



**USAID**  
FROM THE AMERICAN PEOPLE



**USAID**

**Private Sector Engagement (PSE) Modernize  
DCED Private Sector Working Group**

**June 4, 2024**

# USAID Private Sector Engagement (PSE)

<b>Opening</b>	<b>Meghan Majorowski</b> - Division Chief, Institutional Support, PSE Hub
<b>Elevating Staff Talent and Capacity for PSE</b>	<b>Temi Ifafore-Calfee</b> - Division Chief, Evidence & Capacity, PSE Hub
<b>Improving the Private Sector Partner Experience</b>	<b>Amy Davenport</b> - Director, Communities & Influence, PSE Hub <b>Susan Ross</b> - Senior PS Engagement Advisor, Global Health, Office of Maternal/Child Health and Nutrition
<b>Enhancing the Effectiveness of our Engagement with the PS</b>	<b>Anne Ytreland</b> - Senior Director, Institutional Support, PSE Hub <b>Jason Seuc</b> - Director, Economic Growth Office, USAID/Nepal <b>Ben Schapiro</b> - Environment Office Director, USAID/Ecuador
<b>Closing and Q&amp;A</b>	<b>Keith Dokho</b> - PSE Secretariat Lead, Bureau for Resilience Environment, and Food Security

# PRIVATE SECTOR ENGAGEMENT MODERNIZE

## Intro



Meghan Majorowski  
Institutional Support

## PRIVATE SECTOR ENGAGEMENT

# PULSE CHECK: PSE AMONG DCED MEMBERS

#	Question
1	(We) have the experience and skills to integrate PS perspectives and capabilities into planning, designing approaches, and implementation

Scale	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5

## PRIVATE SECTOR ENGAGEMENT

# PULSE CHECK: PSE AMONG DCED MEMBERS

#	Question
2	(We) know how to strategically engage the PS to inform our understanding of development issues

Scale	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5

## PRIVATE SECTOR ENGAGEMENT

# PULSE CHECK: PSE AMONG DCED MEMBERS

#	Question
3	(We) have the skills and resources (e.g., tools and guidance) needed to engage the PS and identify market-based approaches to achieving outcomes across sectors

Scale	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5

## PULSE CHECK: PSE AMONG DCED MEMBERS

#	Question
4	(We) understand the full spectrum of PSE approaches, including financial and non-financial modalities (e.g. alliances, pay for results, co-creation, convening, mobilizing finance, etc)

Scale	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5

## PRIVATE SECTOR ENGAGEMENT

# PULSE CHECK: PSE AMONG DCED MEMBERS

#	Question
5	(We) have the skills and resources (e.g., tools and guidance) needed to mobilize private investment as a means for addressing development and/or humanitarian issues

Scale	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5



## PRIVATE SECTOR ENGAGEMENT

# PULSE CHECK: PSE AMONG DCED MEMBERS

#	Question
6	(We are) expanding the use of PSE approaches and tools (financial and non-financial) that unlock the potential of the private sector in achieving outcomes

Scale	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5

## PRIVATE SECTOR ENGAGEMENT

# PULSE CHECK: PSE AMONG DCED MEMBERS

#	Question
7	(We are) working to build and act on the evidence of what works, and what does not, in private sector engagement

Scale	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5

## PRIVATE SECTOR ENGAGEMENT

# PULSE CHECK: PSE AMONG DCED MEMBERS

#	Question
8	(We) consistently and strategically consult and engage the private sector in approaching development and/or humanitarian issues

Scale	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5

# PRIVATE SECTOR ENGAGEMENT

## ADDRESSING USAID'S PSE BARRIERS

#	Question	USAID 2019	YOU!
1	(We) have the experience and skills to integrate PS perspectives and capabilities into planning, designing approaches, and implementation	4.0	
2	(We) know how to strategically engage the PS to inform our understanding of development issues	4.0	
3	(We) have the skills and resources (e.g., tools and guidance) needed to engage the PS and identify market-based approaches to achieving outcomes across sectors	3.6	
4	(We) understand the full spectrum of PSE approaches, including financial and non-financial modalities (e.g. alliances, pay for results, co-creation, convening, mobilizing finance, etc)	3.4	
5	(We) have the skills and resources (e.g., tools and guidance) needed to mobilize private investment as a means for addressing development and/or humanitarian issues	3.3	
6	(We are) expanding the use of PSE approaches and tools (financial and non-financial) that unlock the potential of the private sector in achieving outcomes	3.9	
7	(We are) working to build and act on the evidence of what works, and what does not, in private sector engagement	3.6	
8	(We) consistently and strategically consult and engage the private sector in approaching development and/or humanitarian issues	3.2	

## EXPANDING PSE FOR “PROGRESS BEYOND PROGRAMS”



*"We need to engage in **“critical bureaucratic reforms”** that will allow the Agency to **“be far more nimble and strategic in mobilizing businesses around the world to advance our core priorities.”***

~ Administrator Samantha Power in [New Vision for Global Development](#) November 4, 2021

“As part of the Agency’s ongoing efforts to reduce bureaucratic burdens and empower staff to dedicate their time toward more impactful work, I am pleased to announce **Private-Sector Engagement (PSE) Modernize, our plan to upgrade our systems to make PSE easier and faster for our entire workforce and partners.** By making these long-overdue reforms, we hope to see a historic change in the scale, quality, and impact of our engagement with the private sector.”

~ Administrator Samantha Power, November 17, 2022

## PRIVATE SECTOR ENGAGEMENT

# PSE MODERNIZE

Nine interconnected initiatives to modernize Agency systems and processes to make private sector engagement (PSE) easier, faster, more rewarding, and less costly for USAID and our private-sector partners.



**PSE**  
**Mission**  
**Capacity**  
**Index**



**PSE**  
**Community**  
**of Practice**



**PSE**  
**Future**  
**Workforce**  
**Program**



**PSE**  
**Consultation**  
**Desk**



**PSE**  
**Relationship**  
**Management**  
**System**



**PSE**  
**Data and**  
**Reporting**  
**System**



**PSE**  
**Innovation**  
**Incubator**



**PSE**  
**Resource**  
**Library**



**PSE**  
**EDGE Fund**

**ELEVATE USAID'S TALENT AND  
CAPACITY TO ENGAGE**

**IMPROVE THE  
PARTNER  
EXPERIENCE**

**ENHANCE THE EFFECTIVENESS  
OF OUR ENGAGEMENT**

PRIVATE SECTOR ENGAGEMENT MODERNIZE

**Elevate USAID's Talent and Capacity to Engage**

PRIVATE SECTOR ENGAGEMENT MODERNIZE

# Elevate USAID's Talent and Capacity to Engage

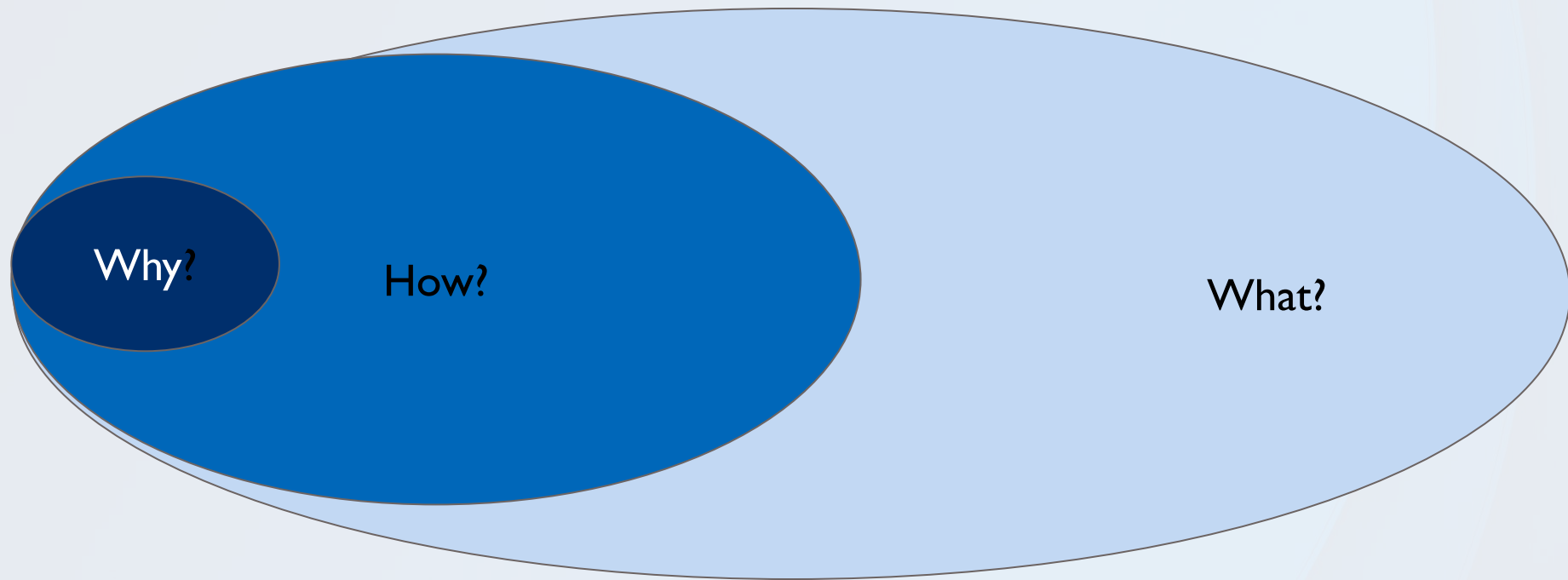


**Temi Ifafore-Calfee**

Division Chief, Evidence & Capacity



# Elevate USAID's Talent and Capacity to Engage



## PRIVATE SECTOR ENGAGEMENT

# PSE MODERNIZE

Nine interconnected initiatives to modernize Agency systems and processes to make private sector engagement (PSE) easier, faster, more rewarding, and less costly for USAID and our private-sector partners.



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**ELEVATE USAID'S TALENT AND  
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**ENHANCE THE EFFECTIVENESS  
OF OUR ENGAGEMENT**

## PRIVATE SECTOR ENGAGEMENT

# INSTITUTIONALIZING PRIVATE SECTOR ENGAGEMENT

Scaling private sector engagement isn't a question of will or desire. USAID has lacked the systems to institutionalize a widespread operational and cultural transformation.

A STRATEGIC  
APPROACH:



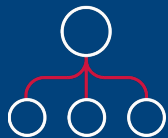
Make PSE easier for  
our colleagues



Make USAID a  
better partner



Demonstrate and scale up the  
development impact of PSE



ELEVATE USAID'S  
TALENT AND CAPACITY  
TO ENGAGE



IMPROVE THE EXPERIENCE  
OF COLLABORATING  
WITH USAID



ENHANCE THE  
EFFECTIVENESS OF  
OUR ENGAGEMENT

# MISSION CAPACITY INDEX

The Mission Capacity Index (MCI) is a tool that measures and develops the organizational capacity of a Mission to effectively implement PSE approaches to programming



## The MCI consists of:

### SURVEY

Assesses the perception of PSE capacity across 4 dimensions



### ACTION PLANNING PROCESS

Develops recommendations informed by the survey results



## The MCI seeks to achieve the following:

- Provide a **diagnostic of PSE readiness and capacity** to engage the private sector for development and humanitarian outcomes
- Provide **actionable recommendations** to strengthen and support organizational PSE capacity building efforts

## PRIVATE SECTOR ENGAGEMENT

# PRIVATE SECTOR ENGAGEMENT HUB



### Agency-wide PSE Community of Practice

- Scale up evidence-based PSE approaches and business models
- Capture lessons learned & disseminate next-generation PSE practices
- Improve and maintain sustainable private-sector relationships

# Future Workforce Program

We need strategic partnership with our HR unit in planning and execution on how to solve these key challenges of building a workforce with private sector engagement skills and experience

Challenges  
Talent  
Lifecycle

Planning

How do we attract new staff with PS experience?

Attracting/  
Recruitment

How can we create Job descriptions understandable by private sector?

How can we make offers compatible with PS compensation models?

Onboarding

How can we create position descriptions that incorporate more PSE skills?

Retention

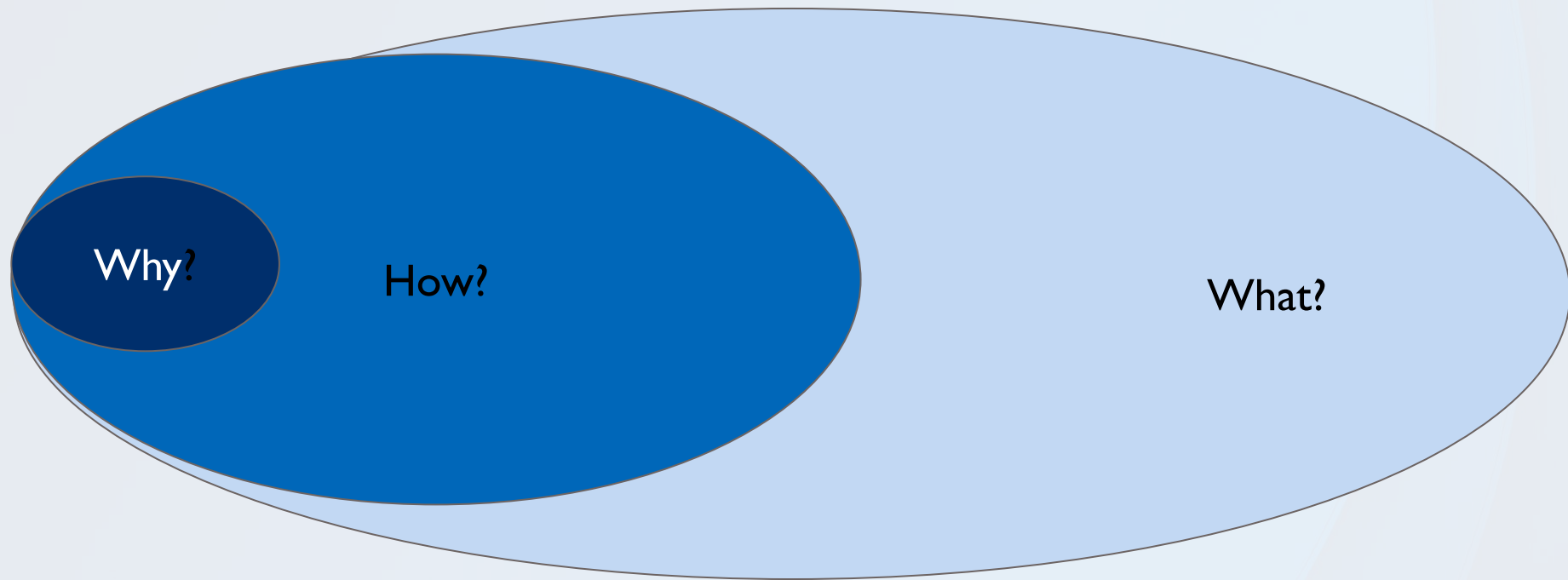
How can we reward PSE achievements and activities?

Development

What professional development opportunities will build PSE skills most effectively?

Offboarding

# Elevate USAID's Talent and Capacity to Engage

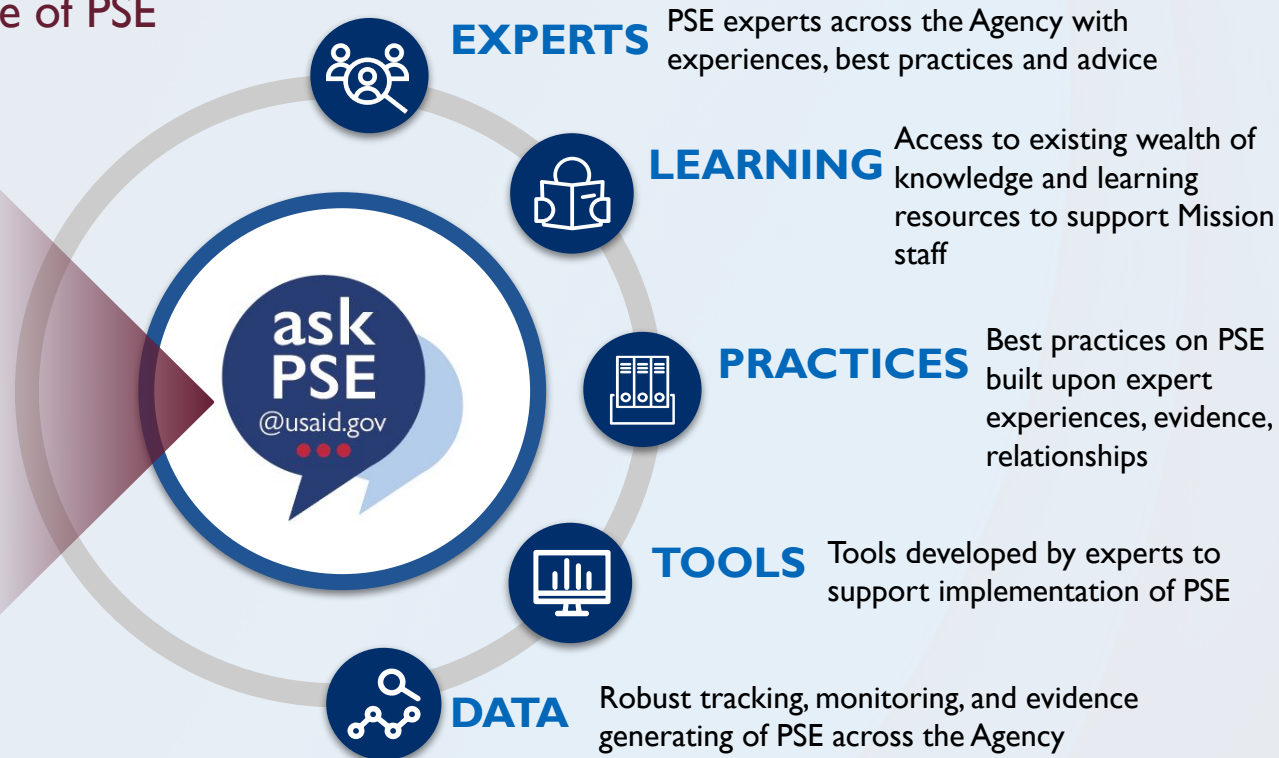


# askPSE: Getting the Resources You Need For PSE



askPSE is a **one-stop shop** where USAID staff can access a suite of PSE support.

- ✓ **Direct, efficient routing**  
To the latest practices, tools, and trainings
- ✓ **Streamlined and Coordinated**  
Across the Agency's pool of experts
- ✓ **Easy-to-use**  
Just email askpse@usaid.gov
- ✓ **Virtual Agent (Beta)**  
Instant resolution to your questions





PRIVATE SECTOR ENGAGEMENT MODERNIZE

# Improve the Partner Experience

# Improve the Partner Experience



**Amy Davenport**

Director, Global Industry Coordination

Network | Relationship Management Systems

# Improve the Partner Experience

## People

Strengthen the ecosystem of key roles to drive greater capacity to engage the private sector within Washington and internationally

Global Industry  
Coordination Network &  
PSE Advisors

## Technology

Collect and connect all information about our partners and our collaborations, so its available to USAID staff when needed

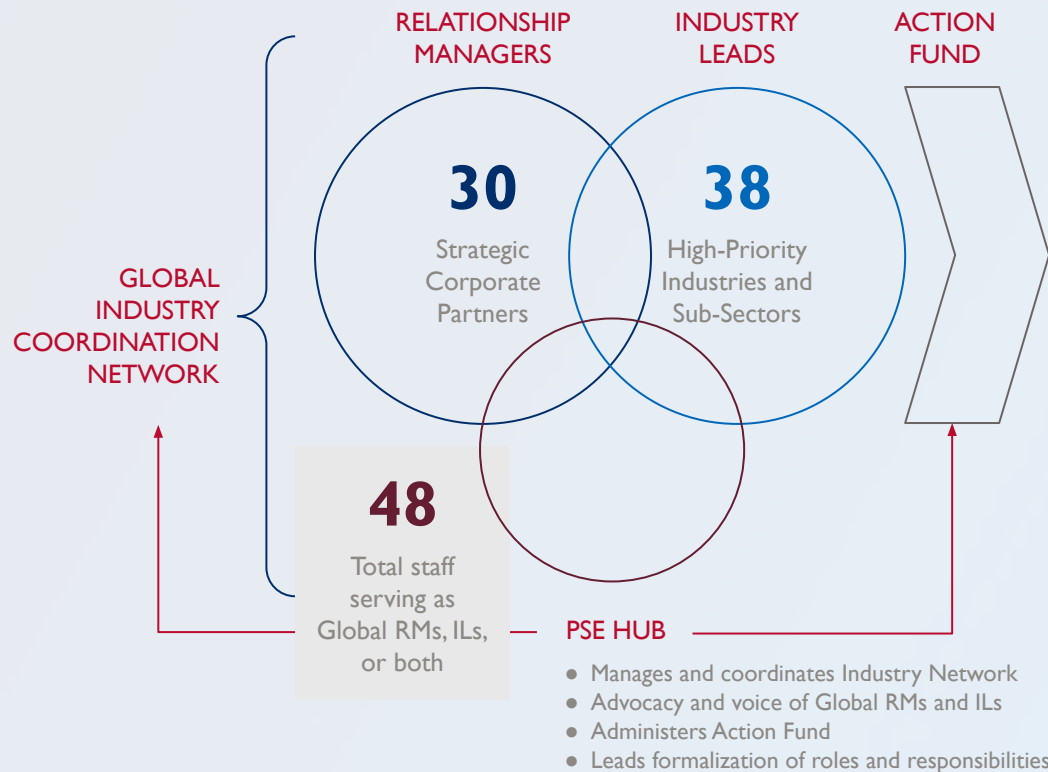
Compass, Corporate  
Partnering Portal

## Culture

Clear expectations for how staff should manage interactions and relationships with private sector entities on behalf of USAID

ONE USAID

# Global Industry Coordination Network



## USAID Industry Framework

Maps key industries and sub-sectors, based on NAICS, to a designated technical office which is responsible for initiating, cultivating, and leading engagement on behalf of the Agency



## Industry Leads

Serve as the focal point for USAID's engagement with priority industry sub-sectors, tracking industry trends, finding emerging alignment the Agency and industry actors—particularly emerging players, innovators, and others.



## Global Relationship Managers

Coordinate high-priority, complex relationships with premier global private sector partners on behalf of the whole Agency, building a strategic relationship that advances USAID's interests and priorities



## Industry & Partner Engagement Action Fund

Empowers Global RMs and ILs to connect with partners, represent the Agency at strategic convenings, and build bridges between USAID and the private sector

# Global Industry Coordination Network

The **Global Industry Coordination Network (Industry Network)** helps USAID engage the private sector more strategically, and improve the experience of engagement for Missions, companies and the entire Agency.

## INDUSTRY LEADS

- ❑ Build and Deepen Agency Understanding
- ❑ Prioritize and Initiate Contact
- ❑ Advise and Connect
- ❑ Engage & Influence

## RELATIONSHIP MANAGERS

- ❑ Strategic Thought Partnership
- ❑ Proactive Engagement
- ❑ Whole-of-Agency Perspective
- ❑ Advise & Connect

# Improve the Partner Experience

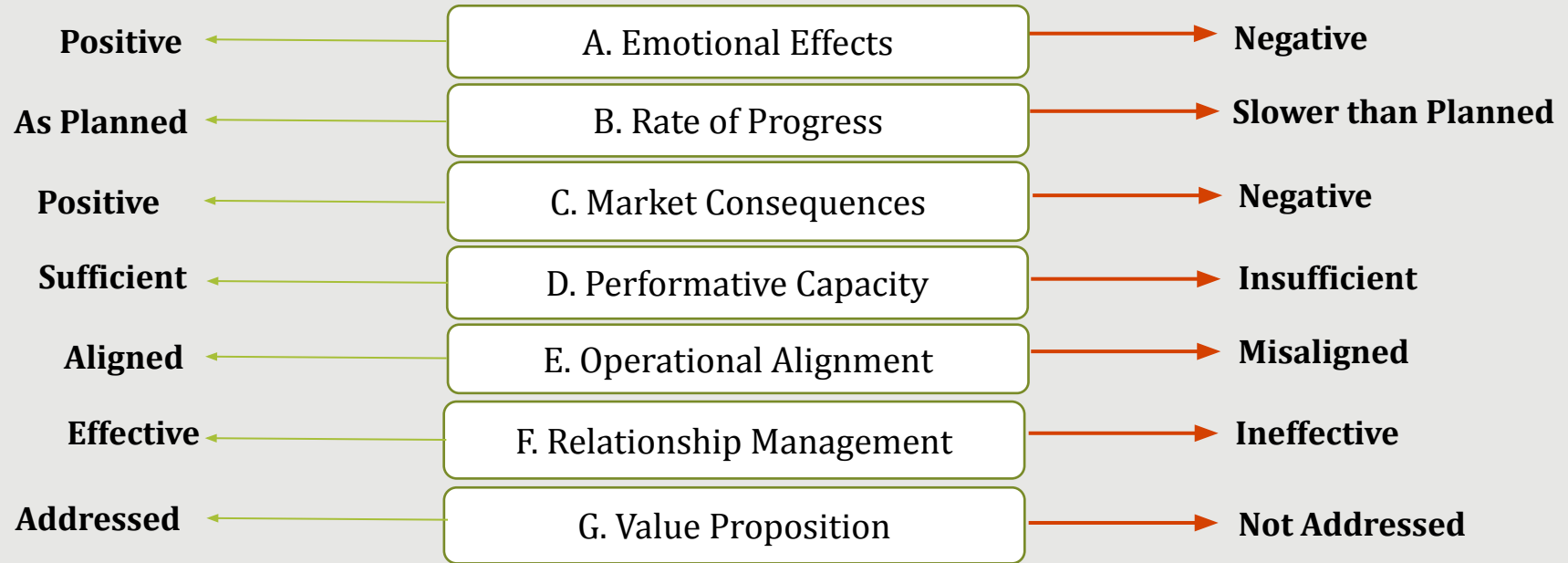


Susan Rae Ross  
Global Health

# PSE - Self Assessment Monitoring (SAM) Tool

- 2021, USAID reviewed 87 health public private partnerships (PPPs)
- 2020-2022, USAID conducted research on PSE bottlenecks
  - Long **process delays** /activities not starting/finishing on time;
  - **Frustration about operations** and/or progress among partners;
  - Poor **communication and delayed decision-making**
  - Poor partners' performance **to meet expectations; misaligned workplans**
  - **Misaligned results/metrics**
- 2022, USAD developed Perceived Worth of Continued Engagement (PWCE) framework
- 2023, D4I adapted the PWCE Framework into a PSA-SAM Tool

# The Perceived Worth of Continued (PWCE) Framework





# PSE-SAM Tool Factors and Scoring

Factors	# of Items	Maximum Score		Key Areas Assessed
		Strengths	Risks	
A. Emotional effects	2	4	4	Enthusiasm and satisfaction
B. Rate of progress	2	4	4	Pace of milestones and outputs
C. Market consequences	2	4	4	Market share and profit gains
D. Performative capacity	5	10	10	Ability to meet commitments and adapt to change
E. Operational alignment	8	16	16	Culture, planning, resilience, accountability, engagement
F. Relationship management	11	22	22	Communication, transparency, negotiation, learning, mutuality
G. Value proposition	8	16	16	Networks, funding, production, status, capacity, policy environment
Total	38	76	76	

# Partnership Example

## Operational Alignment

E1. Pace of operations

E2. Working language

E3. Culture and gender norms

E4. Accountability

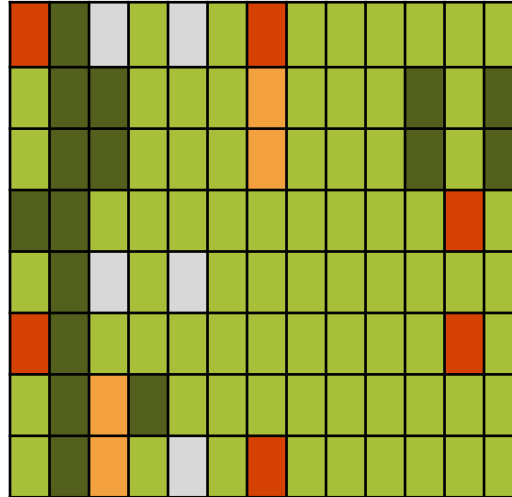
E5. Funding knowledge

E6. Adapt to resource delay

E7. Work plan process

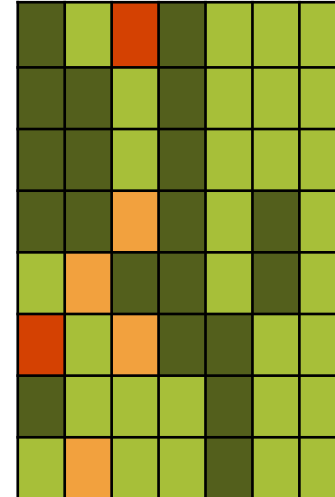
E8. Work plan involvement

November 2022



53%, 3%

June 2023



63%, 2%



Operational alignment has improved, with strengths increasing (and risks decreasing slightly). Ability to adapt to resource delays is relatively divergent across partners.

PRIVATE SECTOR ENGAGEMENT MODERNIZE

**Increase the Effectiveness of our Engagement**

# Enhance the Effectiveness of Our Engagement



Anne Ytreland  
Senior Director,  
Institutional Support, PSE Hub

# Increase the Effectiveness of our Engagement

.....By reducing PSE friction and pursuing evidence-based engagement approaches

## Knowledge Management

- PSE resources spread across multiple operating units and partners
- Time wasted reinventing the wheel in PSE programming and operations.



PSE Resource Library

## Implementation Guidance

- No central tracking of PSE best practices or repository of PSE mechanisms.
- Need for more PSE-related procurement advice.
- Limited coordination among technical offices on PSE matters.



askPSE

## Programmatic Tools

- Ad hoc use of Agency PSE tools.
- No centralized and dedicated effort to continuously adapt Agency tools for PSE.
- Inflexible earmarked and directed funding means we miss opportunities for sustainable programming impact



EDGE Fund

Collaboration  
Pathway

## Evidence, Data & PSE Indicators

- Fragmented data systems that don't talk to each other.
- Unknown actual level of PSE programming and performance.
- Inability to tell a coherent PSE story.



Data and Reporting Plan

# Increase the Effectiveness of our Engagement

## Programmatic Tools

- Ad hoc use of Agency PSE tools.
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EDGE Fund

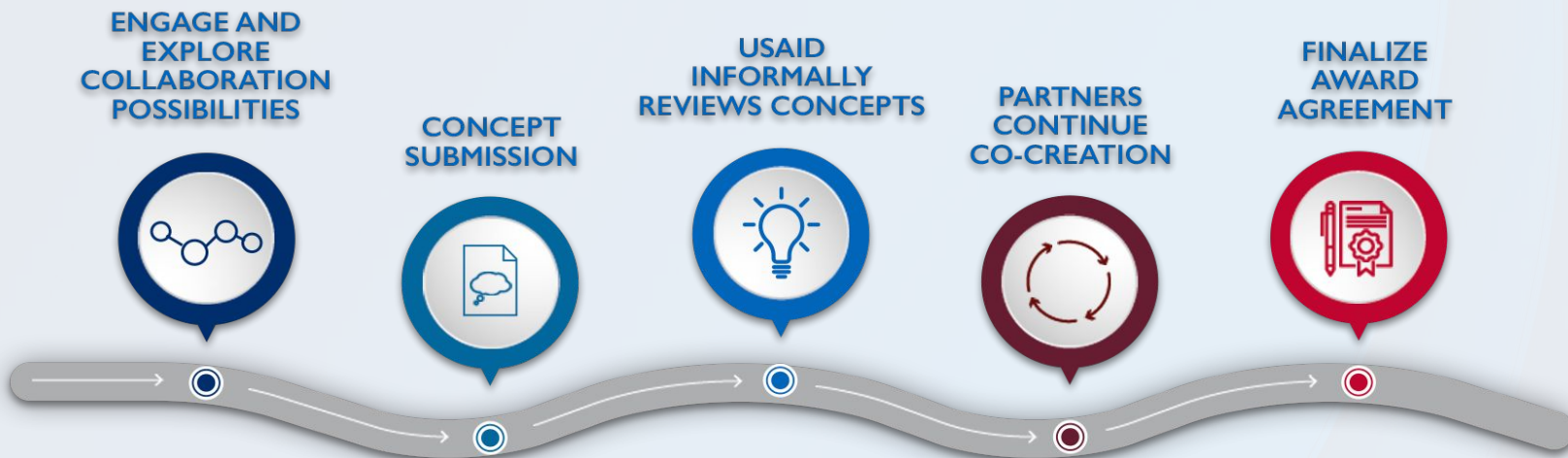
Collaboration  
Pathway

- **ENABLE CO-CREATION**
- **INCREASE FLEXIBILITY TO ALIGN**
- **STREAMLINE ENGAGEMENT**



# INCREASE THE EFFECTIVENESS OF OUR ENGAGEMENT COLLABORATION PATHWAY

## Private Sector Collaboration Pathway APS - A Co-Creation Process



<https://www.usaid.gov/work-usaid/private-sector-engagement/private-sector-collaboration-pathway>



INCREASE THE EFFECTIVENESS OF OUR ENGAGEMENT

# COLLABORATION PATHWAY KEY STRENGTHS

## CO-CREATION EMBEDDED THROUGHOUT THE ENTIRE PROCESS

- **Direct communication** with potential private sector partners necessary prior to concept submission

## PRIVATE SECTOR RESOURCE CONTRIBUTIONS STRONGLY ENCOURAGED

- USAID Missions have increased **flexibility to determine the level & mix of contributions** based on what's needed for success in that collaboration/partnership

## STRAIGHTFORWARD AND STREAMLINED ASSISTANCE PROCUREMENT PROCESS CLEARLY DESCRIBED IN THE APS

- **Concept review** does not involve a formal committee
- **No Request for Application or Notice of Funding Opportunity** needed. Information needed to issue an award can be communicated during the co-creation process via email, brief documents, slide decks and conversations
- **Addenda to the Collaboration Pathway may be issued** by Missions

## LOCALIZATION CONSIDERATIONS INCLUDED

- Missions determine the **concept submission language and format** (e.g. document or slide deck) so long as concept requirements in the Collaboration Pathway are met
- **Flexibility in the level & mix of resource contributions** allows for new types of collaborations and partnerships



# Enhance the Effectiveness of Our Engagement

**USAID/Nepal**



Jason Seuc

Director, Economic Growth Office

# USAID/Nepal: Collaboration Pathway Perspectives

Nepal is increasingly relying on the private sector to meet national development goals as it moves from LDC status to looking beyond assistance. Using the Collaboration Pathway, USAID/Nepal can help the government move towards their goals and streamlined submission formats enable USAID to move more efficiently to co-creation with the private sector. The co-creation efforts have facilitated USAID's close collaboration with Local private sector partners and increased our understanding of mutual development and business goals. Through the Collaboration Pathway USAID/Nepal was able to:

- Set realistic and ambitious targets, and quickly mobilize to work together with partners.
- Build lasting relationships with private sector partners and better understand needs and challenges local organizations face when they work with USAID.
- Use the flexible leverage requirement (without 1:1 funding match requirement) to use USAID funding to catalyze broader partnerships that raise additional funds.
- Work effectively with local partners.
- Expand not just cost contribution from partners, but also overall development impact through partnerships.



INCREASE THE EFFECTIVENESS OF OUR ENGAGEMENT

# EDGE FUND: A \$50 Million Internal Opportunity Fund

## PURPOSE

- Align USAID's programs with business ventures for market-sustainable development benefit
- Reduce obstacles to co-creation
- Demonstrate value of flexible funding

## DESIGN FEATURES

- Open to USAID applications in any geography/sector
- Streamlined application and review (15 questions)
- Demonstrated development need AND market opportunity
- Private sector commitment and 1:1 contribution minimum
- Rapid implementation; spend EDGE funds within 1 year

## RESULTS

- Deployed funds within 5 months
- 158 million in partner contributions + \$731 million anticipated additional capital mobilized
- Secured a second round of \$50 million from Congress



Today in Tababela, Ecuador I launched a new partnership with @CorpFavoritaEc. By connecting local farmers (like those at this green bean farm) with Ecuador's largest grocery store they will be able to sell their products directly – strengthening the supply chain and profits.



The USAID  
**EDGE  
FUND**  
Enterprises for Development,  
Growth, and Empowerment



The EDGE Fund is a  
**\$50 MILLION**  
innovative fund that pairs  
public resources with private  
sector investment, unleashing  
business capabilities to  
confront some of the greatest  
challenges of our time.

[www.usaid.gov/work-usaid/private-sector-engagement/edge-fund](https://www.usaid.gov/work-usaid/private-sector-engagement/edge-fund)

# Ben Schapiro, USAID/Ecuador Environment Office Director



**The EDGE FUND**  
Enterprises for Development, Growth, and Empowerment



**Strengthening Productive Value Chains in Emerging Markets**

 **EDGE Fund: \$3M**

 Ecuador    Agri-Business    Agriculture and Food Security

Create direct buyer-supplier relationships and offer farmer training to:

- Improve the output quality and quantity of suppliers
- Increase rural agricultural producers' income-earning potential by eliminating multiple intermediaries in the supply chain.

## PARTNER INFORMATION

### CORPORACIÓN FAVORITA



Agri-Business

 \$2,008,440



As the primary partner, Corporación Favorita will expand their supplier network, invest in collection centers, and establish a business-to-business platform for farmer-buyer direct connections.

### ALIANZA PARA EL EMPRENDIMIENTO E INNOVACIÓN (AEI)



Non-Governmental Organization

 \$ 665,941



AEI will lead on the training, farmer recruitment, and identification of two new buyers to sign purchase agreements with farmers.

### CORPORACIÓN LÍDERES PARA GOBERNAR (CPLG)



Non-Governmental Organization

 \$ 376,859



CPLG will lead a communications campaign to improve perceptions of the private sector in rural areas.



INCREASE THE EFFECTIVENESS OF OUR ENGAGEMENT

## ECUADOR: Mission Perspectives on Flexible EDGE funding

“We have to innovate, and with USAID we are going to innovate in this mobile collection center because we’ve never done it before. In the far reaches of the country, especially in the Amazon, where there are a lot of people but spread around a bigger area, the collection centers are going to go farm to farm and collect the product there.” - USAID Partner



“...if not for the EDGE funding... the partner would not be willing to do this”  
- USAID Staff

### Flexible EDGE funding:

- Demonstrated USAID’s commitment to a shared-value partnership.
- Encouraged partners to commit to a mobile concept reaching isolated farmers in the Amazon.
- Ensures that partners can achieve goals within three years.

# Closing Reflections and Discussion



Keith Dokho  
Bureau for Resilience,  
Environment, and Food  
Security

THANK YOU