hub. USAID will hold a second round of interviews in 2025 to gather further insights on program implementation.

This research summary presents findings from the first round of PSE interviews to learn how to effectively build private-public partnerships in the context of multi-sectoral conservation programming, drawn from the HEARTH experience. Success, as defined by HEARTH partners, is the alignment between partners in the following five areas: interests, operations, values and mission, program expectations, and trust and communication (Figure 1). Findings are summarized here as four practical "keys to success."



Figure 1: Five Dimensions of Partnership Success as Defined by Respondents

Key 1: Construct partnerships around partner interests, such as core business models, motivations, and profitability requirements.

Respondents expressed a need for USAID to better understand private sector realities, including profitability requirements, regulatory requirements, and the seasonal nature of operations (especially agricultural). USAID reporting requirements must recognize the limits of private sector resources and provide flexibility for private sector partner work planning, allowing implementation to occur on a timeline that maximizes profit. Respondents also discussed the need for USAID and the private sector to use [common language](#) during co-creation and implementation.

“Another expectation we are also looking for is some **flexibility** from USAID...because when it comes to the private sector, everything changes every month. We are creating our method to match USAID needs, but we are also expecting USAID not to downgrade their process but to be more flexible.”

~ Private sector partner

Key 2: Prioritize private sector partners with overlapping values and interests in development goals. Consider both large and small private sector partners according to program objectives.

Private sector motivations, values, and interests are wide-ranging. While profit-driven, many companies base their business models around social and environmental objectives, which can be integral to their competitiveness, for instance, facilitating the development of innovative specialty products or reaching specific target markets. In addition to profit, the next top three motivating factors for private sector partners to pursue a private-public partnership include: **stability** (lending stability, reputational benefits working in poor business regulatory environments, or facilitating operations in remote areas with poor governance); **altruism** (the pursuit of social and environmental goals); and **asymmetry** (intent to leverage the private sector ecosystem to gain competitive advantage over resources/competitors) (see Figure 2 on next page).

“When we work day in and day out with farmers, we look at business differently...I think the exciting opportunities are with **specialty markets**. It is harder for USAID to work with smaller companies because there is more handholding, but I think the reward is really exciting.”

~ Private sector partner

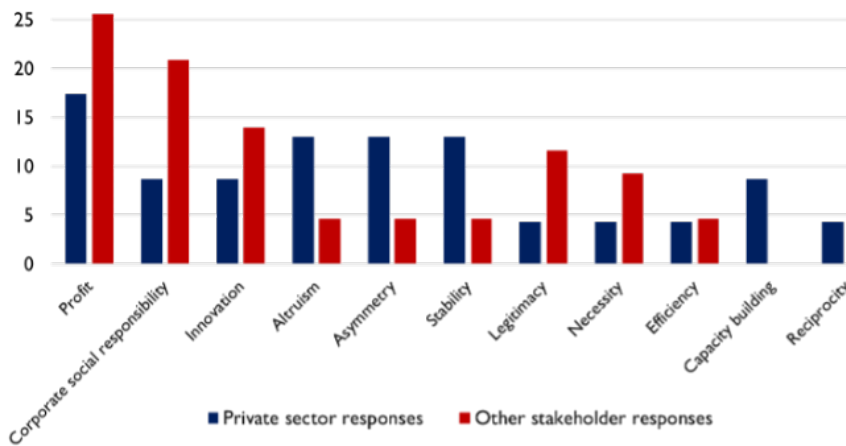


Figure 2: Percentage of Respondents Referencing Private Sector Motivating Values for Partnership

The size of HEARTH private sector partners also varies widely from boutique companies to large multinational corporations. While there is a trade-off in the scale of impact, smaller local companies may be more likely to have direct relationships on the ground than larger multinational corporations. As a result, their staff may sometimes be better positioned to directly advance conservation and social objectives into work with local communities.

Key 3: Ensure direct communication between USAID and private sector partners. When appropriate, bring trusted non-governmental organizations (NGOs) into the partnership that have complementary expertise and skills.

Respondents mentioned a wide range of success factors that were either present or absent in their partnership formation process (Table 1). The most successful partnerships were formed between partners who had experience working with each other and had developed trust and effective communication. Private sector respondents who viewed their experience most positively describe having traditional implementing partners, such as NGOs, who provide grant management expertise and are willing to be flexible with processes and work plans to accommodate private sector needs.

Table 1: Success Factors Most Often Mentioned by Respondents

Success Factors	Frequency of Mention
Communication	12
Managerial efforts (processes and systems)	9
Partnership enhancing strategies	8
Clarity of roles and responsibilities	7
Commitment of partners and staff	6
Trust	6
Flexibility and compromise	5
Shared authority and decision-making	5
Lack of staff turn-over	3
Accountability	3

Key 4: Tailor partnership structures to the specific needs of the alliance.

Other success factors include using the co-creation process to develop a mutual understanding of implementation and agreeing on managerial structures, roles, and responsibilities to facilitate continued commitment and communication. Several NGOs offered tips for designing more appropriate partnership structures during co-creation, including reporting and data sharing agreements, memoranda of understanding for accountability, and alliance steering committees that meet regularly to review progress and discuss evolving needs. Lastly, it is important to design appropriate communication and decision-making protocols that ensure shared authority and decision-making, enhanced by partners' willingness to be flexible and compromise on work plans that reflect implementation needs.

Resources

For more information and some additional tips on engaging with the private sector, please see:

- [PSE Opportunities Tool](#)
- [LASER PULSE Literature Review on Private Sector Engagement: A Generalizable Framework](#)
- [Private Sector Engagement \(PSE\): Assessing Partnering Experience](#)
- [Understanding Private Sector Engagement \(PSE\) Processes Using Eight \(8\) Field-Based Case Studies](#)