



# Agency Priority Goal Action Plan

## Private-Sector Engagement

### Goal Leaders:

Karl Fickenscher

Deputy Assistant Administrator for Economic Growth, Education, and the Environment



# Overview

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## Goal Statement

Expand engagement with the private sector to achieve greater development outcomes. By September 30, 2021, 100 percent of USAID Missions will have a Private-Sector Engagement (PSE) Plan in place that integrates country-specific PSE approaches into programming and operations, and 90 percent of USAID Missions will demonstrate action taken in line with their PSE Plan.

## Challenge

Private sources now represent nearly 90 percent of financial flows to developing countries,<sup>1</sup> and dwarf Official Development Assistance. The private sector creates nine out of ten jobs in the developing world<sup>2</sup> and provides an important pathway to self-reliance. On their own, donor agencies are unable to fulfill their goals for sustainable development. The public sector alone does not have the resources to match the scale and complexity of the challenges that communities face on the Journey to Self-Reliance.

## Opportunities

- Changes in the global development context have increased the alignment of interests between the private sector and development actors.
- There is growing recognition within the private sector of the need for, and benefits of, investing in the developing world. Governments are expanding efforts to diversify their economies and connect with capital for investment.
- To capitalize on these opportunities and move closer to ending the need for assistance, USAID must increase and deepen our collaboration with the private sector.

Barriers	Actions to Address
<ul style="list-style-type: none"><li>• PSE requires a shift in the Agency's corporate culture and mindsets, which takes time and requires a robust and concerted strategy.</li><li>• PSE presents challenges with already-stretched bandwidths.</li><li>• Perceived and real contracting impediments and risk-averse culture can discourage innovation.</li></ul>	<ul style="list-style-type: none"><li>• Developing a repository of compelling PSE stories that illustrate the strategic shift in PSE and how it is different from traditional approaches.</li><li>• Encouraging working groups to distribute the responsibility, including by including PSE in employees' work objectives.</li><li>• Offering training targeted at contracting and legal staff, increasing awareness of Agency's <a href="#">Risk-Appetite Statement</a>, and joining efforts with <a href="#">Effective Partnering and Procurement Reform</a>.</li></ul>

<sup>1</sup> The Index of Global Philanthropy and Remittances 2016, Hudson Institute, 2016, page 9.

<sup>2</sup> *World Development Report 2013*, World Bank 2013, page 7; and Jobs Study: Assessing Private-Sector Contributions to Job-Creation and Poverty-Reduction, January 2013, International Finance Corporation.

# Goal Leadership

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## USAID's PSE Team

The PSE Team (the future “PSE Hub”) is the *Office of Private Capital and Microenterprise* in the Bureau for Economic Growth, Education, and the Environment, and the *Center for Transformational Partnerships* in the U.S. Global Development Lab. The PSE Team is leading efforts to advance the implementation and institutionalization of USAID’s PSE Policy. Both units will become part of the new Bureau for Development, Democracy, and Innovation (DDI) when it becomes operational early in Fiscal Year (FY) 2021.

## ***The Vision for the PSE Hub***

Housed in the forthcoming DDI Bureau, the future PSE Hub will support the Agency in advancing the use of market-based approaches to deliver development and humanitarian results across all sectors. The Hub will drive transformation in the Agency’s culture and operations to embrace greater collaboration with the private sector in achieving outcomes.

The PSE Hub will coordinate USAID’s efforts to broaden our relationships with commercial entities and transform the way the Agency conceives of, designs, and delivers programs. This includes the development of USAID-specific frameworks for working and co-investing with private companies to create new tools; aligning incentives for staff; and bolstering processes to facilitate PSE throughout the Agency’s program, from design to evaluation, and in every sector.

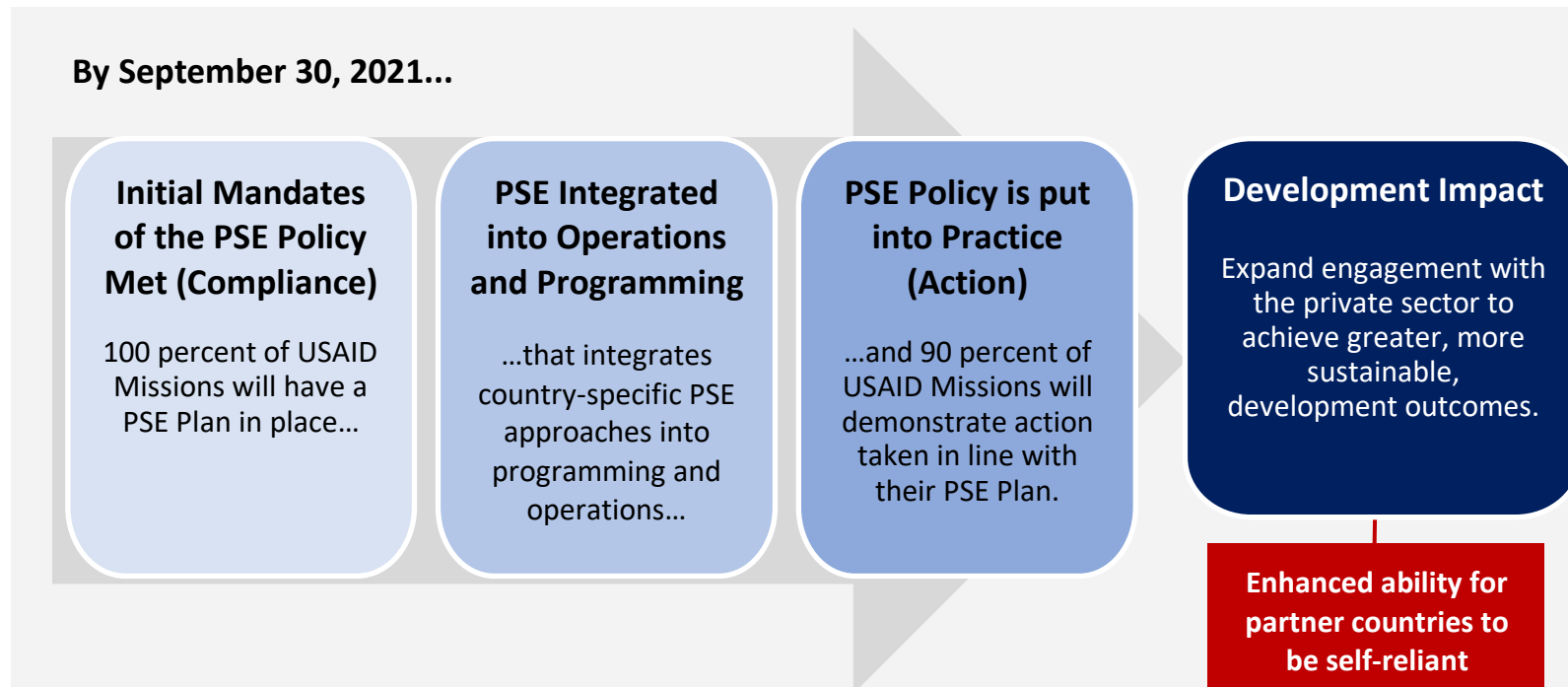
The goals of the future PSE Hub include the following:

1. Adopting more market-based solutions to development and humanitarian challenges;
2. Seeking to address market failures proactively through the Agency’s programs in every sector; and
3. Increasing significantly innovation in and collaboration with private enterprise across USAID’s work.

# Goal Structure and Strategies

USAID's PSE Policy is an Agency-wide call to action to work hand-in-hand with the private sector to conceive, design, and deliver our development and humanitarian programs across all sectors. USAID is building local capacities and institutions that bolster national self-reliance. To move the Agency closer to achieving our goal of ending the need for assistance, USAID is prioritizing sustainable, market-based solutions; the mobilization of private capital to expand the scale of development programs and their outcomes; and greater collaboration with the private sector.

The Agency Priority Goal (APG) on PSE will report on our progress made in implementing [USAID's PSE Policy](#) along the three phases outlined below.



# Summary of Progress - Third Quarter (Q3) of FY 2020

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During the Third Quarter (Q3) of FY 2020, USAID continued to make progress in engaging the private sector and institutionalizing PSE as a key approach to delivering programming:

- As USAID Missions continue to develop their *Country Development and Cooperation Strategies* (CDCS), the PSE team has reviewed and supported nearly 60 CDCSs to integrate PSE as a strategic approach in advancing countries on their Journeys to Self-Reliance.
- USAID's PSE Community of Practice has grown to 1,938 staff, and 410 staff have joined the PSE platform (PSE Knowledge-Exchange) for peer-to-peer exchange of experiences and approaches. During Q3, members of the Community of Practice shared 42 topics via the Knowledge-Exchange, which generated 114 posts. Top discussion topics included a thread on how companies are responding to COVID-19 and sharing experiences related to PSE Working Groups and Mission operations.
- To protect the health and safety of our staff during the pandemic of COVID-19, USAID cancelled training sessions planned for Q3 and scheduled the training sessions to resume in Q4.
- USAID's PSE Team released the [PSE Evidence Gap Map](#) in accordance with the [PSE Evidence and Learning Plan](#) and the Agency's [Self-Reliance Learning Agenda \(SRLA\)](#). The Evidence Gap Map is an online visual representation of existing documentation and evidence, which uses a matrix of USAID's conceptualization of PSE. It compiles evidence in one place with a number of filter and search features to facilitate the use of evidence.
- USAID's *PSE Actions Dashboard* launched internally during Q3. Built in collaboration with Data Services in the Office of the Chief Information Officer within in Bureau for Management, the PSE team reviewed the PSE Plans from 102 Operating Units (OUs) and identified and consolidated 200 actions into 47 standardized actions. Users can sort data by OU, region, sector, status, categories of actions, or actions. This powerful new tool allows our staff to gain insights and analyze how the Agency is advancing PSE in our programming and operations Agency-wide.
- On May 28, 2020, an Agency-wide PSE quarterly call brought together more than 285 USAID staff from 28 Missions and 19 Bureaus and Offices under the theme, "Shaping PSE during Crisis Response." Experts from the Bureaus of Humanitarian Assistance and Global Health, and the Development-Informatics team in the Center for Digital Development within the U.S. Global Development Lab reviewed lessons learned, and PSE Points of Contact in Kenya and India shared how their Missions are adjusting and responding to COVID-19 in collaboration with the private sector.

# Field Spotlights

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## **Delivering Vital, Accurate COVID-19 Information to Millions Through Mobile Phones in Nigeria**

Across sub-Saharan Africa, mobile phones are changing how people farm, bank, and gain access to health care. With the outbreak of the pandemic of COVID-19, mobile phones are proving critical to controlling the spread of the virus. In the Federal Republic of Nigeria, the number of COVID-19 cases has reached more than 17,000 in four months—an alarming rate of transmission in Africa’s most populous country, home to 200 million people. To stem the spread of new infections, USAID/Nigeria joined forces with telecommunications provider Airtel to deliver vital information to millions of citizens on how to protect themselves from COVID-19.

As cases of COVID-19 emerged, USAID/Nigeria rapidly responded by supporting the Government of Nigeria to launch a nationwide risk-communications campaign. Airtel uses the “3-2-1 service” to provide its 51 million Nigerian subscribers with access to key messages on COVID-19 in five major languages at no cost, and at their convenience. Working with USAID-funded partner Breakthrough ACTION-Nigeria and the Nigeria Center for Disease Control (NCDC), Airtel is providing its infrastructure and airtime to make key health information available for free.

“The support from USAID has strengthened our capacity to respond to challenges of the outbreak, particularly in the area of risk-management communications,” said Dr. Chikwe Ihekweazu, NCDC’s Director-General.

For Airtel, the benefit is clear—purchases of Airtel SIM cards have increased, and more people are recommending the service.

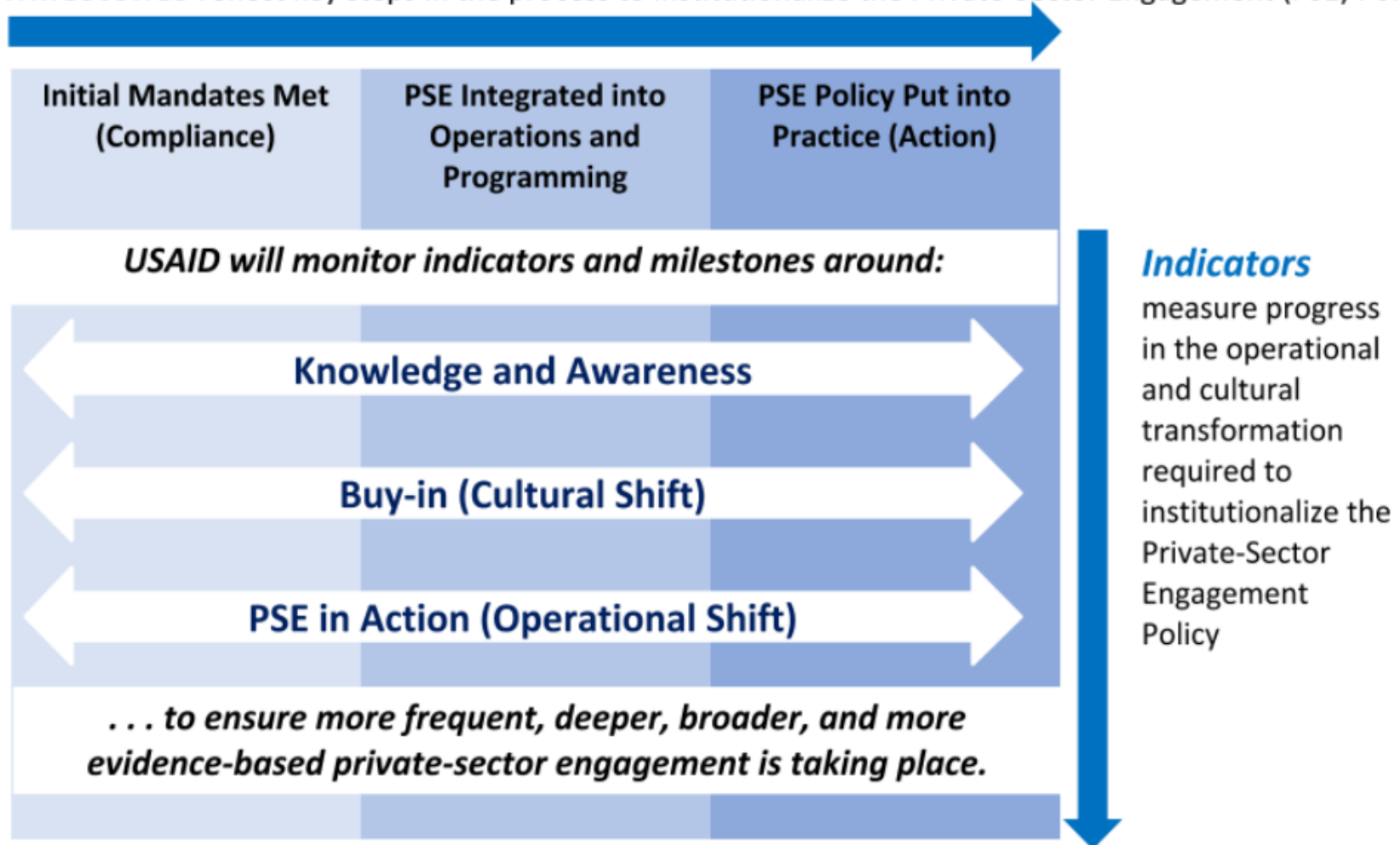
“Airtel is excited to partner with USAID...and other stakeholders to create a nationwide platform that offers opportunities to enable millions of Nigerians across various communities to lead better and healthier lives, especially during this period of the global COVID-19 pandemic,” said Dr. Segun Ogunsanya, Chief Executive Officer and Managing Director of Airtel Nigeria.

Regardless of a subscriber’s type of mobile phone, location, language, or literacy level, the Government of Nigeria can now instantly reach millions of people through this partnership, which has helped NCDC rapidly develop, host, and disseminate messages on COVID-19 to the public. Within two months of the outbreak, Airtel had placed calls to 15 million subscribers and sent out 32 million text messages, and nearly 190,000 people had called the 3-2-1 service to receive information about COVID-19. The estimated total cost of the free airtime donated is at \$455,000.

By harnessing the power of mobile phones to reach people with critical and reliable information on COVID-19, USAID and Airtel are dispelling misinformation and increasing awareness for the adoption of preventive behaviors in Nigeria.

# Theory of Change

**Milestones** reflect key steps in the process to institutionalize the Private-Sector Engagement (PSE) Policy



# Indicators and Milestones

Key Milestone	Milestone Due Date	Milestone Status	Comments
<b>Compliance:</b> 100 percent of USAID’s Missions, Bureaus, and Independent Offices (M/B/IOs) have a designated Private-Sector Engagement (PSE) Point of Contact (POC).	First Quarter (Q1) Fiscal Year (FY) 2020	Complete	The full list of USAID PSE Points of Contact is available <a href="#">here</a> . Designating PSE POCs facilitates external engagement with each Mission and Bureau. They also serve as team leads for the implementation of the Agency’s PSE Policy.
<b>Cultural Shift:</b> Launch the PSE Knowledge-Exchange, a listserv that enables the peer-to-peer exchange of best practices, crowdsourcing answers to questions, and the sharing of opportunities with private firms.	Q1 FY 2020	Complete	Successfully launched the PSE Knowledge-Exchange on October 7, 2019. To date, 350 staff have opted to join the platform and are exchanging resources and information actively.
<b>Compliance:</b> 97 percent of Missions have a plan in place for putting the PSE Policy into practice (submitted to the PSE Team).	Second Quarter (Q2) FY 2020	Complete	All but two Missions have submitted PSE plans to the PSE Team, which equals 98-percent compliance with the PSE Policy.
<b>Learning:</b> Complete PSE Evidence-Gap Map.	Q2 FY 2020	Complete	Completed design in Q2, and launched the <a href="#">Evidence Gap Map</a> for use in the Third Quarter (Q3).
<b>Integration:</b> Develop and launch a PSE Indicator Handbook to help M/B/IOs integrate PSE better into their approaches to monitoring, evaluation, and learning.	Q3 FY 2020	In Progress	USAID has made substantial progress on developing the components of the PSE Indicator Handbook. The Agency will share several draft tools for Mission feedback in the coming months.
<b>Integration:</b> Review all Missions’ <i>Country Development Cooperation Strategies</i> (CDCSs) for the integration of PSE.	Fourth Quarter (Q4) FY 2020	In Progress	To date the PSE team has reviewed and supported nearly 60 CDCSs to integrate PSE as a strategic approach in advancing countries on their Journeys to Self-Reliance.
<b>Knowledge/Awareness:</b> Hold a PSE Forum that brings together staff and the private sector to build skills, exchange good practices, and support an Agency community of PSE Champions.	Q4 FY 2020	Postponed	USAID has postponed the PSE Forum for 2020 because of health and safety concerns related to COVID-19.
<b>Learning:</b> Update the PSE Evidence-Gap Map (as part of the update to the PSE Evidence and Learning Plan).	Q1 FY 2021	In Progress	
<b>Action:</b> M/B/IOs take stock of their efforts in PSE, and update their PSE Plans accordingly.	Q2 FY 2021	Planned	
<b>Learning:</b> Conduct and complete a PSE failure-risk analysis.	Q3 FY 2021	In Progress	
<b>Action:</b> All Missions demonstrate concrete actions taken in line with their PSE Plans.	Q4 FY 2021	In Progress	



# Indicators and Milestones

Indicator	Baseline Fiscal Year (FY) 2019	FY 2020 First Quarter (Q1) Target	FY 2020 Q1 Actual	FY 2020 Second Quarter (Q2) Target	FY 2020 Q2 Actual	FY 2020 Third Quarter (Q3) Target	FY 2020 Q3 Actual	FY 2020 Q4 Target	FY 2020 Fourth Quarter (Q4) Actual
1. Number of staff trained on the principles of Private-Sector Engagement (PSE) [QUARTERLY]	49 staff/quarter	40 <sup>3</sup>	83 <sup>4</sup>	49	75	49	0 <sup>5</sup>	49	
2. Percent of staff who “agree” or “strongly agree” that their Operating Unit adheres to USAID’s PSE Policy [ANNUAL]	58 percent	N/A	N/A	N/A	N/A	N/A	N/A	63 percent	
3. Percent of Missions that report multiple active partnerships with the private sector [ANNUAL]	77 percent	N/A	N/A	N/A	N/A	N/A	N/A	80 percent	

<sup>3</sup> This target is based on the expected two training sessions per quarter. The PSE Team offers additional training sessions tailored to particular Missions or Operating Units, which could mean that USAID could exceed this target, but such training sessions are “on demand.”

<sup>4</sup> Because of unexpected demand, USAID University conducted an additional course of the PSE and Partnerships training, which caused the Agency to exceed the target for Q1.

<sup>5</sup> To protect the health and safety of USAID staff during the COVID-19 pandemic, the PSE Team’s planned Q3 training sessions were cancelled and are tentatively scheduled to resume in a limited virtual form in Q4.

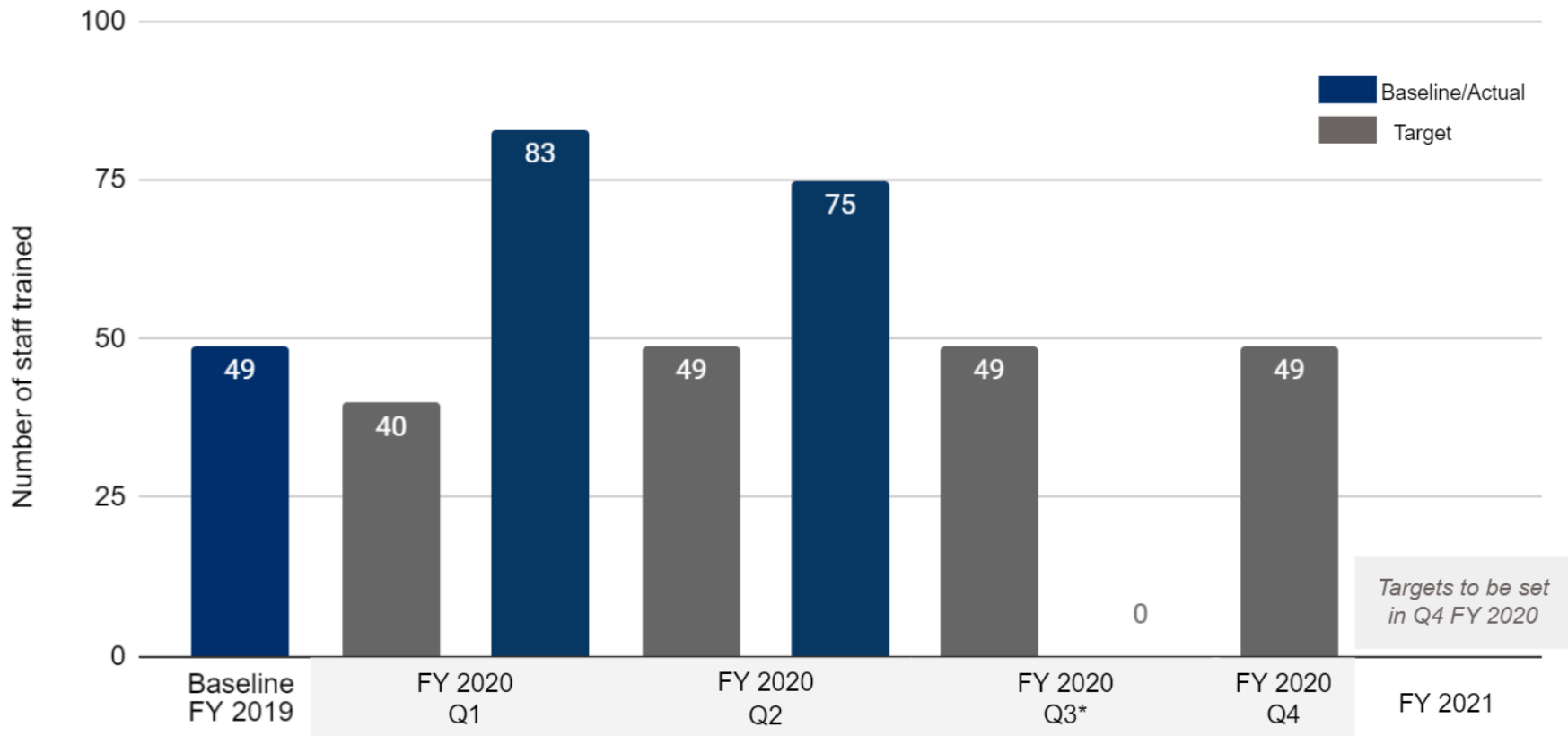
# Indicators and Milestones

Indicator	FY 2020 Target	FY 2021 Q1 Target	FY 2021 Q1 Actual	FY 2021 Q2 Target	FY 2021 Q2 Actual	FY 2021 Q3 Target	FY 2021 Q3 Actual	FY 2021 Q4 Target	FY 2021 Q4 Actual
1. Number of staff trained on the principles of PSE [QUARTERLY]	49 staff/quarter	TBD <sup>6</sup>		TBD		TBD		TBD	
2. Percent of staff who “agree” or “strongly agree” that their Operating Unit adheres to USAID’s PSE Policy [ANNUAL]	63 percent	N/A	N/A	N/A	N/A	N/A	N/A	68 percent	
3. Percent of Missions that report multiple active partnerships with the private sector [ANNUAL]	80 percent	N/A	N/A	N/A	N/A	N/A	N/A	83 percent	

<sup>6</sup> The PSE Team will update the training targets for FY 2021 in Q4 of FY 2020. The FY 2020 targets were based on the expected two training sessions per quarter, but the training schedule was interrupted due to COVID-19. The PSE Team is currently revising the training offerings to meet virtually and anticipates holding the first virtual course in Q4, which will allow the team to better gauge both demand and capacity going forward as the Agency continues to adapt to meet its objectives.

# Indicators and Milestones

Key Indicator 1: Number of staff trained on principles of PSE (Quarterly)

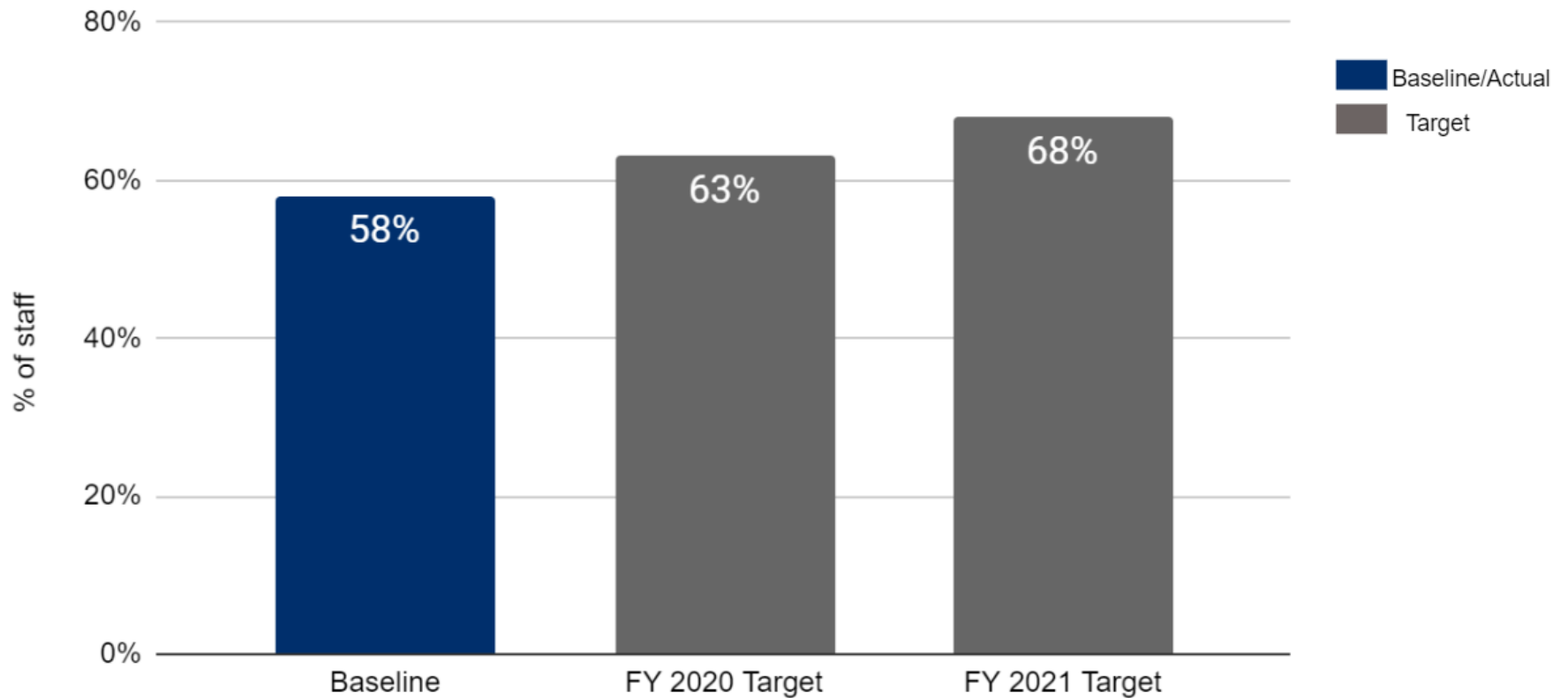


*\*Note: To protect the health and safety of USAID staff during the COVID-19 pandemic, the PSE Team cancelled the training sessions planned for the Third Quarter; they are tentatively scheduled to resume in a limited virtual form in the Fourth Quarter.*

# Indicators and Milestones

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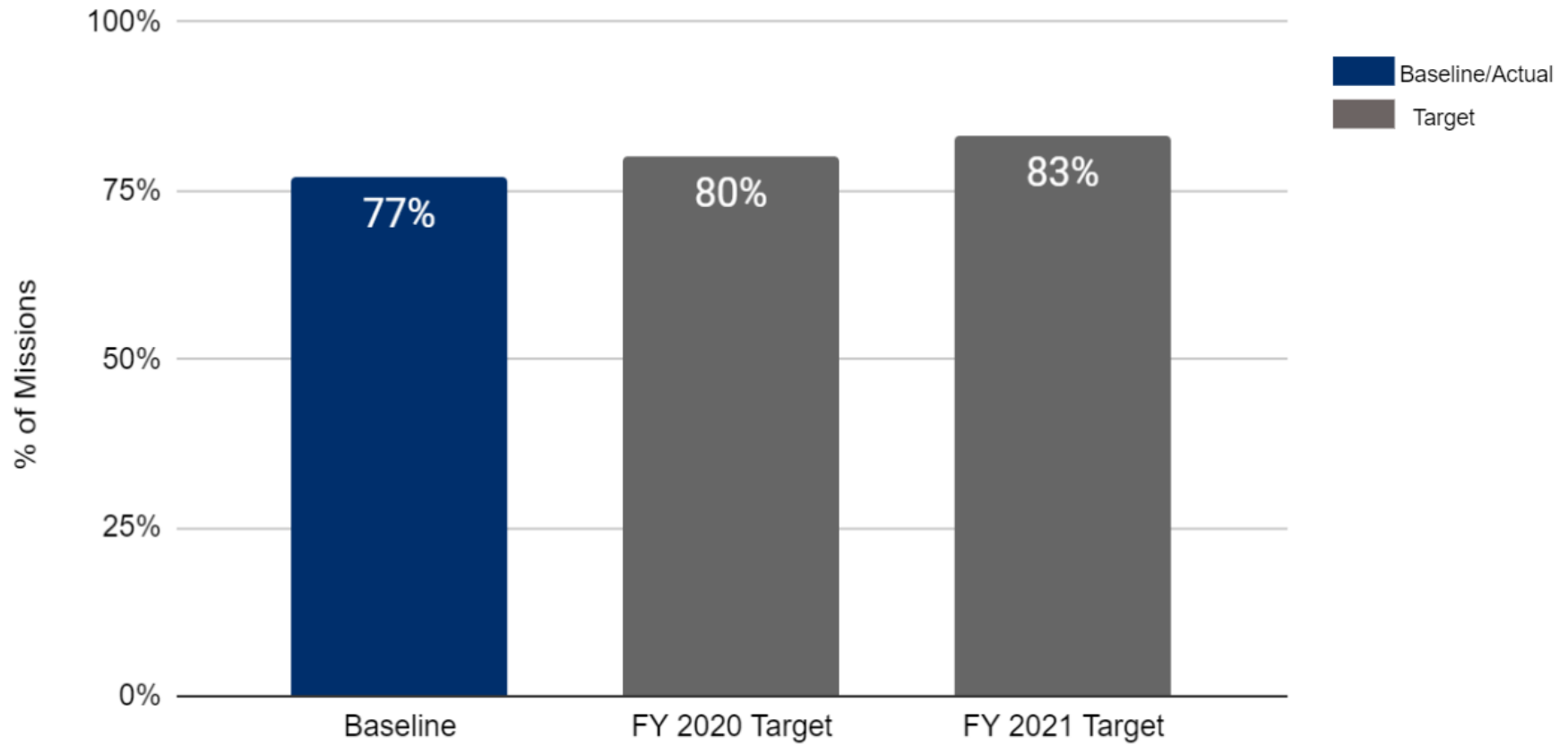
Key Indicator 2: Percent of staff who “agree” or “strongly agree” that their Operating Unit adheres to USAID’s PSE Policy (Annual)



# Indicators and Milestones

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Key Indicator 3: Percent of Missions that report multiple active partnerships with the private sector (Annual)



# Accuracy and Reliability of Data

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Data for the APG will come from the following sources:

- **Indicator 1:** USAID University will collect the data on the number of staff trained, which the contractor that is overseeing training under the PSE Team will validate. USAID will count participants in the *Mobilizing Finance for Development* and *Private-Sector Engagement 101* courses. The Agency will also count participants in customized versions of these core trainings offered to individual M/B/IOs, and/or any successor training programs created by the PSE Hub within DDI.
- **Indicator 2:** The PSE team conducted an all-Agency baseline survey of USAID staff in the Fourth Quarter (Q4) of FY 2019: 276 people responded from 78 OUs. USAID will repeat the survey in Q4 of both FY 2020 and FY 2021.
- **Indicator 3:** Since 2014, USAID's Global Development Lab has collected and analyzed Agency-wide data on public-private partnerships (PPPs) through an annual data call to all our Missions. Currently, the Lab, in coordination with the Office of U.S. Foreign Assistance at the U.S. Department of State (State/F), collects and stores current and historical data on PPPs in the PPP module of the Foreign Assistance Coordinating Tracking System (FACTS) Info NextGen system and submits them to USAID's Development Data Library (DDL). Missions report the data, and therefore this process might not capture every partnership. In the future, the PSE Hub within DDI will administer the annual data call and continue to refine the process of collecting and analyzing the data.

# Accuracy and Reliability of Data

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## **Contributing Programs:**

### **Organization:**

Successful achievement of this APG requires leadership at all levels across USAID on PSE. The PSE Team will work to ensure M/B/IOs have access to the resources and tools to expand and deepen our programs in PSE for greater outcomes.

### **Programmatic Activities:**

PSE is a catalyst for accelerating communities and countries on their Journey to Self-Reliance. [The Journey to Self Reliance Framework](#) will advance implementation of this goal. PSE aligns with USAID's [Acquisition and Assistance Strategy](#), recommendations for Effective Partnering and Procurement Reform, and the Administrator's vision for Financing Self-Reliance.

### **Regulations and Policies:**

Attainment of the APG will advance, and is in alignment with, USAID's PSE Policy.

### **Other Federal Activities:**

USAID will coordinate the collection of data on PPPs with the U.S. Department of State (State/F and the Office of Global Partnerships).

### **Stakeholder / Congressional Consultations:**

USAID will continue to work and coordinate with stakeholders and Congress to ensure the effective implementation of this goal.

In developing the PSE Policy, USAID consulted a wide range of stakeholders including implementing partners and representatives from the private sector. An Advisory Committee of the Agency's Washington and field staff informed the requirements and recommendations set forth in the PSE Policy.