

ADVISORY COMMITTEE ON TRANSFORMATIONAL DIPLOMACY:

**FINAL REPORT OF THE PRIVATE SECTOR PARTNERSHIPS WORKING
GROUP**

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INTRODUCTION

The world is rapidly changing and new private sector, non-governmental players, such as corporations, Non-Governmental Organizations and foundations, are becoming increasingly important – especially in the areas of international commerce and development. This creates both challenges and opportunities for the United States Government (USG).

The challenge is to adapt to the new environment or risk becoming irrelevant. The opportunity is to partner with these new players to become more nimble, leveraging both resources and expertise to increase the USG impact and reach in the world as a force multiplier to achieve our foreign policy objectives. This Working Group report offers practical and achievable recommendations that will advance the Department's abilities to increase the use and strategic value of partnerships, particularly vis-à-vis increasingly influential non-state actors.

OBJECTIVES

The Working Group focused on evaluating the current means by which public-private partnerships are created to offer key recommendations that will facilitate greater partnership activity with measurable results, including model best practices.

Although foundations are included within the scope of partner organizations for the purposes of this paper, the Working Group will continue the specific evaluation of the Department's relationships with foundations in the months ahead and will offer additional recommendations to the Committee at a future date.

FINDINGS

The Working Group heard from private sector partners as well as a wide variety of Department of State partnership practitioners. These first-hand accounts provided valuable insights into the strengths and weaknesses of the Department's present process for engaging the private sector.

Additionally, 34 interviews were conducted (24 with private sector partners and 10 with internal stakeholders) to test Working Group impressions and to sample attitudes toward partnerships with the USG. These activities and the Working Group's extensive experience have helped to build a three-part understanding upon which we have based our findings.

THERE IS GREAT VALUE IN PARTNERING WITH THE USG

- *The USG is a desirable partner with much to offer the private sector.*
 - 90% of those responding to this interview question found the USG to be a desirable partner.
- *Partners look to the USG for credibility, expertise, resources, capacity, convening power, influence with governments, and a network of contacts.*
 - However, there is no State Department funding specifically for creating partnerships with strategic value and qualities worthy of replication.
 - Very little training is offered to the Department's Foreign and Civil Service personnel to prepare them to establish successful partnerships with the private sector.

- *Partners also look to the USG to help raise awareness about issues and activities that are important to them.*
 - A message often heard by the Working Group is the foregone public diplomacy benefits from partnership stories never told. Too often, the benefits receive little or no visibility to local communities beyond those they impact directly.
 - On a scale of 1-5, respondents rated the desire to generate positive public relations from their partnerships at 4.13.
 - Yet only 52% indicated that association with the USG is an element of their partnership they wish to highlight, with most including reservations about doing so in parts of the world where USG policies face opposition.

THE USG NEEDS TO IMPROVE ITS RELATIONSHIPS WITH PRIVATE SECTOR PARTNERS.

- *Many partners feel that the USG does not understand private sector interests.*
 - The USG is often unaware of past or ongoing partnership activities of those they are approaching for new engagements.
 - Partners are too often viewed as a funding mechanism for programs that have not received an appropriation rather than full partners.
- *Transparency, trust and open lines of communication are essential.*
 - The USG is often perceived as overly suspicious of their private sector partners' motives.
- *Partnerships need to be made easier and faster.*
 - Establishing a partnership with the USG is an overly time-consuming and burdensome exercise, often progressing too slow or not “synced up” with our partners.
- *73% of respondents would find an online tool helpful that provides country specific information about partnership activity of the USG, foundations, NGOs, and business.*
 - Incomplete understanding of partnership activity in a particular country is not a problem unique to the USG.
 - Several partner organizations are already contemplating or attempting to create a similar product.

THE DEPARTMENT OF STATE CAN IMPROVE ITS METHODS FOR BUILDING PARTNERSHIPS .

- *The creation of a center of excellence will gather and share needed partnership information, be a valuable resource for the private sector, a trusted point of contact, and will serve as a needed catalyst for culture change within the Department of State.*
 - While partnerships are being established, many are one-off initiatives that neither advance initiatives of strategic importance to the Department, nor do they share the qualities of successful partnerships.
 - USG partnerships require substantial and unnecessary duplication of efforts. The process is little understood and there are no replicable models, templates or even uniform guidance.
 - The center of excellence will be a focal point to gather partnership data, share information, and promote partnerships across the Department.

- *Chief of Mission/leadership support is an important element of partnership success.*
 - Assistant Secretaries, Chiefs of Mission and other Department leaders are not provided a mandate nor held accountable for creating partnerships.
 - The Corporate Social Responsibility Initiative created by Ambassador Cliff Sobel in Brazil is a prime example of how Chief of Mission leadership can spark partnership activity.
- *A successful partnership will set clear goals, which are aligned, not competitive, and transparent to all partners.*
- *Regular and recurring dialogues with the private sector to discuss shared strategic interests will forge stronger relationships with partner organizations and identify opportunities for future partnerships.*
 - There are very few recurring strategic dialogues between the Department and the private sector that fully recognize partner value.
- *Close coordination with all partners is needed from formulation throughout the partnership's life cycle.*
- *As believed by the Working Group, partners value metrics to ensure partnership performance.*
 - On a 1-5 scale, our partner respondents rated the importance of including metrics at 4.74. However, the Department does not consistently apply metrics to ensure that partnerships perform well and merit continued investment of time and resources.

KEY RECOMMENDATIONS

The twelve recommendations that follow are offered to improve the results realized through the Department's partnerships.

CREATE THE TOOLS TO ATTRACT, FACILITATE AND IMPROVE PARTNERSHIPS

- 1) **Create a center of excellence to lead the effort to expand the use and impact of partnerships**, affirming the findings of the Secretary's 2006 task force on public-private partnerships. The center itself can take the form of a partnership by utilizing both Department staffing and private sector professionals on loan to the USG.¹
- 2) **Provide funding** to promote strategic, replicable partnerships and gain leverage from partner participation.
- 3) **Explore the creation of an online knowledge base** with leaders from the business, foundation, and NGO communities that provides country-specific information regarding partnership activities across sector stovepipes.

INSTILL AND CULTIVATE A CULTURE THAT PROMOTES PARTNERSHIPS

- 4) **Hold Chiefs of Mission, Assistant Secretaries and others in leadership positions accountable** for creating partnerships, and factor partnerships into strategic plans and budgets.

- 5) **Ambassadorial selection** should give weight to business and NGO leadership experience
- 6) **Reward skilled and accomplished partnership practitioners** through awards and changes to the Department's promotion precepts, which shape employee evaluations.
- 7) **Provide specialized training** for Foreign and Civil Service personnel to respond to the call for more partnerships.
- 8) **Increase details of USG personnel to the private sector** focusing on a results orientation and targeted to priority countries and sectors relevant to partnerships.

IMPROVE COMMUNICATION WITH PARTNERS, OTHER AGENCIES AND THE PUBLIC

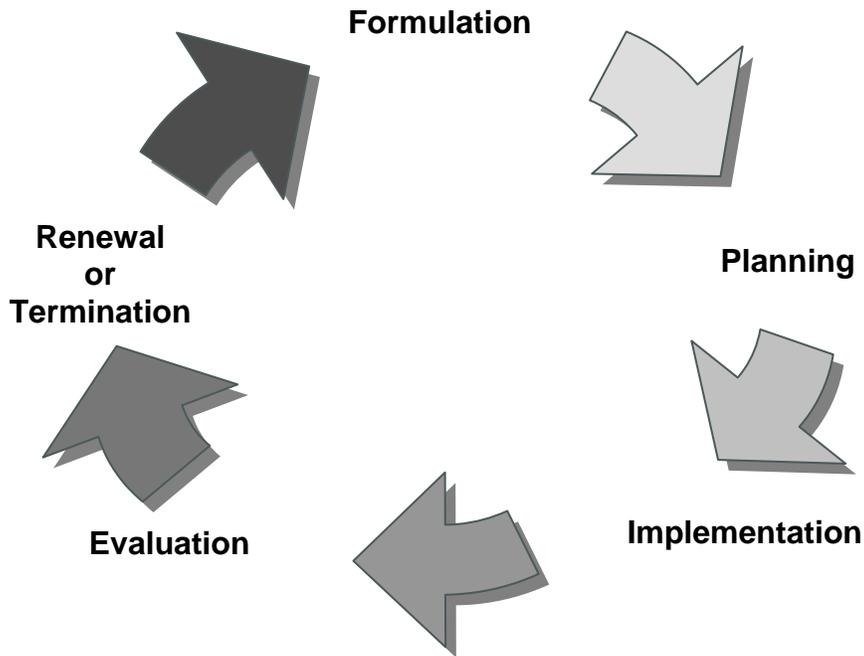
- 9) **Establish at the post, bureau and enterprise levels regularly recurring strategic dialogues** and ongoing communication with potential partners that identify fertile ground for partnerships, and factor them into Departmental strategic planning and budgets.
- 10) **Amplify partnership benefits by linking them to public diplomacy** whenever possible, remaining sensitive to partner preferences.
- 11) **Promote Mission-level, local focus by creating country partnership councils**, which is proving effective in Brazil under Ambassador Sobel's leadership, to galvanize partner activities.
- 12) **Engage more actively with other USG agencies** to develop robust partnerships enhanced by expertise and support from across Federal stovepipes.

BEST PRACTICES

A great deal of variety exists within the Department's partnerships and a "one size fits all" approach is not advisable. However, best practices can improve the process of establishing successful partnerships. The following is intended primarily for those partnerships that require a sustained commitment of employee time and funding. While all may not be practical for use with less formal collaborations, events, or activities, best practices warrant consideration regardless of the nature and scope of the partnership.

Extracted from the Working Group meetings, staff research, and the interviews conducted, the following best practices are presented below associated with the partnership life cycle, which can be broken down into several phases.

For these purposes, five have been chosen.



THROUGHOUT THE LIFE CYCLE:

- **Work closely and inclusively with all partners.**
- **Establish and maintain strong lines of communication between partners.**
- **Build trust and transparency between all partners.**
- **Maintain a high standard of principled conduct.**

FORMULATION:

- **Determine potential partners by first defining specific needs or unique requirements in terms of expertise and resources.** Partners want to know that you did your homework and that they are being selected because of their unique qualifications for the project.
- **Prior to approaching partners to participate in new partnerships, understand their past or ongoing activities with the USG as well as issues of importance to them.** Acknowledging this information will be appreciated by potential partners and will prove beneficial in partner selection.

- **Identify lead partners** best positioned to implement sustainable and, when required, long-term solutions leveraging unique benefits of both public and private sector participants.
- **Avoid overly complex concepts** that can bog down formulation and delay or derail partnership progress.
- **Vet the partnership concept and partners thoroughly.** The vetting process conducted both by the Department and our partner organizations should include an assessment of the credibility and reliability of all parties.
- **All partners must obtain effective leadership support for the concept from within their organizations.**
- **Ensure that all partners have beneficial, clearly understood, and aligned goals.**
- **Secure local buy-in, if applicable.** Partners identified local approval and ownership of partnerships as one of the most critical factors for success.

PLANNING:

- **Clearly define and articulate roles and responsibility.**
- **All partners must “have some skin in the game”** by bringing resources to the partnership – funding or in-kind.
- **Create metrics** to be implemented during the partnership and **understand how all partners measure performance and define success.**
- Ensure that partnership **planning anticipates key employee rotations** to maintain partnership continuity.
- **Remain flexible** to secure partner “buy in.”
- Respecting partner preferences for publicity, **determine an appropriate public diplomacy strategy.**
- **Draft and execute a written agreement** (MOU, MOA or contract as agreed) with all partners that reflects all essential partnership elements planned. On a scale of 1-5, respondents rated the importance of a written understanding that defines roles, responsibilities, resources, and performance expectations at 4.39.

IMPLEMENTATION:

- **Maintain flexibility** to adapt to unanticipated events and adjust partnership as needed.

- **Establish specific project deliverables with timelines for completion**, and ensure they are met.
- **Monitor, measure, benchmark** partnership performance
- As appropriate and sensitive to partnership preferences, **begin to share the partnership story with the public.**

EVALUATION:

- **Consider an independent review and analysis** of high profile projects.
- **Ensure that all stakeholders participate in the evaluation**, including those in the field.
- **Assess adequacy of the metrics** used throughout the partnership.
- **With partners, determine refinements and improvements to the partnership.**

RENEWAL OR TERMINATION:

- Adjust partnerships as needed to improve upon success and **annually consider whether to renew partnership activities, or terminate** those not providing anticipated results to direct those energies and resources toward other more productive endeavors.
- **Incorporate successes and failures into new best practices, lessons learned, and replicable partnership models.**
- **Share information** with other partnership practitioners at State.
- **Share success stories through public diplomacy** as appropriate to partner sensitivities.
- **Recognize and reward partnership participants** at the highest appropriate level within their organizations.

CONCLUSION

The Working Group's deliberations have been timely. However, there is significant urgency to implement the recommendations above. Other agencies, governments, and non-state players are moving more rapidly. Unless the Department and the USG better position themselves to leverage greater value and results through partnerships, its impact and ability to effect change in the future may be diminished.

In an era when public resources are becoming more scarce relative to exponentially increasing demands placed upon them, public-private partnerships offer a renewed opportunity to extend the USG's reach and impact in the world. At the same time, the private sector – companies with a keen focus on corporate social responsibility, foundations, such as Gates and Rockefeller, and

increasingly sophisticated NGOs – is rushing in to fill the void. In our extensive interviews with the private sector and internal stakeholders we found two major themes: (1) the private sector WANTS to partner with the USG, and (2) they are frustrated with our inability to make the process easy, timely and effective. Putting these recommendations into effect will not only address private sector concerns, but will leave an important legacy for the State Department from this administration.

¹ The Working Group has been supported by this “start up” staff, which has already assembled the first database of the Department’s partnerships, begun to assemble a tool kit for partnership practitioners and will be instrumental in implementing these recommendations.