

PRIVATE SECTOR ENGAGEMENT EVIDENCE AND LEARNING PLAN



Atuhaire Justine, her husband Huntington, and their children show off produce from their farm near Mbarara Uganda. The family used a loan from a local bank backed by a USAID Development Credit Authority guarantee to build an irrigation system and increase the farm's capacity.

Photo credit: USAID



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I. Background

USAID is undertaking a major cultural and operational transformation to expand our engagement with the private sector as a more-sustainable way to support communities in achieving development and humanitarian outcomes at scale. [The Private-Sector Engagement \(PSE\) Policy](#) is an Agency-wide call to action, and a mandate to work hand-in-hand with the private sector to design and deliver programs across all sectors, development and humanitarian, and to harness our resources to open markets and other opportunities for U.S. businesses. This policy signals an intentional shift to pursue market-based approaches and investment as a means to accelerate countries' progress on the [Journey to Self-Reliance](#). This vision is based on a growing body of evidence about the role of private financial flows and private sector expertise and capabilities in creating and expanding markets in developing countries while also improving the sustainability of development outcomes.

For USAID, PSE is a strategic approach to planning and programming through which USAID consults, strategizes, aligns, collaborates, and implements with the private sector for greater scale, sustainability, and effectiveness of development or humanitarian outcomes. Since the establishment of USAID's Global Development Alliance (GDA) and Development Credit Authority (DCA) programs more than a decade ago, and with the more recent creation of the Office of Private Capital and Microenterprise (PCM), USAID has been a leader in private sector engagement within the development sector. This wealth of experience informs current USAID practices and processes when engaging the private sector and is the foundation for the PSE Policy. USAID has also supported evaluations and investments in a range of learning activities on the role of the private sector in development. However, despite an existing body of evidence on PSE practices and effects of PSE approaches, critical gaps remain in our understanding of how to most effectively engage with the private sector for sustained results.

2. Goals and Objectives

This unified Agency-wide PSE Evidence and Learning Plan serves as a guide to set the direction for key activities that will strengthen and improve the use of evidence in decision-making on PSE approaches. The research activities resulting from this plan will contribute to a growing base of knowledge about how to mainstream PSE across all sectors of development.

In the implementation of this plan, we will work collaboratively with external partners (research institutions, think tanks, private companies of all sizes, partner country government agencies, etc.) to strengthen the evidence on effective PSE by both

1. Filling critical knowledge gaps and
2. Improving the rigor of PSE research and evaluation

Drawing upon USAID and partner experiences and efforts, this plan focuses on understanding how we can be most effective in PSE. USAID will also prioritize sharing knowledge and learning on PSE research and best practices with our partners as a way of deepening our collaboration with the private sector in achieving our development and humanitarian objectives.

Along with research efforts to fill evidence gaps, this plan champions the development of meaningful indicators of PSE, acknowledging that although “dollars leveraged” has long been the primary indicator for successful PSE, it is not the most meaningful indicator for assessing development impact. Through our work, we will seek to identify more meaningful indicators which measure the effectiveness of USAID efforts to engage with the private sector and the development results of specific PSE activities. The aim is to identify a set of indicators that will be relevant to both USAID and private sector partners.

3. Filling Knowledge Gaps

PRIORITY QUESTIONS

The PSE Evidence and Learning Plan focuses on three learning questions that will guide USAID in strengthening and increasing private sector engagement, while contributing to the wider PSE evidence base.

Question 1: How and to what extent does private sector engagement improve development and humanitarian outcomes?

When engaging the private sector, USAID seeks to pursue market-based approaches and investment as a means to accelerate countries' progress on the Journey to Self-Reliance. USAID should identify the specific ways in which engagement with the private sector brings added value to achieving development results (e.g. additional resources, supply chain linkages including local businesses, testing applications of new technology, sustainability of outcomes, innovation). USAID must understand the extent to which the results of these engagements are additional¹, leading to sustainability and scale through factors such as long-term market presence and investment that would not have been possible without donor involvement (i.e. the private sector entity would not have invested or acted on its own). It is important to note that previous work has demonstrated that definitive proof of additionality is impossible to obtain and we should not encourage that decisions be based on certainty of additionality², but rather we should seek to assess the likelihood of additionality to the best of our abilities. The greatest challenge in answering this learning question will be in defining and understanding an appropriate counterfactual. The research activities that respond to this question will explore the results achieved across different approaches to PSE, focusing on five key value propositions³ of private sector engagement: scale, sustainability, and reach; ability to influence policy; innovation, expertise, and capabilities; flexibility and pace; and efficiency and effectiveness. Recognizing that PSE interventions may lead to negative market distortions (such as reinforcing the market power of targeted companies at the expense of other firms, raising barriers to market entry, and reinforcing information asymmetries)⁴, USAID will also seek to develop evidence and learning on how to best mitigate market distortions in PSE.

Question 2: What context-specific factors drive effective engagement with the private sector?

Understanding the contexts and conditions that could lead to successful market-based interventions in development will help USAID increase effective private sector engagement for development impact. This can include sector-specific insights and industry knowledge as well as political economy and local system characteristics to inform how USAID can engage the private sector to achieve optimal development outcomes. The research activities that respond to this question will expand the existing knowledge base of contextual conditions that influence PSE effectiveness in order to guide USAID PSE design and decision-making.

Question 3: What PSE relationship qualities influence results?

In order to identify the best opportunities to engage with the private sector, USAID should better understand how to 1) initiate, build, structure, and manage relationships with (or without) a formal private sector partnership and 2) account for private sector interests and attributes. How engagements are structured and managed can significantly influence the results that are achieved. As stakeholders in driving development outcomes, private sector partners may have different perspectives and motivations that inform how to best partner. The research activities that respond to this question will consider the link between specific private sector partner characteristics and objectives, elements of engagement design and management, and results.

¹ USAID PSE Policy: "Additionality" is the net positive difference expected to result from a donor-business partnership, (i.e., the positive change that otherwise would not happen without public support). It signifies the extent to which activities (and associated results) are larger in scale, are at a higher quality, take place more quickly, take place at a different location, or take place at all as a result of a donor intervention (Source: Donor Committee for Enterprise Development (DCED). Demonstrating Additionality in Private-sector Development Initiatives).

² Carter, Van de Sijpe, & Cadel. Center for Global Development. "The Elusive Quest for Additionality." Working Paper 495. September 2018.

³ USAID PSE Policy: "Value proposition" is a business or marketing statement that a company uses to summarize why a consumer should buy its product or use its service. For the purposes of this policy, it refers to the unique offerings that USAID and the private sector bring to an engagement or partnership.

⁴ Tewes-Gradi, Blomberg, & Scholl. The Donor Committee for Enterprise Development (DCED) Private Sector Engagement Working Group. "Minimising the Risk of Negative Market Distortions in Private Sector Engagement: A practical framework." November 2018.



Medicines are delivered to a clinic via boat in Tanzania, supported by Project Last Mile. A partnership between The Coca-Cola Company, the Bill and Melinda Gates Foundation, the Global Fund, and USAID, Project Last Mile leverages private-sector supply chains to deliver critical medicines.

Photo credit: The Coca-Cola Company

RESEARCH ACTIVITIES

Each instance of PSE occurs in a unique context, so it is unlikely that there will be definitive answers to these learning questions. Rather, each question encompasses a variety of research activities that will contribute to the larger body of PSE evidence. Developing an evidence base is like building a mosaic: each individual piece does not make the picture, but over time a picture emerges. Research activities will build on work and evidence to date, producing a range of outputs such as case studies, lessons learned, historical examples, literature reviews, evaluations, and other activities. In aggregate, these outputs will fill current evidence gaps on how and why to best partner with the private sector in order to find meaningful ways to better integrate PSE across the USAID program cycle and to improve our knowledge of what works and what doesn't.

To answer the identified learning questions, USAID will conduct research and learning activities with internal and external partners. As an Agency-wide evidence and learning plan, USAID operating units (OUs) are encouraged to conduct and share the findings of research activities that are responsive to one or more of these questions, including those that may be specific to a particular technical sector or geography. For example, the Feed the Future Learning Agenda focuses on methods for measuring and strengthening market system change, effective facilitation of private sector investment to reduce poverty, hunger, and malnutrition, and understanding the impacts of market systems development interventions. The Higher Education Learning Agenda may include PSE topics to assess the private sector's needs and interests related to higher education and workforce preparation, identify opportunities for higher education institutions, and understand the effectiveness of PSE in achieving education and skill development goals. The Office of Local Sustainability is planning a global Broad Agency Announcement that will allow Operating Units to solicit research and development concepts related to locally led development innovation, including ideas from and regarding the private sector. USAID's PSE Hub⁵ will play a role in coordinating these activities, identifying cross-cutting learnings and themes, and proactively sharing evidence and learning across the Agency and with external partners. In addition, the PSE Hub will focus on original knowledge creation to improve USAID's PSE efforts. Table 1 below lists a sample of research activities that are planned by the PSE Hub and OUs across the Agency.

Table 1. Sample of currently planned research activities across the Agency (next page)

⁵ The USAID PSE Hub is the central Washington operating unit (OU) providing Agency-wide support and services for PSE proposed in the Redesign Congressional Notifications.

NAME	DESCRIPTION	OU AND DURATION
Question 1: How and to what extent does private sector engagement improve development and humanitarian outcomes?		
PSE EVIDENCE GAP MAP	This activity will assemble existing evidence on the effectiveness and additionality of different PSE approaches via a review of published and unpublished impact and performance evaluations, systematic research and reviews, and case studies. The final product will be disseminated across the Agency to help OUs identify specific PSE research and learning priorities and activities that will add to the evidence base. Research activities will be further prioritized based on which questions have direct implications for program or project level decision making or for Agency operations.	<i>PSE Hub</i> Short-term
IMPACT EVALUATION FEASIBILITY STUDY	This activity will determine the feasibility of measuring the value of different types of PSE approaches via an in-depth study by impact evaluation experts. The resulting Feasibility Research Plan will identify what approaches can be evaluated using rigorous experimental or quasi-experimental methods and the limitations in these approaches for PSE in the field. This study will also help managers of the plan prioritize feasible impact evaluations on findings that are most important to USAID and private sector stakeholders.	<i>PSE Hub</i> Long-term
PARTNERSHIPS ENDURING RESULTS STUDY	This annual research activity explores the drivers of sustainable, enduring results of USAID's partnerships with the private sector. Since 2017, USAID's Lab/CTP has funded the study in order to build an evidence base on the sustainability of desired outcomes across a range of partnership types—namely, GDAs, DCA credit guarantees, and Development Innovation Venture (DIV) awards—and to examine the role of the private sector in sustaining those outcomes. The PSE Hub intends to continue the Partnerships Enduring Results study on an annual basis in order to continuously test and refine the recommendations, and to build a rich longitudinal dataset in the process. Over time, additional types of partnerships and PSE activities may be added to further enrich the dataset.	<i>PSE Hub</i> Long-term
COMPREHENSIVE EVALUATION OF THE 20-YEAR DEVELOPMENT CREDIT AUTHORITY (DCA) PROGRAM	This activity will evaluate DCA partial credit guarantees signed between 1999 - 2018 in order to provide USAID and other stakeholders with an account of the developmental impact of DCA on lenders and loan beneficiaries. The evaluation will assess the extent to which DCA guarantees have contributed to positive beneficiary-level outcomes by maximizing guarantee additionality (i.e. lender impact). The primary objectives of the performance evaluation are to (i) identify lessons learned (shortcomings and successes) by assessing the relevance, effectiveness, efficiency, impact, and sustainability of USAID's DCA guarantee portfolio and (ii) provide recommendations to enable decision makers to improve future guarantee design, implementation, and engagement with financial institutions as development partners.	<i>Economic Growth, Education, and Environment (E3)/Development Credit Authority (DCA)⁶ & PSE Hub</i> Short-term
GLOBAL ALLIANCE FOR TRADE FACILITATION (GATF) MID-TERM PERFORMANCE EVALUATION	This activity will examine the value addition of PSE versus traditional donor programming (i.e. with USAID as the primary funder). The report will explore the role of the private sector in prioritization and implementation of the GATF partnership, the extent to which the co-creation process facilitated the selection of priority needs, and the extent to which the Alliance contributed to strengthening institutional capacity to deliver trade facilitation reforms.	<i>Economic Growth, Education, and Environment (E3)/ Trade and Regulatory Reform (TRR)</i> Short-term

⁶ Per the Better Utilization of Investment Leading to Development (BUILD) Act USAID's Development Credit Authority (DCA) will be part of the new U.S. International Development Finance Corporation (IDFC).

⁷ (Next page) The Cooperative Law and Regulation Initiative, CLARITY, was created in 2005 by the members of the U.S. Overseas Cooperative Development Council, with support from the U.S. Agency for International Development. Visit <http://www.claritycoop> for additional information.

NAME	DESCRIPTION	OU AND DURATION
Question 2: What context-specific factors drive effective engagement with the private sector?		
PRIVATE SECTOR PERSPECTIVE STUDY	This activity will involve consultation with a wide range of private sector actors to lay the groundwork for a sufficient understanding of which factors the private sector considers when engaging in partnerships or making new investments in countries where we work. It will include analysis on the linkages between the environment in which those parties hope to work together and the focus and timing of potential collaboration. This learning will allow those at USAID interested in PSE to better understand and identify opportunities where the private sector has shared investment priorities.	<i>PSE Hub</i> Short-term
IDENTIFYING PROCESSES AND POLICIES CONDUCTIVE TO COOPERATIVE DEVELOPMENT IN AFRICA	This research is focused on cooperative development programs conducted in the agrarian sector of African countries by cooperative enterprises, as well as by cooperative development organizations (CDOs) linked to the North American and European cooperative movements. The purpose of this research is to provide insight into the factors that can help or hinder the creation of agricultural cooperatives in Africa, based on the challenges and opportunities facing a number of selected cooperative development programs and on an analysis of the legal, economic, and policy environments of the countries in which those programs are located. This work will include country-level cooperative law and regulation assessments utilizing the CLARITY scorecard ⁷ to identify contextual factors that help or hinder cooperative businesses to succeed.	<i>Economic Growth, Education, and Environment (E3)/ Local Sustainability</i> Short-term
Question 3: What PSE relationship qualities influence results?		
COMPARATIVE ANALYSIS OF HOW MISSIONS OPERATIONALIZE PSE	In order to help USAID learn from and replicate best practices across our global organization, this activity will produce case studies that summarize how USAID Missions that are notably effective in engaging the private sector. The activity will also conduct a comparative analysis of these case studies to identify best practices that can inform how Mission operationalize USAID's PSE Policy. Promising practices can then be adopted by the Program Office and Technical teams at Missions and OUs that have integrated PSE into their strategies, projects, and activities.	<i>PSE Hub</i> Short-term
PSE FAILURE ANALYSIS	Recognizing the inevitability of occasional failure given the complex nature of USAID's work, this deep-dive study will examine PSE activities that did not meet their identified objectives. The study will examine the causes and contexts of sub-optimal or unintended outcomes and look to identify root causes, with an eye towards sharing appropriate lessons learned and opportunities for improvement in PSE throughout the Agency.	<i>PSE Hub</i> Long-term
STRATEGIC REVIEW: OPPORTUNITIES IN CREATING MULTI-STAKEHOLDER INITIATIVES (MSIs) AT USAID	This activity aims to identify internal processes, both procurement and programmatic, that hinder or facilitate USAID's participation in Multi-Stakeholder Initiatives (MSI) with at least one private sector partner. The review will consider the pros and cons of different programmatic approaches, governance structures, decision-making processes, operational approaches, cost-sharing structures, exit strategies, and USAID's influence to contribute to results. It will be used to help develop programmatic and procurement guidance for future USAID efforts in engaging with, participating in and supporting (e.g. designing, implementing and evaluating) MSIs, and best practices from across the agency for USAID engagement in MSIs will be collated.	<i>Global Health, Office of Maternal/Child Health and Nutrition (GHI/MCHN) & Transformation Task Team (T3)</i> Short-term
LESSONS ON PRIVATE SECTOR ENGAGEMENT FROM FEED THE FUTURE'S PARTNERING FOR INNOVATION (P4I) PROGRAM	Now in its sixth year and with over 50 current and past partners, Partnering for Innovation (P4I) can offer lessons for USAID and other development actors looking to work alongside the private sector. USAID's Feed the Future Partnering for Innovation program is designed to help businesses access smallholder farmers in emerging markets globally, while giving these smallholder farmers access to agricultural technologies that boost their income and food production. This study examines the extent to which partnering with USAID helped private sector companies reach and sustainably serve smallholder farmers with their technologies and services as well as examining the critical aspects of the partnership that appeared to help them achieve this. The findings of this report can be used by USAID and other development organizations to determine how best to engage the private sector, particularly in how to structure engagements.	<i>Bureau for Food Security/ Office Markets, Partnerships, and Innovation (BFS/MPi)</i> Short-term



In Mbarara, Uganda, a USAID guarantee enabled an entrepreneur to receive a loan large enough to expand his business. As a result, his profits more than tripled, and he was able to hire 40 additional workers. The borrower repaid his loan in full and has since received a larger loan without a guarantee.

Photo credit: Morgana Wingard

PSE POLICY IMPLEMENTATION ASSESSMENT


Regular checkpoints for implementation of the PSE Policy within USAID are planned to facilitate adaptation and learning feedback loops. During year five of implementation, USAID will conduct a Policy Implementation Assessment (PIA), which is standard practice for USAID policies. A PIA is a rigorous assessment process undertaken to better understand what changes to Agency programming and processes have resulted from the issuance of a policy document, including any follow-on guidance and efforts related to its implementation. The aim of a PIA is to generate data and lessons that can help relevant OUs better achieve the goals of the policy, or in some cases, inform policy revision. The assessment may also identify roadblocks to implementation that are not related to the content of the policy, suggesting that new implementation strategies rather than a revision are warranted.⁸

⁸ For further details on Policy Implementation Assessments, see Sections IV and V of ADS Chapter 200 Mandatory Reference A: Guidance on Writing and Reviewing Development Policy.

4. Improving Rigor

In committing to address the specific knowledge gaps about PSE described above, USAID recognizes that these efforts will include the collection of a wide array of evidence from a variety of sources by operating units across the agency. At the same time, it is critically important for USAID to ensure that guidance and best practices on PSE promulgated by USAID are supported by the most credible evidence. To this end, we propose a number of measures to improve the rigor of PSE research and evaluation.

First, the Agency will work with partners in the private sector and academia to identify the most rigorous methods relevant to answering the priority learning questions. The proposed Impact Evaluation Feasibility Study, for instance, is intended to find opportunities for conducting rigorous impact evaluations in PSE. Where impact evaluations are not appropriate, the Agency should source rigorous, innovative methodologies that provide necessary data at the right time so that decisions are evidence-informed. Second, recognizing that improving rigor is dependent on expertise, the PSE Hub will house a cadre of internal methodological advisors and private sector engagement specialists and work with experts in academia and the private sector to provide technical support in developing and implementing rigorous PSE research and evaluation activities. The PSE Hub will also periodically review the quality and rigor of PSE research and evaluation activities. Third, the PSE Hub will identify opportunities for peer exchange and reflection on appropriate methodologies and the utilization of evaluation and research findings.



USAID and the Government of Peru are helping small farmers transition from growing illicit crops like coca to alternatives like cocoa or coffee. USAID leveraged its Development Credit Authority loan guarantees to get local capital into the hands of farmers who needed it.

Photo credit: Bobby Neptune, USAID

5. Developing Meaningful Indicators

This PSE Evidence and Learning Plan champions the development of more meaningful indicators that expand the current PSE data collection to a wider array of indicators that will address multiple ways of engaging the private sector. By linking new and current PSE indicators to existing USAID data collection efforts on development outcomes, we hope to generate important insights that allow USAID to improve our management of PSE activities and inform our PSE work more broadly. To support these efforts the PSE Hub expects to develop a PSE indicator handbook for both internal USAID staff and external business partners.

CURRENT PRACTICES AT USAID

Since 2014, the Global Development Lab (the Lab) has collected and analyzed Agency-wide data on public-private partnerships (PPPs)⁹ through an annual data call. Currently, the Lab, in coordination with State/F, collects and stores current and historical PPP data in the PPP module of the FACTS Info NextGen system. The annual PPP module collects information on inputs (e.g. USG life-of-project commitments, private sector resource leverage¹⁰) as well as characteristics of each engagement (e.g. type of resource partners, sector, geography). This data collection is complemented by the Private Sector Engagement Key Issue. The PSE Key Issue requires Missions to provide detail in narrative form on Mission-wide efforts to engage the private sector during the Performance Plan and Report (PPR) reporting period in order to better understand the results of PSE. In addition, USAID's Development Credit Authority (DCA) maintains a credit management system and has been publishing data on all of its guarantees and the underlying borrowers since December 2011. This data (and metadata) includes information on every guarantee issued, in addition to data regarding actual utilization of each guarantee.

Although these data provide valuable insights, they do not capture the full range of ways USAID engages the private sector and they exclude valuable data elements and metrics which link more clearly to development impact. There is also a need for a strong indicator framework for assessing the operational health and performance of the Agency's PSE efforts. Measurement of PSE at USAID has traditionally relied on measuring resource leverage, which is an important indicator to consider operationally, but insufficient for capturing the full extent of USAID engagement with the private sector. Nor do simple measures of resource leverage provide sufficient detail for analysis that can help USAID link private sector engagement efforts to the achievement of development results. These data limitations make it difficult for current data to paint a complete picture of PSE and related development results across USAID.

LOOKING FORWARD

New meaningful PSE indicators will build on current data collection efforts in a number of ways.

First, the PSE Hub will seek to establish indicators which better link USAID's Private Sector Engagement efforts to the development impact they are supporting. USAID's PPP data is currently collected through the FACTS Info NextGen system shared by USAID and the Department of State. This provides a common platform to understand PSE contributions to development results, without creating additional monitoring requirements or systems. However, the current system is limited in that it largely collects information on resources leveraged by the private sector, which does not strongly correlate to development impact supported or achieved. For this reason, USAID will work to link the current PPP reporting module to data on development outputs and outcomes as measured by the [Standard Foreign Assistance Indicators](#) ("F Indicators")¹¹.

Second, the PSE Hub will seek to better understand the extent and characteristics of USAID engagement with the private sector, expanding the scope of activities currently reported under the PPP Module in FACTS Info NextGen. By collecting data on the different ways we engage the private sector - beyond the Global Development Alliances (GDAs), Development Credit Authority (DCA) loan guarantees and other PPPs that are currently captured - the extent of private sector engagement across the Agency can be better understood. This includes collecting information on non-resource forms of engagement. Data elements pertaining to partnership characteristics can also be expanded to include additional descriptive information about engagements to strengthen analytical insight. For example, collecting data on the industry sector of each partner is a straightforward addition that would allow for better insight into sectors' PSE participation and goals. Other data sources may also be consulted in understanding the extent of PSE in the Agency, including any OU specific PSE tracking system (e.g. Feed the Future Monitoring System, Microenterprise Results Reporting, Development Credit Authority tracking).

⁹ USAID defines public-private partnerships (PPPs) as a collaborative working relationship with external, non-USG partners, in which the goals, structure and governance, as well as roles and responsibilities, are mutually determined and decision-making is shared.

¹⁰ Resource leverage is defined as the value of the various private sector contributions to an engagement.

¹¹ Standard Foreign Assistance Indicators ("F Indicators") track and measure the outputs and outcomes of international development and foreign assistance agencies within the US Government

Finally, a menu of recommended indicators for use by USAID staff to monitor the “health” of an engagement with the private sector will be developed. It will be important to develop these indicators in partnership and consultation with staff across the Agency with expertise in private sector engagement, including sector experts in Global Health, Economic Growth, Education, and Environment, and Food Security. This will include measures that address alignment of goals, effective communication between partners, clear decision-making practices, and adaptability. Healthy engagements are essential to effective PSE: USAID staff, private sector resource partners, and academic literature consistently highlight that healthy engagements are more likely to exceed expectations in progress toward target outcomes. Monitoring and regularly reflecting on engagement health will enable USAID staff to work with partners to adapt an engagement over time. The Agency will also continue to build upon its work and that of others, such as [The Partnering Initiative](#), to refine its understanding of how engagement health and the adaptive management it informs contribute to successful engagements with the private sector.

Expanding the scope of PSE indicators is guided by a principle of usefulness and feasibility. Ultimately, these indicators should help in understanding how engagement characteristics and health contribute to development outcomes, without unduly burdening USAID staff or partners with additional reporting requirements.

In order to support Missions in using these meaningful indicators, the Agency will develop a PSE Indicator Handbook. The Handbook will include instructions for submitting PSE data (inputs, characteristics, and F indicators) into FACTS Info NextGen as well as a menu of suggested indicators of PSE engagement health that teams may use at their discretion for activity management purposes. In order to better foster an engagement with joint monitoring and mutual understanding of the results each party aims to achieve, the Handbook will also advise on existing alignment between F indicators and indicators that are relevant for business reporting commitments by sector and industry. It will also provide examples of the use of business indicators as proxies for development results where clear links exist and guidance for effectively developing joint monitoring plans with the private sector (e.g. draft language for MOUs and activity management and governance plans).

ALIGNING INDICATORS WITH THE PRIVATE SECTOR

To facilitate joint monitoring and alignment of results, it is helpful to see how existing indicators for USAID and the private sector may already align. Consider the similar expected results when comparing the F Indicator 4.8.2-31--Expected lifetime energy savings from energy efficiency or energy conservation, as a result of USG assistance--and the Impact Reporting and Investment Standards (IRIS) and B Corp indicator--Energy savings from product sold.

CONSIDERATIONS

Linking PSE more closely to development impact, broadening indicator definitions to capture more modalities of engagement, and adding indicators on engagement “health” will allow for better identification of the effectiveness of PSE and support day-to-day management of PSE activities to ensure engagements are healthy and on track to reach shared objectives.

These adjustments to data collection will require continual maintenance and review. Each iteration of the data collection process and resulting analysis should be followed by an assessment of any perceived data gaps and lessons learned. This assessment would create a positive feedback loop to improve the quality of the data and prompt continuous process improvement.

Even with meaningful indicators, it is difficult to attribute outcomes--particularly long-term outcomes--to PSE activities. Because evidence of additionality is inevitably uncertain¹², indicator data will be triangulated with research activities in response to the learning questions above to better understand the impact of PSE and the role USAID plays. Together, evidence from meaningful indicators and research activities can transform PSE program design and implementation, as well as fill critical evidence gaps internal and external to the agency.


¹² Carter, Van de Sijpe, & Cael. Center for Global Development. “The Elusive Quest for Additionality.” Working Paper 495. September 2018.

6. Knowledge Sharing and Utilization

The Agency will establish a governance structure to implement and coordinate the PSE Evidence and Learning Plan. Research activities and their products will be designed to inform the way USAID programs are conceived, designed, and delivered and be relevant to a wide variety of stakeholders. To ensure that priority questions remain relevant and findings are informing programming, USAID will integrate Agency-wide knowledge capture as well as learn from and build on research conducted by and with external stakeholders and determine what conclusions can and cannot be drawn from resulting evidence. This process will include a regular review of the plan as well as synthesis of research studies and their quality, iteratively narrowing the evidence gaps.

An internal and external dissemination and utilization strategy will be critical to reaching all relevant stakeholders. In order to ensure that learnings from the PSE Evidence and Learning Plan are used, implementation will be transparent and participatory with the intended users of the findings. Research outputs will be created with the management needs and interests of stakeholders in mind to best facilitate utilization. The Agency will employ a variety of knowledge transfer techniques and tools to create learning pathways to use of the evidence generated by Agency staff and external partners.

The dissemination and utilization strategy will link the results of research activities to the Agency's Policy Framework, strategic objectives and goals, including contributing evidence to key questions of the Self-Reliance Learning Agenda (SRLA). It will also clarify how to use relevant findings during policy, budget, operation, and management decision-making. It will aggregate and connect findings from multiple evidence sources and adequately integrate them into training and other resource materials. It will capitalize on existing and new forums for experiential learning including internal and external convenings. Finally, the dissemination and utilization strategy will establish a feedback process to capture instances of practical application of PSE evidence in conducting Agency business. This feedback process will be included in the regular review of the PSE Evidence and Learning Plan in order to remain attuned to the data needs, opportunities, abilities, and motivations of PSE stakeholders within the Agency and focused on relevant evidence gaps. The PSE Hub will provide technical assistance to OUs to support use and integration of outputs.



USAID worked with Procter & Gamble in Burma to provide safe drinking water and promote sanitation practices for some of the country's most vulnerable.

Photo credit: Kelly Ramundo, USAID