



COMPARATIVE CASE ANALYSIS

Engaging the Private Sector in Latin America and the Caribbean

Overview

Many public actors struggle to determine when and how to collaborate with the private sector for better long-term environment and climate outcomes. The U.S. Agency for International Development (USAID) seeks to share lessons from past experience to help build understanding so the Agency and its partners can maximize their efforts to foster economic growth while fighting the climate crisis and reversing biodiversity loss. These case studies explore the challenges, successes, and emerging opportunities of four USAID activities in Latin America and the Caribbean engaging the private sector to achieve environmental, social, and economic objectives.

Stakeholders from USAID's Alianza Forestal (Peru), LandScale (Mexico), Regional Coastal Biodiversity Project (Central America), and Strengthening Energy Sector Resilience (Jamaica) Activities participated in key informant interviews to share their private-sector engagement (PSE) experiences and activity outcomes. These activities act as bridges between private-sector actors, facilitating collective action on large-scale environmental problems and playing an important role in building markets for sustainable commodities from forest products to solar power to mangrove honey.

Above: Artisans from the Shipibo Conibo Indigenous People presenting the work they produced, with the private sector, to their community. Photo credit:Alianza Forestal



Whale watching course. Photo credit: Saúl Jaco

Comparative Analysis

USAID and private-sector actors bring unique strengths and value to activities. USAID engages the private sector in environment and development projects for various reasons, from the private sector's outsized impact on the environment and natural resource use to their agility and market influence. The following sections outline shared lessons from the learning questions, grouping them under financial opportunities, partnerships, and planning processes.

Creating Financial Opportunities

The private sector can provide access to affordable finance for disadvantaged groups locked out of financial markets, enabling these groups to adopt more sustainable practices. The private sector's main motivation for participating in USAID activities is financial opportunities, either from increased income or decreased cost to their business. The most successful PSE strategies clearly articulate these financial benefits to potential partners. Private-sector actors engaged in these four activities recognize that investments in sustainability now can reduce future risks and costs, and create opportunities for new revenue sources. By committing to better resource management and sustainability, companies can create more resilient supply chains consumers can trust. In some cases, access to data and information generated by the activity also adds business value, thereby incentivizing PSE. No matter the motivation, co-finance is a strong enabling condition for PSE. USAID funding helps bring private-sector partners on board, strengthening credibility and reducing their perceived risk, while private-sector funding ensures private-sector actors have a financial stake in the activity's success.

Fostering Trusting Partnerships

Key to developing productive partnerships is establishing trust and mutual respect among stakeholders, transparent communication, clarifying roles and expectations, and working to address the interests and needs of all partners. Collaboration comes with challenges due to differences in motivation, vocabulary, and timeline expectations between communities and public and private actors. Due to the complexity of working with diverse private-sector actors, environment activities with a PSE focus can take much longer than expected to achieve the desired results. Activities that tailor their PSE strategies in accordance with the size, industry, capacity, motivations, and expectations of private-sector actors demonstrate stronger working relationships with private-sector partners. Additionally, having a field liaison who speaks the language of development and business and understands the culture and context in which the activity works, is a strong asset to ensure understanding and buy-in among stakeholders.

Sharing Goals and Planning

A thoughtful co-creation process to jointly develop plans, goals, and responsibilities with the private sector and local actors also enables strong partnerships. Activities that began with a co-creation process are seeing committed and satisfied partners and the potential for stronger outcomes.

Scaling Up and Moving Forward

A comparison of the case studies shows PSE, when implemented thoughtfully in accordance with a specific context, creates economic incentives for protecting the environment and community development. Additionally, PSE has the potential to achieve greater impacts when stakeholders act collectively. Multi-sector partnerships including the private sector, academia, nonprofits, and government agencies, build mutually beneficial relationships and help encourage the long-term sustainability of projects. Many of the activities reviewed for the case study have not generated as much environmental impact as hoped due to illegal activity or lack of government interest in the initiative. Involving the national government as a key stakeholder from the beginning would have boosted impact and enhanced the resilience of activity impacts. Additionally, recognizing synergies between multiple USAID environmental projects in similar regions can avoid duplication of efforts and maximize impact.

The activities studied represent innovative ways for USAID to partner with the private sector. The success of the pilot projects developed by these activities can provide proof of concept and an opportunity to scale up. In addition, the relationships built in these multi-sector partnerships are creating opportunities to scale activity results. Scale occurs when other private-sector actors see the financial benefit of participating in environmentally beneficial activities and invest in their own projects.

The following case studies discuss these lessons in greater detail.



CASE STUDY Alianza Forestal

Above: Florentina Lopez, member of the Agroforestry Committee of the Roya native community of the Shipibo-Conibo Indigenous People. Photo credit: Gustavo Rojas

Activity Overview

Through USAID/Peru's Alianza Forestal, an activity implemented by AIDER (a Peruvian NGO), seven Indigenous communities are increasing their economic opportunities while conserving a critical natural resource. Alianza Forestal engages various private-sector actors to support the bioeconomy and ecology by helping communities sustainably manage their forests to provide carbon credits and forest and agroforestry products, such as cacao, timber, and handicrafts, and linking them to larger markets. The activity also trains and mentors communities to collect relevant forest information and monitor and report illegal logging and land invasions. The goal is to improve the use of resources through the development of sustainable economic enterprises, restore degraded lands, conserve forests and biodiversity, and reduce greenhouse gas emissions. The activity utilizes a Reducing Emissions from Deforestation and forest Degradation (REDD+) mechanism to further these desired outcomes. Companies emitting carbon dioxide or other greenhouse gasses can offset their emissions by buying carbon credits generated by the Indigenous communities. This work has shown promise, with positive reviews from participating communities and the resource partner, indicating the sustainability of this activity and the potential to be scaled up beyond the activity's support.



Above: Representatives of the Mirova Natural Capital Investment fund meet with the AIDER technical team.
Photo credit:AIDER

Implementing Partner	Years of Implementation
AIDER	2019–2024
Activity Objectives	<p>Support Indigenous communities in Ucayali to conserve and manage their forested lands by:</p> <ul style="list-style-type: none"> 1) Strengthening enabling conditions for community forest management 2) Improving the livelihoods of Indigenous communities through sustainable forest businesses 3) Socializing the community forest management model to key stakeholders
Main private-sector partners and size	Private-sector role and contribution to outcomes
Mirova Natural Capital (large impact investment fund)	Project finance
Nii Biri (intermediate firm)	Link Indigenous businesses to the market for increased income
Las Polleras de Agus and Pruébalo (small to midsize enterprises)	Stores that sell Indigenous products in larger markets of Pucallpa and Lima



Eldivia Gonzales, president of the crafts committee, and Pastorita Zumaeta, artisan from the Pueblo Nuevo native community of the Shipibo-Conibo ethnic group in Ucayali, Peru. Photo credit: AIDER

Answering the Important Questions

Learning Question I: What impact does private-sector engagement have on environment and development outcomes?

“We believe it is one of the best projects in our portfolio in terms of impact—social, economic, and environmental.”

— Private-Sector Partner - LAC Representative, Mirova

A lack of government presence, a difficult land titling system, and high value for illegal crops have resulted in land invasions and grabbing (land theft) for agriculture and other illegal activities that contribute to deforestation and insecurity in the region where Alianza Forestal works. These challenges hindered the activity from reaching the initially expected targets for carbon credits generated and deforestation avoided. Still, Alianza Forestal has contributed to improving the quality of life of Indigenous communities and protecting the forest, including 120,000 hectares under improved natural resource management and the generation of verified carbon credits associated with avoided emissions from deforestation. Mirova, the resource partner for this activity, indicates they have received an adequate return on their investment under the REDD+ funding mechanism. Indigenous communities have gained additional income through carbon credit sales and are using these resources to finance sustainable land management and train their enterprise staff.

Without a system of measuring outcomes from private-sector engagement, it is difficult to attribute results to specific actors. Still, all informants agree that engaging with the private sector is beneficial for achieving Alianza Forestal’s desired outcomes. These achievements have positioned the activity as a sustainable and scalable model. As a result, Mirova plans to invest in a second round of funding. In addition, other private-sector actors have expressed interest in partnering with AIDER on similar projects in other Indigenous communities in Peru.

Learning Question 2: What methods are being used to involve the private sector in conservation and development activities, and how effective have they been?

“The most interesting thing about this model is that it’s a co-investment model, one-to-one between us and USAID.”

—Private-Sector Partner—LAC Representative, Mirova

USAID and AIDER partnered with investment fund Mirova to co-finance Alianza Forestal through a Global Development Alliance (GDA). Using a process of co-creation, Mirova, USAID, and AIDER jointly developed business plans, established agreed-upon indicators, and built relationships with Indigenous communities participating in the activity. This collaborative approach is an effective way to engage with the private sector to ensure all stakeholder voices are included from the beginning, fostering confidence among parties and creating enabling conditions for private-sector actors to take greater risks.

In addition to partnering with Mirova, Alianza Forestal establishes relationships with sustainably minded businesses, such as intermediate firm Nii Biri and fashion brands Polleras de Agus and Pruébalo. Nii Biri connects the small community enterprises to markets in Pucallpa and Lima, while Polleras de Agus and Pruébalo are retailers committed to selling products from the Ucayali region to promote the distribution and sale of the Indigenous communities’ products in larger markets. While these partnerships require greater capacity-building among Indigenous communities to ensure their products meet the needs of private-sector partners, they are critical for achieving increased income for Indigenous community members and increased incentives for protecting the forest.

Learning Question 3: What motivates USAID and the private sector to engage with each other on emerging natural resource markets?

“This project is a win-win-win. USAID wins. The private sector wins. But in the end, the biggest winners are the forest and the communities.”

—Implementing Partner—Executive Director, AIDER

Mirova and AIDER approached USAID with the proposal for Alianza Forestal under the GDA framework with a matched financing approach. USAID believed this activity was a good investment because of AIDER’s prior positive experiences working with Mirova in the Peruvian Amazon and its previous work under a USAID-funded activity. In addition, Mirova could provide funds to Indigenous Peoples who have limitations in accessing finance from local entities, such as bank loans.

Mirova was motivated to participate in Alianza Forestal for various reasons. As an impact investment fund, they seek opportunities with a financial return for their investors and long-term, sustainable social and environmental impacts. Alianza Forestal provided Mirova with the unique opportunity to work directly with Indigenous communities. Mirova also considered this a lower-risk engagement because of their established trusting relationship with AIDER, coupled with USAID’s strong reputation, technical expertise, and willingness to co-finance.

Learning Question 4: What context-specific factors affect engagement with the private sector?

“The most effective private-sector partners are the ones that are most open to understanding the conditions of the Indigenous communities. The ones that have a more intercultural mindset.”

—Implementing Partner—Alianza Forestal Project Manager, AIDER

Operating in the Peruvian Amazon, Alianza Forestal works to engage Indigenous populations. As the national government of Peru does not actively promote large-scale environmental projects in this region, engaging the private sector helps fund and implement conservation and climate solutions. Careful and clear communication is essential to building trust when engaging the private sector and Indigenous communities in these activities. To make technical concepts, such as carbon credits and the operation of carbon investments and markets, more understandable, AIDER applies lessons from its 20 years of relationships with Indigenous communities in the Peruvian Amazon to train Mirova representatives, integrating Indigenous world views, autonomy, and rights into the investment project. Alianza Forestal frequently leads meetings between the seven Indigenous communities and Mirova to explain the activity and address any misunderstandings.

Learning Question 5: What relationship qualities with private-sector actors influence results?

“Trust. Transparency. Transparency in the way that we clearly structure what it is that each party is looking for in the project.”

—Private-Sector Partner—LAC Representative, Mirova

Differences in vocabulary and timeliness between USAID, implementing partners, and private-sector partners can pose challenges to effective engagement. Development organizations often use acronyms and reference concepts unfamiliar to the private sector. The private sector may expect measures, such as profitability and cost-savings, not often captured in activity performance indicators. Additionally, USAID’s procurement and approval processes can seem prolonged to private-sector actors accustomed to making decisions at a faster pace. Working with a like-minded private-sector partner familiar with development language and building trust using the method of co-creation helped Alianza Forestal avoid some of these known challenges.

Mirova praised USAID, noting that one of the agency’s biggest strengths is practicality, which the private-sector values. AIDER is also a key player in the success of these partnerships, as it has built and maintained relationships with local communities. As a local Peruvian organization with committed, long-term staff, AIDER can be more agile and adaptive to the local context than larger international development organizations. In setting up Alianza Forestal, AIDER invested time to build strong relationships with private-sector partners through continuous, transparent, and sincere communication. It is important to clearly explain processes upfront to set expectations appropriately for all parties. Participatory project planning, site visits, and clearly written contracts with terms and conditions allowed Mirova, AIDER, and USAID to be clear about objectives, timelines, and roles in the activity. AIDER’s hiring of specialized staff committed to learning the language of the private sector further facilitated effective relationships. USAID, AIDER, and Mirova note that strong working relationships contribute to the success of this project.



Eldivia Gonzales, president of the crafts committee and member of the plantation and agroforestry committees of the Pueblo Nuevo native community of the Shipibo-Conibo ethnic group in Ucayali, Peru. Photo credit: AIDER

On the Horizon

Each private-sector actor in Alianza Forestal has a unique role in helping USAID achieve development and environment outcomes. Though the current model is seen as successful, AIDER is considering partnering directly with the end buyers of carbon credits instead of working through organizations that link buyers and suppliers. These private-sector actors, such as companies from extractive industries, have also expressed interest in partnering with AIDER. These actors are potentially motivated by the social and environmental impact indicators AIDER can provide, which allow companies to better report and showcase their sustainability efforts. These partnerships would present more challenges because AIDER does not have experience working with big private enterprises, which likely have different interests than companies currently engaging with Alianza Forestal. However, this approach would enable Indigenous communities to receive a greater return on their carbon credits and long-term income. On top of existing opportunities for scaling, carefully and strategically engaging other partners could amplify the activity's impacts.

Learn more about the USAID's [LAC Private Sector Engagement](#) and [Conservation Enterprises](#) learning groups.

This case study was produced for review by the United States Agency for International Development. It was prepared by Environmental Incentives, Foundations of Success, and ICF for the Measuring Impact II (MI2) Contract.



CASE STUDY Mexico LandScale

Photo credit: Gustavo Rojas

Activity Overview

USAID/Mexico's LandScale activity applies the [LandScale Assessment Framework](#) to evaluate and communicate landscape sustainability in the Sierra de Tapalpa landscape, including the municipalities of Chiquilistlán, Atemajac de Brizuela, Tapalpa, and San Gabriel in the state of Jalisco. The activity aims to promote better management practices in production systems and catalyze multi-stakeholder action to reduce greenhouse gas emissions and improve landscape sustainability. Since confirming Jalisco as the intervention site at the end of March 2021, USAID and its implementing partner, Rainforest Alliance, have identified and established partnerships with local stakeholders and several key agricultural private-sector actors in the region. These partnerships include berry, avocado, potato, and other agricultural producers, along with the Jalisco Agriculture and Agro-Industrial Development Council (CDAAJ), which represents some of these producers. The activity values these partnerships as essential to reach LandScale's long-term objectives and ensure the sustainability of its impact.



Photo credit: Gustavo Rojas

Implementing Partner	Years of Implementation
Rainforest Alliance	2019–2023
Activity Objectives	For long-term greenhouse gas mitigation and sustainability in one landscape: 1) Establish a local committee and methodology to jointly plan, invest, act, and adaptively manage the landscape 2) Create new financial and regulatory incentives and tools that support application and replication 3) Engage the finance, public, and private sectors to deepen investment
Main private-sector partners and size	Private-sector role and contribution to outcomes
Berry, avocado, and potato producers; livestock and other agricultural groups; CDAAJ (midsize to large agricultural companies and associations)	Collective action to address environmental damage to the landscape



Photo credit: Gustavo Rojas

Answering the Important Questions

Learning Question I: What impact does private-sector engagement have on environment and development outcomes?

“We are combining the efforts of different organizations so they can work together...aligning them in a grand strategy.”

– Implementing Partner—Field Liaison Consultant, Rainforest Alliance

Mexico LandScale focuses on building relationships with key private-sector actors in the Jalisco region and fostering dialogue around how best to protect the landscape among the private sector, government, academia, and nonprofit sector. Thus far, Mexico LandScale has established a local committee to discuss a joint action plan to deepen investment in landscape-scale sustainability and greenhouse gas mitigation. In addition, partnerships have been solidified, and mutual goals and responsibilities have been developed between Rainforest Alliance and private-sector actors through memorandums of understanding.

Although many private-sector actors have existing reforestation programs, working collectively is expected to increase the positive impact on the landscape. Many private-sector partners participating in the committee are in the agricultural industry and are heavily dependent on access to water. While drafting the action plan during the first committee meeting in September 2021, private-sector partners expressed interest in investing in reforestation programs and the restoration and protection of aquifers to ensure the long-term sustainability of their businesses and the landscape.



Photo credit: Gustavo Rojas

Learning Question 2: What methods are being used to involve the private sector in conservation and development activities, and how effective have they been?

“LandScale is a project that continues to be built every day.”

—Implementing Partner—Field Liaison Consultant, Rainforest Alliance

Rainforest Alliance carefully strategized its interactions with the private sector and selectively chose which actors to engage. For example, Mexico LandScale is implemented in the southern part of Jalisco because the private-sector landscape of this region met LandScale’s selection criteria¹ and Jalisco’s Environmental Agency expressed strong interest in supporting the activity. Following a stakeholder mapping exercise, private-sector actors—mainly berry, avocado, potato, and other agricultural companies—were prioritized based on their economic power and impact on the landscape. USAID and Rainforest Alliance believe there is great potential in working with committed larger companies in this region, given their ability to have an impact at the landscape level.

From the beginning of the activity, private-sector partners have worked with Rainforest Alliance to establish a dialogue and create a joint action plan to protect the environment. Though it was challenging to prioritize interventions with many actors involved, the private sector sees this co-creation process as effective. Private-sector actors feel heard, and they can work together with partners and competitors to have a greater positive impact on the Jalisco landscape.

¹ Landscale’s selection criteria include: 1) presence of companies with structured supply chains and producers receiving active support, 2) presence of certified forestry operations, 3) areas identified by the government for priority investments in sustainability objectives, 4) inter-governmental and private-sector coordination mechanisms, and 5) multi-actor platforms of public-private alliances already functioning.

Learning Question 3: What motivates USAID and the private sector to engage with each other on emerging natural resource markets?

“It’s cheaper to prevent damage than to repair damage.”

—Private-Sector Partner—Director of Junta Intermunicipal de Medio Ambiente del Río Ayuquila (JIRA) and LandScale Committee Member

Mexico LandScale was motivated to engage the private sector because some of these actors have an outsized impact on the landscape. Agro-industrial companies can be particularly harmful in terms of deforestation and carbon emissions. USAID and Rainforest Alliance recognized the need for multi-stakeholder action to mitigate or reverse environmental damage. Additionally, they acknowledged that private-sector actors are key stakeholders who significantly impact and depend on natural resources as part of their business model.

Four key factors motivate the private sector to participate in Mexico LandScale: 1) an existing relationship with Rainforest Alliance, 2) USAID’s reputation, 3) economics, and 4) a perceived alignment of the activity with the companies’ social responsibility objectives. A previous solid working relationship with Rainforest Alliance on the part of many private-sector partners and the involvement of USAID increased their confidence that the activity would have a meaningful impact. Beyond trusting USAID and Rainforest Alliance, private-sector actors see the economic value of increased opportunities for revenue and potential long-term cost savings. Many believe the activity’s support to develop more sustainable strategies for their products will allow them to access international markets, such as the European Union and others with strict environmental regulations.

The activity’s information on landscape use and sustainability is also valuable to the private sector. Maps of aquifer zones, knowledge of the LandScale methodology, measurements of the private sector’s impact on the landscape, and training to improve companies’ sustainability practices, allow private-sector partners to better estimate the extent and costs of a changing landscape. The agro-industrial sector recognizes investing in landscape sustainability reduces the long-term risk for their companies. Recovery from the negative impacts of a degraded landscape in the future will cost more than investing upfront in preventing drastic changes.

Private-sector actors are also motivated by consumer and government demand for socially responsible actions. They seek opportunities to expand to new markets and collaborate with government officials. Participating companies perceive Mexico LandScale as aligned with their social responsibility objectives and interests, though each has various reasons for such pursuits. Some recognize their impact on the landscape and genuinely want to help, while others feel pressured by local citizen protests to change practices that damage the landscape. Either way, most private-sector partners recognize they need to solve large-scale landscape problems affecting their businesses, and Mexico LandScale provides that opportunity.

Learning Question 4: What context-specific factors affect engagement with the private sector?

“Organized crime and the illegal exploitation of the forest have been unanticipated challenges of this project.”

—Implementing Partner—Sustainable Landscapes Manager, Rainforest Alliance

The main context-specific factor hindering private-sector engagement in Mexico LandScale is Jalisco's high level of illegal activities. Mexican transnational criminal organizations have a significant impact on the landscape through illegal land clearing and crop cultivation, with which the activity cannot engage. Rainforest Alliance and private-sector partners worry that the presence of criminal actors will limit Mexico LandScale's impact because illegal activities could offset the environmental benefits gained through the collaboration of legitimate private-sector actors.

The culture and beauty of Jalisco, on the other hand, are factors seen as enabling conditions for the Mexico LandScale activity to achieve its objectives. People in the region are very sociable, forming relationships easily. This facilitates the creation of strong working relationships with and between private-sector actors in the region. The beauty of the area and the attachment people have to it also encourage the protection of the landscape. Tourism is an integral part of the region's economy, creating an economic incentive for its protection.

Learning Question 5: What relationship qualities with private-sector actors influence results?

“Rainforest Alliance was very considerate in asking us about which projects we wanted to implement. They didn't come to us with a project already built. Together, we developed a project that would be good for them, good for [USAID], and good for us.”

—Private-Sector Partner—General Director, APEAJAL

Rainforest Alliance and private-sector partners dedicated significant time to building strong relationships under this activity. Working together is a slow process, requiring frequent contact to ensure the private sector is committed to the activity and to reach consensus on actions to pursue. Despite the time commitment, the private-sector partners agree they are satisfied with their relationship with Rainforest Alliance. Communication about the project objectives and expectations from the private sector has been adequate, transparent, and straightforward. The clear communication and strong relationships are partly due to having a responsive field liaison hired by Rainforest Alliance on the ground in Jalisco. Another key factor contributing to this positive experience is Rainforest Alliance's interest in meeting the private sector's needs from the beginning. Private-sector partners were asked what actions would be most relevant for them and how to adapt the LandScale activity to their current work. This approach generated trust between private-sector partners and Rainforest Alliance.



On the Horizon

Mexico LandScale's solid alliances and partnerships developed thus far position the activity to achieve its objectives. The methods of initial engagement of the private sector through co-creation and continued effective communication have ensured a shared vision and positive experience for all partners. However, because the process of identifying private-sector partners, co-creation, and reaching consensus on actions took significant time, Rainforest Alliance believes the activity may need more time to observe a meaningful impact on the landscape. In addition, private-sector actors provided two key recommendations around partnerships that could further support the activity's outcomes and sustainability. First, the activity could include representatives of Mexico's federal government as part of the committee because of their role in drafting and enforcing federal environmental laws. Second, more direct engagement between the private sector and USAID could generate further confidence in and enthusiasm for the activity.

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CASE STUDY

Regional Coastal Biodiversity Project

Photo credit: Byron Linares

Activity Overview

Through the Regional Coastal Biodiversity Project (RCBP), USAID works with a consortium of implementing partners, led by the International Union for Conservation of Nature (IUCN), in partnership with the international nonprofit GOAL and a local NGO in each of three countries, Guatemala, Honduras, and El Salvador. The project works to improve the livelihoods of Indigenous and local coastal communities while conserving and reducing threats to mangroves, seagrass beds, coral reefs, and associated upland ecosystems. To accomplish this, RCBP promotes climate-smart bio-commerce activities, improved governance, restoration projects, and ecosystem monitoring. The project engages a wide range of local community associations and microenterprises and connects them to distributors. Creating linkages between buyers and sellers is expected to increase sales opportunities and help identify supply chain gaps in services, equipment, financing, and best practices.



Photo credit: Evelyn Vargas

Implementing Partner	Years of Implementation	
IUCN, GOAL, MOPAWI, FDN, ARCAS, and UNES	2017–2022	
Activity Objectives		
Biodiversity conservation through:		
1) Increased education and scientific capacity		
2) Improved livelihoods and climate-smart biocommerce		
3) Strengthened governance and regulatory framework		
4) Increased sustainable economic and land-use practices		
Main private-sector partners and size	Private-sector role and contribution to outcomes	
1) Fishing collectives, honey producers, ecotourism organizations (Indigenous and local bio-commerce microenterprises)	Market linkages: Increase income of isolated Indigenous and local communities by linking them to customers willing to pay a premium for sustainably sourced goods	
2) Frozen fish exporting company, specialty consumer goods stores, tour operators (small and midsize distributors)		



Photo credit: Brian Rivas

Answering the Important Questions

Learning Question I: What impact does private-sector engagement have on environment and development outcomes?

“We want to ensure the future of our children through the appropriate use of resources.”

– Private-Sector Partner—Small Fishing Association

RCBP engages with the private sector to generate increased income for Indigenous and local communities in Honduras, El Salvador, and Guatemala through activities that protect the environment and contribute to increased biodiversity. Support to community enterprises includes capacity building in negotiating, meeting market requirements, and relationship building with potential distributors to access larger markets. Under RCBP, fisheries connect with distributors to sell their products in the international market, and mangrove honey producers connect with artisanal shops in larger cities. So far, 12 local organizations are engaged in sustainable fishing, mangrove honey production, and ecotourism through a bio-commerce approach and have received capacity-building support. Approximately 70 percent of the targeted biologically significant areas are being monitored for improved natural resource management.



Photo credit: Evelyn Vargas

Learning Question 2: What methods are being used to involve the private sector in conservation and development activities, and how effective have they been?

“The offer that community enterprises have for private-sector partners isn’t in line with their requirements...there has to be a clear strategy to link supply and demand.”

—Implementing Partner—Deputy Chief of Party, IUCN

After designing and determining the objectives and goals of the activity, RCBP sought to establish private-sector partnerships. A situation analysis helped identify priority sites for conservation, and a mapping of key actors and leaders in those communities revealed prospective private-sector partners. Target partners are those best positioned to achieve the activity’s goals and participate in markets that fit the project’s constraints, such as buyers interested in biocommerce and sustainable products who can accept smaller supply quantities.

Through this process, RCBP learned that connecting with private-sector actors across multiple industries at varying scales requires different strategies. While the cost-focused fishing industry operates at scale and is less willing to pay a premium for artisanal products, small-scale tourism operators are willing to pay extra to give their clients a unique experience. Including private-sector actors, especially potential distributors, in the design and planning of the activity could have helped facilitate these differentiated strategies. This early engagement could have had the twofold effect of providing RCBP a better understanding of distributors’ interests and requirements and increasing the commitment of private-sector actors to the sustainable biocommerce activity.

Learning Question 3: What motivates USAID and the private sector to engage with each other on emerging natural resource markets?

“The project was a door that opened up access for us to these communities.”

— Private-Sector Partner—General Manager, Midsize Fishing Distributor

USAID and implementing partners engaged the private sector in RCBP because, as a driving force in the target countries' productivity and income, some industries have an outsized impact on the environment and can influence consumers and decision makers. Many enterprises involved in the activity operate in threatened ecosystems where their practices impact the loss or gain of biodiversity. RCBP works to organize and formalize smaller Indigenous and local community business groups because one of the biggest threats to the environment is the disorganized extraction of resources.

The market's demand for higher quality and more sustainably sourced products creates incentives for suppliers to adopt better practices. Connecting with distributors can help them access international buyers, increasing their income and business sustainability. Economic benefits, access to information and expertise, and the opportunity to connect with other private-sector actors, are the primary motivations for private-sector partner engagement in RCBP. However, specific reasons vary according to the industry and size of the private-sector actor.

Economic considerations are particularly motivating for the microenterprises participating in the project's small grants program. The grants are an investment in their business and an opportunity to grow their income with the support of USAID and IUCN's implementing consortium. One medium-sized business in the fishing industry also saw its participation in RCBP as potentially profitable. They expressed interest in gaining expertise in corporate social responsibility and engaging with Indigenous and local communities who want to reach non-local buyers at the national, regional, or international level.

Access to information is another motivating factor in the case of the fishing industry. Through the activity's monitoring of six species of commercially important marine life, private-sector actors can obtain information about fish populations, landscape management, and territorial planning that is difficult to find elsewhere. Understanding how much time there is before specific natural resources run out and strategies for preserving fish populations are important for the sustainability of such businesses.

Learning Question 4: What context-specific factors affect engagement with the private sector?

“The implementing team has to understand and respect the social and cultural context of the community. A Harvard graduate won’t be effective [at engaging with the community] if they don’t have the ability to understand the community.”

—Implementing Partner - Deputy Chief of Party, IUCN

Several context-specific factors challenge the ease and effectiveness of engaging the private sector in RCBP. However, the project has strategies to overcome these obstacles, such as finding synergies with other agencies or similar projects. The regional project works at three different sites with communities possessing different cultures, worldviews, negotiating methods, and a significant distrust of outsiders. Finding private-sector partners committed to building strong connections with communities can be challenging, but RCBP has successfully fostered these relationships thus far. Actively involving community members in decision-making, showing understanding of the different cultural norms, and demonstrating respect, have been critical.

The informality of microenterprises and the geographic isolation of some Indigenous communities create a gap between the quantity and quality of available products and services and the needs of larger distributors. In addition, Indigenous communities and the region’s small and medium-sized businesses lack government support. As a result, they cannot access bank loans or other sources of financing, limiting the risks they can take and hindering their growth. The activity is working to address this by building the capacity of microenterprises to formalize so they can trade with larger companies while providing small grants to grow their businesses and enable more risk-taking.

Learning Question 5: What relationship qualities with private-sector actors influence results?

“Both the implementing partners and us as beneficiaries have our responsibilities.”

—Private-Sector Partner—Small Fishing Association

Establishing trust between Indigenous communities and private-sector partners is a delicate process essential for delivering many of the activity’s objectives. The project has encountered challenges around the priorities of private-sector partners and differing world views among these actors and implementing partners. To overcome these obstacles, RCBP establishes trust by taking a participatory approach and communicating shared interests. Regular communication and both sides meeting their commitments help build trust. IUCN also noted working with partners they had previous relationships with as helpful in generating trust. Still, they must ensure all partners align with the private-sector strategy designed for this activity.

IUCN and the implementing consortium team believe it is important to collaborate with private-sector partners and support them in implementing their ideas and decisions, be attuned to their needs, and keep them informed on how the activity benefits their interests. In one instance, RCBP worked with an association of small-scale fishermen in Honduras who proposed a “no-take zone” to protect a specific fish species. RCPB helped the fishermen deliver their proposal to the government, resulting in a new law. This approach generates a relationship of mutual responsibility between the activity and private-sector partners.



Photo credit: Karla Evangelista

On the Horizon

The COVID-19 pandemic hindered progress on RCBP efforts for two years, significantly affecting the communities and the commercialization of bio-commerce products, especially those focused on tourism. However, RCPB trained tour organizations to provide sustainable ecotourism services and believes they will be ready to operate and start generating income once tourism in these areas reopens. Despite the setback from the pandemic, RCBP learned that a longer time frame of six to ten years for capacity building is likely needed to reach the quality standards required for microenterprises to access larger markets and unlock increased income. Additionally, a strong private-sector outreach strategy is important from the outset of an activity to connect bio-commerce enterprises with buyers. As one of the first of its type in the region, respondents agree the activity is providing valuable lessons that will inform current and future efforts.

Learn more about the USAID's [LAC Private Sector Engagement](#) and [Conservation Enterprises](#) learning groups.

This case study was produced for review by the United States Agency for International Development. It was prepared by Environmental Incentives, Foundations of Success, and ICF for the Measuring Impact II (MI2) Contract.



CASE STUDY

Strengthening the Energy Sector Resilience in Jamaica

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Activity Overview

Strengthening Energy Sector Resilience in Jamaica (SESR) is a three-year United States Agency for International Development (USAID) and Jamaica Energy Resilience Alliance (JERA) activity. JERA is an alliance of Jamaican and international private sector, non-profit, and academic organizations committed to renewable energy for a more resilient and sustainable Jamaica. Cadmus Group LLC, a strategic and technical environmental consultancy, is the JERA lead on this work. SESR's main objective is to strengthen the ability of Jamaica's energy systems to withstand or rebound quickly from natural or human-made shocks by creating an enabling environment for businesses to adopt solar photovoltaics (PV) technologies. This work is increasingly important in the face of climate change.

The activity aims to increase the demand for solar energy in key economic sectors. This is done by identifying the barriers and opportunities in Jamaica for solar energy companies and by building awareness of the cost savings and environmental benefits of installing solar systems within the hotel and tourism sector. The activity will also strengthen the local energy workforce, boosting the feasibility and sustainability of solar projects by creating a larger pool of well-trained local professionals in solar installation, inspection, and maintenance. Finally, the activity will encourage broader adoption of solar energy through two pilot projects that aim to provide proof of concept for other businesses and consumers who may be hesitant to install solar systems. If the activity succeeds, the market and capacity for solar energy will grow exponentially in Jamaica, providing the island with access to more resilient, cleaner energy sources.

Implementing Partner	Years of Implementation
Cadmus Group LLC (Alliance Lead)	2021–2024
Other Alliance Members and Partners	Role and Contribution to Outcomes
University of West Indies (UWI)	Oversee pilot solar projects and training programs for PV and PV+
Jamaica Hotel and Tourism Association (JHTA) (large organization representing interests of Jamaican hotels and other visitor accommodations)	Liaison between Cadmus and association member hotels
Rocky Mountain Institute	Advisory role, contributing its experience in PV+ projects and demand aggregation campaigns
Green Solutions International (GSI)	Provides accredited training programs for PV and PV+
Activity Objectives	
Strengthen the Jamaica energy sector's ability to withstand or rebound quickly from natural or human-induced shock by supporting enabling environments that facilitate the adoption of resilient renewable energy technologies, specifically solar PV and PV with battery storage (PV+).	
<ol style="list-style-type: none"> 1) Identify barriers to widespread adoption of PV and PV+ 2) Strengthen buyer understanding of optimal performance and operations of commercial and industrial scale PV+ systems through pilot projects 3) Encourage market development and demand aggregation 4) Facilitate workforce development 	
Main Private-Sector Partners and Size	Private-Sector Role and Contribution to Outcomes
Wigton Windfarm, WRB Energy, and Xergy Energy (large energy companies)	Project finance/solar systems investment
LASCO Manufacturing and Distribution (large food and pharmaceutical distribution enterprise)	Project finance/site of PV+ system pilot project



January 2021 launch of the Global Development Alliance.
Photo credit: USAID/Jamaica

Answering the Important Questions

Learning Question I: What impact does private-sector engagement have on environment and development outcomes?

"It takes people from the private sector working together to achieve a goal to make the country more resilient towards unexpected disasters."

– Project Management Specialist, USAID

During SESR's first year of implementation, UWI and Green Solutions International trained 63 people in solar system installation and inspection with international certification, an important first step in workforce development. During its remaining two years of implementation, the team plans to develop a pilot PV+ system of approximately 500 kilowatt/1200 kilowatt hour capacity serving the LASCO facility in St. Catherine, near Kingston. There are also plans for a much smaller system serving the adjacent community center. The LASCO pilot system aims to provide a model of the cost savings and energy quality of solar. The community center pilot system will generate greater public awareness of the benefits of solar energy.

Additionally, SESR aims to demonstrate the power of aggregating multiple hotels to reduce the price of solar installation through a partnership with JHTA. Following a successful launch event, 87 hotels and resorts contacted Cadmus expressing interest in receiving technical assistance to update their energy systems. This positive response is a signal to energy companies that solar technology in Jamaica is a promising investment. While it is still too early to share many concrete outcomes, SESR's implementing and private-sector partners agree the project is on the right path.



Global Development Alliance launch participants.
Photo credit: USAID/Jamaica

Learning Question 2: What methods are being used to involve the private sector in conservation and development activities, and how effective have they been?

“We received two strong concept notes... We asked if Cadmus and UWI/LASCO would be interested in presenting a joint proposal to USAID. They saw the advantages and were willing to work together to combine a proposal.”

—Senior Environment and Energy Advisor, USAID

SESR was developed under the USAID Global Development Alliance. This approach was chosen intentionally to bring in private-sector partners willing to work within the parameters established by USAID to advance renewable energy goals. USAID found the proposals submitted by Cadmus and UWI to be equally compelling and asked the organizations to work together on a joint submission. SESR is the result of this co-creation process.

Though it was challenging to realign and refocus the separate proposals into one, Cadmus and UWI are satisfied the resulting activity will benefit Jamaica. SESR capitalizes on the expertise of a diverse array of partners from the private, nonprofit, and academic sectors to tackle different aspects of the solar energy gap in Jamaica. UWI conducts research on solar battery storage as part of the pilot solar energy project with LASCO and provides capacity training and solar certification training to enhance the local pool of energy professionals. Cadmus partners with JHTA to identify hotels needing technical assistance to update their energy systems and looks for ways to bring several hotels together to negotiate lower prices on solar power equipment.

This multi-pronged approach builds a stronger market for solar in Jamaica and encourages investments by energy developer companies, such as Wigton Wind Farm, WRB Energy, and Xergy. In fact, investors are considering a loan for one hotel to update its energy system. JHTA praised SESR for engaging with energy companies on innovative financing structures for solar projects as a way to overcome the lack of access to affordable finance, which is currently the most significant factor keeping hotels from adopting solar energy in Jamaica.

Learning Question 3: What motivates USAID and the private sector to engage with each other on emerging natural resource markets?

“The motivation is business–business that has an impact.”

—Alliance Coordinator, Cadmus, Implementing Partner

Having more companies commit to solar technology use will enable the widespread adoption needed for the island to increase its energy resilience and reduce carbon emissions. The activity engages private-sector partners as models for other actors hesitant to invest in solar energy. It also builds a strong workforce to ensure solar energy is a sustainable and reliable choice for customers. USAID sought to engage with the private sector on this activity because it bears the most responsibility for installing and maintaining solar energy systems. The private sector is also likely to greatly benefit from solar's potential cost savings. It was important for USAID to work with well-known, reputable, local private-sector partners to increase SESR's credibility and encourage other private-sector actors in Jamaica to follow their example.

The activity's private-sector actors have many different reasons for engaging, but the common motivation is financial. Partners want the opportunity to reduce expenses and increase income for their businesses. Cadmus' work engaging with and educating potential solar energy customers in the hotel and tourism industry significantly reduces the amount of local energy companies have to spend identifying and developing customers for solar projects in Jamaica. LASCO is motivated both by the lower cost and the greater reliability of solar energy. The company's current energy system can be down for significant amounts of time, affecting their ability to manufacture products.

Partnering with USAID is a motivator for the private sector, providing credibility to the activity. JHTA said participation in the activity has benefited their reputation as a good partner to the community. JHTA also noted the activity's objectives are aligned with the organization's goal to increase the sustainability of Jamaica's hotel and tourism industries, something the association has been working on for 30 years.

Learning Question 4: What context-specific factors affect engagement with the private sector?

“Engaging with locals, we have local staff. That helps a lot in understanding because of cultural barriers, cultural things we need to understand and be cognizant of incorporating.”

—Alliance Coordinator, Cadmus, Implementing Partner

Culturally, Jamaica's institutions tend to be formal and protocol adherent. People tend to appreciate details to make informed decisions. The activity has benefited from the presence of local staff and organizations who understand Jamaica's culture and are able to develop personal connections. Most partners feel the communication within the alliance has been adequate for them to achieve their objectives.

Barriers to PV adoption in Jamaica include the lack of access to financing, limited knowledge or awareness of PV and PV+, confusing installation processes, and higher upfront costs. Previous efforts in the Jamaican solar market found the required resources to cultivate leads and educate consumers on the benefits of



Photo credit: Adobe Stock

solar power systems were too high for the potential financial return. SESR is responding to these barriers with customer support, providing potential customers with resources for decision-making, helping with sales and installation, establishing third-party ownership to bring down upfront costs, and allowing payment for the systems over time.

During the COVID-19 pandemic, the priorities of hotels shifted from installing solar systems to keeping their doors open. In light of this, Cadmus remains very sensitive and understanding of the clients' perspective when raising awareness of solar energy. The focus is weighted more toward the economic benefits of solar installation rather than the environmental benefits.

Learning Question 5: What relationship qualities with private-sector actors influence results?

“There is quite a bit of transparency in communicating the outcomes and impacts. There is information on outcomes available that actually impact people and hotels on the ground.”

—Project Contractor, Jamaica Hotel and Tourism Association, Private-Sector Partner

Some challenges have arisen among alliance members around the disparity between actual project timing and expectations. Private-sector partners tend to be more time sensitive and want to move quickly once decisions are made in comparison to USAID, which has safeguards in place that can lengthen timelines. Cadmus is working to balance expectations and requirements of partners across government, private, nonprofit, and academic sectors. Despite varying timelines, partners say the objectives and project deliverables are clear and concrete, which helps keep the relationships focused on achieving shared goals.

Staff turnover on the implementing team has also been a challenge, requiring partners to adjust to shifts in leadership. Still, USAID, implementing partners, and private-sector partners agree SESR has built strong and productive relationships through JERA that will help achieve results. Local staff commitment to the project and frequent, open communication between alliance members have enabled positive relationships. A Cadmus Alliance Coordinator manages relationships and keeps engagement flowing between the partners throughout the different stages of the project. Alliance partners also have staff knowledgeable in the best ways to interact with the energy industry dedicated to the partnership. Private-sector partners praised Cadmus's commitment to keeping them updated and involved through emails and in-person and virtual meetings.



Photo credit: USAID/Jamaica

On the Horizon

SESR's five private-sector partners—Cadmus, LASCO, Wigton Windfarm, WRB Energy, and Xergy Energy—have committed to contributing to resource mobilization. The objective is a one-to-one private-sector resource contribution, matching USAID's \$4 million investment through investment in distributed PV and PV+ projects. Private-sector partners bring the ability to mobilize up to \$50 million in private-sector contributions (15:1 leverage ratio) if project activities and economic conditions generate extraordinary PV/PV+ demand during and beyond the life of the cooperative agreement. It is still too early to tell if SESR will meet these ambitious co-financing goals.

To ensure the long-term sustainability of activity outcomes, SESR recognizes the importance of involving the Government of Jamaica. The activity's final task will be to create an alliance between the public and private sectors to start a dialogue around private-sector engagement in Jamaica's solar market that will contribute to the scaling up of solar energy projects on the island.

Learn more about the USAID's [LAC Private Sector Engagement](#) learning group.

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