

Dynamics of Private Sector Support for Education: Experiences in Latin America



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Over the last decade in Latin America, the private sector has shown a growing interest in education. Corporate foundations, Corporate Social Responsibility programs, and associations of business leaders have emerged bringing new resources, innovations, and approaches to the education sector. While the private sector often provides support independently, the public and private sectors have begun to collaborate more in public-private partnerships in which both groups jointly define activities to support education.

Despite the benefits of partnerships, both the public and private sectors have found working in collaboration to be a challenge. Both sectors have different structures, political constituencies, and ways of thinking and communicating and, at times, each has been skeptical of the others' motives. In these early years of partnerships, the public and private sectors have learned that turning good-will and interest into programs with tangible impact requires new models and strategies, and that there are inherent challenges and tensions in cross-sector collaboration.

Recognizing the diversity of models and strategies for private sector participation in education that have emerged in Latin America, the United States Agency for International Development (USAID) requested the Academy for Educational Development (AED) to conduct research with leaders in the public and private sectors in several countries. While much has been written about the benefits and challenges of private sector investment and public-private partnerships, there has been little research and analysis based on the on-the-ground experiences of education partnerships from different countries. AED met with representatives of the most active corporations and business associations culminating in a two-day workshop to jointly identify the issues and decision-making factors a business faces when it supports education. AED also interviewed Ministers of Education and senior level regional and municipal education representatives to capture their perspectives. Based on the voices, impressions, and experiences of both the public and private sectors, AED identified different decision-making factors and models for private sector support as well as the issues, trade-offs, and success strategies for developing effective, mature partnerships. The authors developed a conceptual framework that places public-private partnerships (PPPs) in education into the larger context of an education system that shows the private sector can potentially have a more systemic and sustainable impact in education through partnerships with the public sector than acting on its own.

The collective voices and experiences from both sectors uncovered the following insights on PPPs in education:

- The public and private sectors have different motives for forming partnerships that can affect the choice of model. These motives can change over time, expanding from narrower to broader goals.
- As the scope and scale of an education initiative evolve from simpler to more complex forms of support—from donating materials to promoting policy reforms—there is often tension between the sectors. As the scope expands, a greater level of education expertise is needed, and partnerships become increasingly more complex.
- The type of private sector support will depend on the need for visibility, control, flexibility, and the level of risk a private sector partner can assume. For the public sector, other issues arise such as whether a partnership fits within a government's education plan.
- Three operative models of private sector support exist. Additionally, hybrid models that organize companies around common strategies yet enable them to maintain their own decision-making and visibility have also emerged in several countries.
- While there are common success strategies for all education projects, there are also different

strategies for the public and private sectors. For example, projects that use a core business competency increase corporate ownership and effectively utilize private sector skills. Creating a specific office or point person within a Ministry of Education helps the public sector have more proactive collaboration and enhances sustainability.

- Evaluation of partnerships is critical, and should include the impact of the activity and the quality and cost-benefit of the partnership.
- Partners and partnerships can evolve over time. Similarly, countries are at different stages of partnership maturity with unique enabling environments. Partners can take steps to nurture and improve the context for partnerships.

While PPPs can bring new ideas for problem solving, innovation, and resources to education, they also bring challenges and tensions. Understanding real experiences from both sectors across the spectrum of partnerships is the first step in unleashing the power of public-private partnerships as a tool in today's development paradigm.

Emerging Actors in Latin America

Quality education is the cornerstone of a healthy national economy and a thriving private sector. Throughout the world, and particularly in the Latin American region, the private sector has begun to recognize that their investments toward improving education can pay off in ways both socially responsible and beneficial to their own bottom line. The public sector too has realized the advantages that private companies can bring to the realm of education. Over the last decade, a new enthusiasm for cooperation has emerged as civil society and public and private sectors make joint commitments to improving the quality of education.¹

In Colombia, business leaders joined forces to expand support for education and formed *Empresarios por la Educación* (Entrepreneurs for Education). One of their first actions was to sign the *Manifiesto del Empresariado Colombiano Sobre la Educación Básica* calling for a collective agreement outlining ways to support education and link business leaders with the public sector. They then created a public campaign urging citizens to hold candidates accountable for achieving educational goals. Since then, over 100 Colombian and multinational businesses throughout the country have committed to improving the quality, coverage, and efficiency of basic education.

The private sector has used its collective voice, influence, and access to decision makers to call attention to the importance of education. Businesses are using entrepreneurial skills and technical expertise to address difficult educational challenges and contribute financial and material resources to plug critical gaps. The public sector can harness those private resources and skills to further educational goals.

This private sector investment in education can benefit business. Enhanced economic and social environments create new, stronger opportunities for business activities. Increased corporate visibility and public confidence can lead to increased sales. A surge in competitiveness may occur as better-trained employees become more productive.

Countries in Latin America have seen a range of interaction between public and private sectors, from company-led education initiatives to groups of businesses working together, as well as Multi-Sectoral Partnerships. While much attention has focused on multinational corporations as a source of support for education, in the Latin American region many of these education initiatives are led by national business leaders. Unlike multinational companies with more global interests, national companies apply homegrown strategies based on knowledge of the local community to solving education challenges and demonstrate long-term commitment to their country.

As part of a five-year United States Agency for International Development (USAID) project that supported a number of different PPPs in education around the world, the Academy for Educational Development (AED) identified several different models in Latin America that seemed to be effective at uniting a broad range of businesses, particularly smaller, national companies, for action. USAID requested that AED conduct research into different models that had emerged in Latin America and identify the trade-offs and success strategies for various models.² AED held a small workshop with private sector leaders to discuss their experiences and to jointly create a conceptual framework for public-private partnerships in education. Out of that workshop and analysis, AED drafted a document

¹ Austin, James E. (2000). *The Collaboration Challenge: How Nonprofits and Businesses Succeed Through Strategic Alliances*. San Francisco, CA: Jossey-Bass Publishers.

² The researchers focused on Latin American countries where USAID has education programs, and conducted interviews and research on Colombia, and Argentina.

that identified three models for private sector support, developed a typology of decision-making and success factors, and created a conceptual framework based on experience in Latin America. AED then conducted a second phase of research to hear the public sector's views and experience and to get their feedback on the framework. Ministers of Education and senior-level regional and municipal representatives identified the challenges and strategies used to implement partnerships. The study does not intend to evaluate the effectiveness of the different models discussed, but rather seeks to highlight perceptions and experiences to develop an analytical framework.

Degrees of Collaboration

A public-private partnership (PPP) is a model of development cooperation in which actors from the private sector (private corporations, corporate foundations, groups or associations of businesses) and the public sector (Ministry of Education and schools) bring together expertise and resources to achieve development goals.³ In a partnership, the public and private sectors jointly define goals, activities, roles, and responsibilities to be supported. While some use the term public-private partnerships to include contractual relationships with the private sector such as the provision of education by private schools, these type of business relationships are not included as part of this research.⁴

“Public-private partnerships are not a cure-all, but when applied effectively to certain development needs they can bring significant gains in both business and development terms.”

“Harnessing Private Sector Capabilities to Meet Public Needs,”
World Economic Forum

When analyzing private sector support for education in the region, AED found a wide variety of relationships between the public and private sectors as shown in the diagram below. On the left side of the spectrum, private sector support consists of a simple donor/recipient relationship such as when a company chooses to invest in education without partnering. In the donor role, the private sector firm makes most or all of the decisions on how to support education based on its own criteria. As it moves towards the partnership-centric end of the spectrum, the firm increasingly makes decisions and implements activities through relationships and agreement with actors which may include the public sector, civil society, and non-governmental organizations (NGOs). The far right side of the spectrum represents a true PPP, in which ownership and decision-making is shared.

Spectrum of Private Sector Support for Education⁵



³ World Economic Forum defines a partnership as “a voluntary alliance between various equal actors from different sectors whereby they agree to work together to reach a common goal or fulfill a specific need that involves shared risks, responsibilities, means and competencies.” WEF, 2005.

⁴ This paper also does not focus on higher education where there has been a longer history of partnership with the private sector.

⁵ This diagram has been adapted from Eric Rusten’s “Return on Investment (ROI) Relative to Partnership Quality.” Unpublished. June 2006.

Evolution of Partnership Capacity

Relationships often evolve from a donor-centric to a partnership-centric approach. As the researchers compared examples of private sector support in different countries, they identified three stages of a country's capacity to engage in effective PPPs. These stages can be viewed through two lenses: the macro-level of a country seeking PPPs in education as a development vehicle and the micro-level of specific education initiatives within a particular country. At the macro-level, some countries have more sophisticated, mature partnership examples. At the micro-level, each country had variations in the maturity of partnerships and private sector support in education.

Stages in Evolution of Partnership Capacity

<p>Stage 1: Sensitization and Motivation</p>	<p>In this stage, a country's private sector becomes more sensitized and motivated to contribute to education. This includes public sector recognition that the private sector can be a viable partner. Private sector support may be independent of the public sector.</p>
<p>Stage 2: Engagement in Partnerships</p>	<p>There are more efforts to work together. The public sector may create a mechanism or the institutional capacity to form partnerships. The private sector may work to institutionalize the education initiatives within each company to increase sustainability.</p>
<p>Stage 3: Evaluation and Growth</p>	<p>Both sectors evaluate and reflect on how the partnerships worked and ways to increase impact and sustainability of efforts.</p>

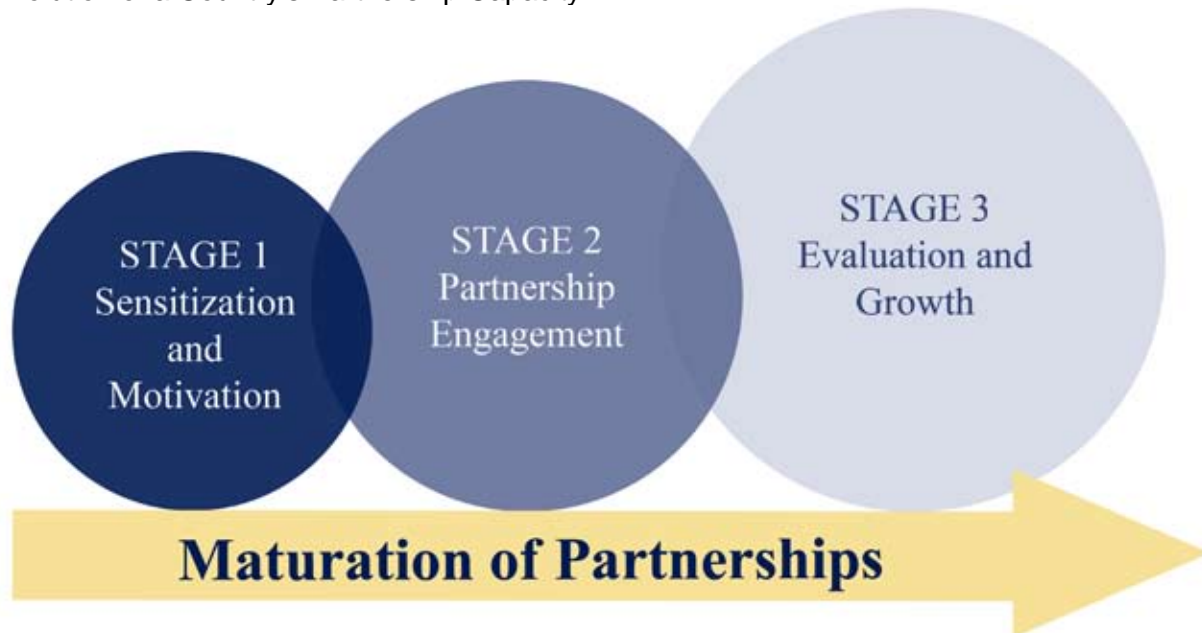
In **Stage 1**, a country has several companies interested in supporting education. These companies typically begin with small-scale initiatives or supply-driven activities that are defined by the company without an established relationship with the public sector. Often private sector support consists of simple relationships between a company and school and decisions are primarily one-way with the private sector leading the process without extensive prior agreement on goals. Support may consist of providing schools with cash or in-kind donations filling a gap and providing the school with better material resources for operations. These donations rarely inspire a systemic transformation, though they may be the first step in garnering more collaboration from the private sector, as well as increasing the private and public sectors' receptiveness to working together. In this stage, partnerships may be limited due to a lack of familiarity and trust between the sectors, unrealistic expectations of what the private sector can provide, a misunderstanding of the motives, or a limited capacity of potential partners.

As a country moves into **Stage 2**, there is growing interest in true partnerships and an effort to create more organized structures to facilitate partnerships. Companies may band together to create more professional organizations or partner with other businesses to tackle a change in education policy. Some companies may enter into strategic partnerships with actors from different sectors. These deeper partnerships signify a compromise of control, time, resources, and flexibility, but they can also produce greater impact and more systemic change. The public sector may also reach out to the private sector in more diverse ways.

In **Stage 3**, a country is in the most mature state as individual partnerships are designed and/or implemented jointly. Both sectors grow in their understanding of the country's education challenges and appreciate their partners' contributions. Partners have learned to understand or speak each

other's language. For example, in Colombia, a country in a mature stage of partnerships, the Ministry of Education and the private sector have come to speak a common language regarding total quality management. In this stage, activities that may have taken place at the centralized level with the Ministry may become more decentralized and spread to the departmental or local level. Through evaluation and reflection, partners find ways to facilitate communication and create synergy and value-added to offset the complexity of working in partnership. Reaching this level of maturity could take many years, which has been the case in Colombia.

Evolution of a Country's Partnership Capacity



One of the goals of this paper is to highlight ways to help move private sector support for education along the spectrum of relationships to grow from one-way, donor-centric relationships in the early stage of partnerships to more mature, effective PPPs in which both sectors identify their interests and contributions and jointly design and implement mutually beneficial activities.

Colombia—Maturing Public-Private Partnerships

Over more than a decade, cross-sector collaboration in Colombia has grown from a series of meetings focused on introducing total quality management into the Secretariat of Education of Bogotá to nation-wide public-private partnerships that engage hundreds of businesses in activities ranging from school sponsorship programs to reengineering processes to improving education management. Following successful collaboration in Bogotá over a period of years, the private sector created an association of businesses, *Empresarios por la Educación* (ExE) in 2002. At the request of the Minister of Education, regional chapters of ExE were established to support management reform in departments and municipalities. This support is complemented at the school level where many businesses sponsor public and private schools working on improving management and provide an award to schools with the best performance in terms of strategic planning and continuous improvement processes. Through the years of collaboration, government officials and teachers have begun to use the same language about quality management as businesses. Throughout the last ten years, the public and private sectors have collaborated closely, and interest and knowledge about partnerships in education has grown in the number of actors, the size of projects, and the reach of the partnerships.

Enabling Environment for Partnerships in Education

A country's partnership capacity is partially dictated by its context. The enabling environment at the national, regional, or local level for PPPs affects the quality and quantity of partnerships.⁶ An analysis of different cases in the Latin American region revealed several factors, such as tax incentives, culture, political climate, and transparency, that contribute to a strong enabling environment in which PPPs thrive, as described in the table below. Although some of these conditions may be difficult to change, understanding the context at the outset should influence the partnership design. For example, more ambitious partnerships are more likely to succeed in countries where the enabling environment is strong. In those countries with weaker conditions, strategic partnerships may take more time and effort to develop and may require structured procedures or simpler alliances in the beginning.

Strategies to address more difficult conditions can be developed and implemented. In Bogotá, Colombia, the existence of a committee made up of the public and private sectors helped create continuity and contributed to the institutional memory of partnerships when the municipal government changed parties. Where a culture of partnership and corporate collaboration is lacking, highlighting and acknowledging good practices can help motivate others. Collaboration can begin through activities and outreach to build greater knowledge and awareness of education challenges without financial commitments from the private sector. This kind of dialogue and/or small-scale partnerships can build trust and interest in broader collaboration. If there is concern about transparency, businesses can provide support directly to schools rather than pooling resources into a larger fund as has been the case in Nicaragua. Business associations can also be effective at creating peer pressure and incentives among companies.

Enabling Conditions for Public-Private Partnerships

Condition	Definition
Legislation	Having tax incentives for donations may encourage companies to contribute to education.
Culture	Some countries have a culture of private sector involvement in social sectors as part of a culture of civic responsibility.
Political Climate	In more politically polarized countries, the political affiliation of both sectors and the relationship between both parties could influence the decision of whether or not to pursue a partnership and the type and depth of a partnership. The more institutionalized and mature partnerships have a greater ability to overcome this factor.
Decentralization of Education Sector	When working in the regions with decentralized education, there are more players to deal with and partnering may become more complicated. At the state or local level, the public sector may have less capacity and maturity to deal with the private sector. There may be less investment in some regions and private sector leaders in remote regions may not have the same maturity as those in the capital cities.
Transparency/Corruption	An environment of transparency helps build trust to facilitate collaboration.
Level of Maturity/ Capacity	Mature private sector actors have experience in the social sector through philanthropic and Corporate Social Responsibility activities. ⁷ A mature public sector has the capacity and openness to partner. Countries at a more mature stage of partnerships can take on more ambitious activities.

⁶ Jones, David. (2001). Conceiving and Managing Partnerships. A Guiding Framework. *Business Partners for Development Practitioner Note Series*. July 2001.

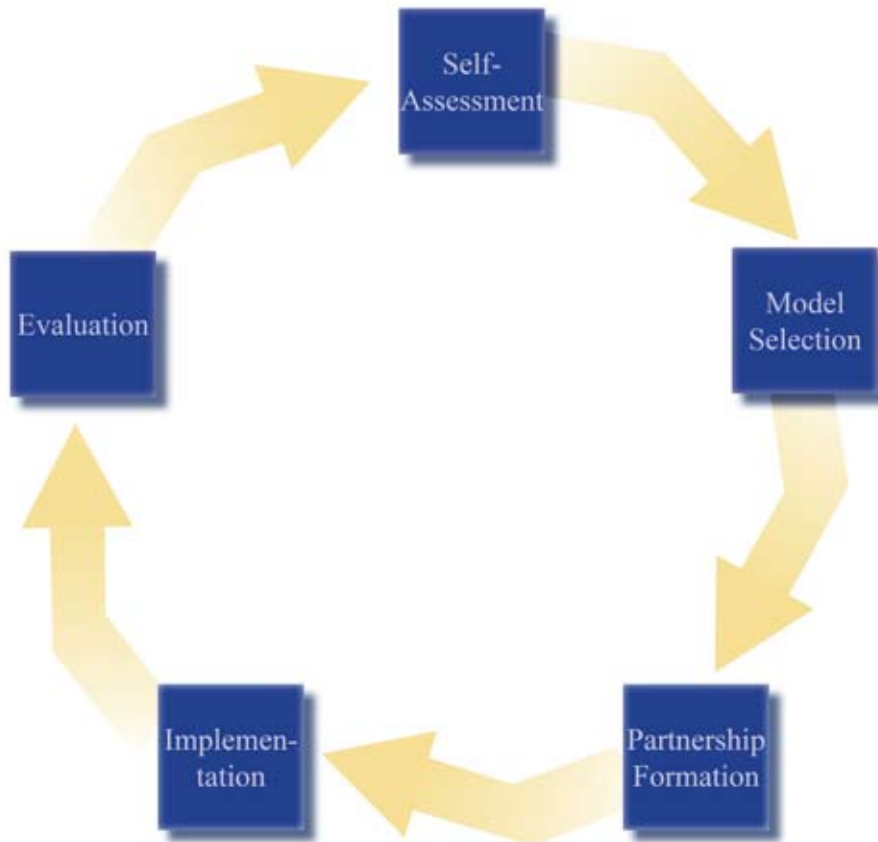
⁷ Corporate Social Responsibility refers to "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (definition from the World Business Council for Sustainable Development's "Making Good Business Sense" by Lord Holme and Richard Watts).

2. ELEMENTS OF DECISION-MAKING

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While the enabling environment can impact the ease of building partnerships, there are many choices to be made, from the initial agreement to collaborate through all the steps of design and implementation. Each step brings a new range of decisions and considerations that may differ for public and private organizations. The following section highlights the different stages and decision-making factors for private sector support in education. While the order of these decisions and steps may vary for every activity, the following diagram depicts one potential flow of the decision-making process for both private and public sectors.

Flow of Decision-Making for Private Sector Support for Education



Self-Assessment

As public and private partners begin thinking of establishing a relationship, both sectors have a unique set of factors that affect their decisions regarding how and whether to partner. Potential partners should assess their own motives and objectives, and determine the type and size of a potential activity. This self-assessment will impact the type of collaboration and the design of any partnership.

Motives

Each partner has different motives for engaging in PPPs and successful partnerships require that both partners understand the motives of the other. These motives affect whether, and how, to enter into a partnership. The motives for the public and private sectors are not exclusive and education activities can satisfy more than one motive.

Private Sector Motives ⁸	Public Sector Motives
<ul style="list-style-type: none"> • Philanthropy • Reputation/Visibility • Market Entry/Expansion • Enlightened Self-Interest • Affect Public Policy 	<ul style="list-style-type: none"> • Resources • Expertise • Stature/Public Relations/Legacy • Voice/Access • Labor Market Knowledge/Links to Economic Development • Inclusive Education

Philanthropy refers to a situation in which a company wants to improve education to help society, without regard to financial gain. Another private sector driving force, **reputation/visibility**, arises when a company seeks to build its reputation and increase its visibility. Some companies pursue PPPs because they offer an opportunity to expose their products to the education sector. For example, some technology companies offer equipment or software as part of **market entry or expansion** efforts while also providing an educational benefit.

Enlightened self-interest is when a company recognizes the intersection between its own interests and that of society at large and invests in activities in the social arena, typically under Corporate Social Responsibility programs. Possible motivations include:

- Increased productivity of the national workforce
- Higher-qualified employees
- New investment or increased competitiveness
- Improved community–company relations
- Employee pride in the company

Another driving force is the desire to **affect public policy**, enhance financing, and create a greater understanding of, and support for, education.⁹

The private sector often begins with one motive and shifts to another. For example, a company may begin supporting schools as an act of philanthropy and may later become engaged in public policy issues. Some analysts believe that activities more closely linked to business interests will have greater sustainability within a company than those motivated by philanthropic interests.¹⁰ With that in mind, a company with a stronger sense of enlightened self-interest or corporate social responsibility might be a better partner for more ambitious activities.

“The best investment one can make in his country is social investment, which does not have a return in the short-term, yet in the long-term is more sustainable. A population that has satisfied its basic needs and meets the basic education and health conditions can more effectively take advantage of the comparative advantage and increase its production capacity and competitiveness...The country can not raise the productivity levels if it does not have the necessary human resources...that permit it to grow in social and economic aspects and improve the quality of life.”

Founding Board Member and President of Guatemala’s *Fundación para el Desarrollo Rural* and Asociación Nacional del Café, William Howard Stixrud Herrera, 1998.

⁸ It is important to note that the research distinguished between the driving forces of giving versus the motives for aligning with others. These latter motives are represented as the consideration of a series of factors for selecting the actual approach for private sector investment in education within the spectrum of possibilities.

⁹ While there was some discussion among participants that this was part of the enlightened self-interest, they ultimately agreed that affecting public policy was a separate driving force for getting involved in education.

¹⁰ Austin, James E. (2000). *The Collaboration Challenge: How Nonprofits and Businesses Succeed Through Strategic Alliances*. San Francisco, CA: Jossey-Bass Publishers.

The motives behind public sector pursuit of PPPs in education are very different than that of its private sector partners. One incentive is to increase **resources**, as when a Ministry of Education identifies a gap in its education plan and seeks cash or in-kind contributions from different sources. Resources may include financial contributions, land donation, school supplies, infrastructure, Internet connectivity, etc.

Expertise can also be a driving force behind PPPs for the public sector. For example, the Ministry of Education might partner with an information technology (IT) company to train teachers in computer literacy for an IT project. Another area the public sector has sought corporate support is in management expertise and improving systems and procedures. A number of partnerships in Colombia have focused on introducing total quality procedures into the education system.

With **stature/legitimacy** as an impetus, the public sector may decide to work with a high-profile company or business leader to bring positive attention to an education issue or program. In El Salvador, the Ministry of Education asked the best-known private sector leaders to support its *Movilizador de Alfabetización* program in order to legitimize the national literacy program. In Colombia, as the government developed its 10-Year Plan, *Plan Decenal*, officials selected partner companies with credibility and trust to help develop this long-term plan and engaged respected, high-profile private sector leaders to discuss more sensitive topics.

Another motive is the desire to harness the private sector's **voice, influence, and access** to decision-makers to create broader support for education. The private sector can help raise awareness about the importance of education and often has high-level access within a government to resolve issues a Ministry of Education may have trouble addressing on its own.

Public education entities may partner with private companies to improve the relevance of their curriculum and training in regard to **labor market knowledge/links to economic development**. The public sector may invite the private sector to participate on commissions or national councils, or create partnerships that bring particular private sector skills and knowledge into the education system. In Argentina, new legislation has created formal roles for the private sector and other actors as part of national consultative committees for education. In Colombia, the Ministry of Education has shifted its focus for PPPs from equity issues to economic development.

Finally, the public sector seeks to bring in a broader set of actors as part of its belief that education should be **democratic and inclusive** to enrich the education system. In Colombia, the *Secretaría de Educación* of Bogotá created a program called *Escuela Ciudad Escuela* in which businesses, museums, libraries, and other community groups provide educational activities to public school students and mobilize the broader community to support education. Through this innovative program, the *Secretaría* has opened new learning opportunities, engaged a broader array of actors, and leveraged additional contributions to education.

Scope/Scale

Decisions regarding scope and scale will affect the type and complexity of the private sector support. The following six **scopes** were identified as potential areas of focus for supporting education:

- **Specific Input** – This refers to a discrete activity such as providing material support, donation of books or computers, or infrastructure improvements. This may be the simplest form of partnership, since it may require less education expertise and may not affect more sensitive policy issues.
- **Technical/Management Expertise** – The private sector can offer its management expertise to help the public sector manage programs and schools more effectively as has been done in

Colombia. This can be a natural form of partnership as it builds on a core competency of the private sector.

- **Articulation with Private Sector/Labor Market** – In this level, the private sector can transfer its knowledge of economic development and labor market needs to the public sector education system. Partnerships could range from very specific activities, such as school-to-work programs, or may consist of collaboration to guide curriculum development to ensure that students are gaining the skills for the workplace.
- **Advocacy** – The private sector can carry out advocacy to raise awareness and support for specific education policies or initiatives. One of the strongest assets companies have in developing countries, particularly in smaller ones, is their voice, influence, and access to decision-makers. When the private sector speaks jointly and publicly, their voices are often heard.
- **Educational Processes** – Support can consist of activities to improve the quality of education including teacher training, implementation of new pedagogical reforms, and curriculum reform.
- **Public Policy** – This level represents the widest scope and encompasses initiatives that work to change education policy at a national level and stimulate systemic change.

In Colombia, *Educación, Compromiso de Todos* was an initiative formed by two corporate foundations (*Fundación Corona, Fundación Restrepo Barco*) with the leading newspaper, *El Tiempo*, to track how government leaders and politicians keep commitments to education. This partnership links the private sector with civil society to bring significant political support and pressure for changes in education.

Private sector support may evolve and have different scopes at different times. Many companies start with support for specific inputs, perhaps with limited donations for a set number of schools. As companies become more engaged and interested in education, they often become motivated to take on bigger, more complex issues that can have a larger impact at a more systemic level. In Nicaragua, companies involved in AMCHAM's (American Chamber of Commerce of Nicaragua) School Sponsorship Program began with support for infrastructure and materials, but realized they would not see improvements in learning until teachers improved their skills. Many companies later added teacher training programs to their efforts. The Nicaraguan companies also began advocating for schools after seeing that their access to decision-makers could help resolve education issues.¹¹ This evolution from narrower, simpler activities to more complex ones can be a logical progression as companies begin to understand school-level challenges.

"I want the private sector to participate in the debate and to put pressure on unsolved issues. However, it becomes suspicious when they want to do our job... We cannot tolerate this."

Senior-Level Ministry Official

However, as companies move into more technical education issues, the need for education expertise and collaboration with the public sector grows, as does the complexity of partnerships. Without sufficient expertise or explicit collaboration with the public sector, research showed that the public sector became concerned about private sector involvement in educational processes. Public policy issues can be a particularly sensitive domain in which the public sector prefers not to partner. Some ministries of education feel that the policy area is its primary responsibility and that the private sector lacks expertise to contribute. In countries with stronger relationships between the public and private sectors, inviting the private sector to participate in policy change represents a more mature relationship

¹¹ More information on the AMCHAM's School Sponsorship program can be found in the appendix. See also Brady, Kristin & Galisson, Kirsten. (2006). *The Ingredients of a Public-Private Partnership in Education: The Global Development Alliance Model School Expansion Project in Nicaragua*. Washington, D.C.: Academy for Educational Development.

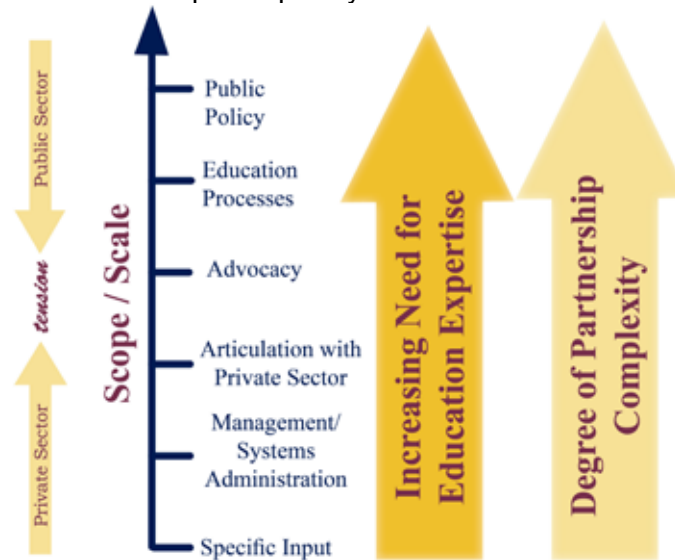
and signifies trust. This evolution can similarly shift in the other direction, as companies that begin by engaging in advocacy or public policy issues, shift to more concrete, targeted activities.

Like the scope, the **scale** of an education initiative will affect decisions regarding private sector support. In the Latin American region, many companies begin with an initiative limited to a small geographic region, typically one close to its operations, and later expand to a larger region. Larger scale activities may require greater collaboration with a larger number of partners, such as in a PPP, increasing the complexity of a partnership while potentially increasing the impact as well.

In some cases, the private sector may support projects to stimulate reform and encourage the public sector to take actions it may otherwise be reluctant to implement. Through pilot projects, the private sector may introduce innovation and reform on a small scale to demonstrate the potential impact of significant reforms. Partnership with the public sector on such reform initiatives is particularly important to reach the larger goal of policy reform. One particular challenge of such pilots is one of balancing the need to provide sufficient resources to secure the desired results without creating a pilot that is too expensive to replicate. This could be a particular challenge for the private sector which may have other considerations such as visibility and quality standards that may lead to a higher cost model than the public sector can ultimately afford.

In Pernambuco, Brazil a group of private sector leaders joined forces to partner with the State Secretariat of Education to introduce a comprehensive secondary education reform program that improved teacher selection and training, introduced performance-based pay, reformed curriculum, and nearly doubled the length of the school day. The project has monitored impact and has shown strong results. The project began in 2004 with ten schools and has grown to 33 schools. Other states are interested in introducing similar reform programs based on the success of the Pernambuco program. It is too early to tell whether these private sector introduced reforms will lead to policy reforms on a large scale.

Effects of Scope and Scale on Partnership Complexity



The above diagram shows how as PPPs take on initiatives of greater scope and scale, the complexity and potential tension increases, requiring greater technical expertise and more mature partnerships.

Internal Considerations

In addition to the motives, scope, and scale, there are other internal decisions that affect a decision regarding how and whether to partner. From the private sector perspective, a company seeking to invest in education may weigh these internal corporate factors when deciding its course of action:

- **Visibility** an activity provides
- Degree of **control and ownership** the company desires
- Amount of **flexibility** needed by the company
- Level of **risk** the company is willing or capable of assuming

These corporate considerations may also be linked to the company's motives for investing in education. For example, a company that has decided to support education to improve its reputation will most likely choose an approach that affords it high visibility.

The public sector may consider the following factors when entering a partnership:

In one Colombian municipality, the private sector provided a significant level of resources and had a robust staff. Due to the limited number of municipal staff compared to the magnitude of the corporate support, the municipal government has not been able to play a strong leadership role. This imbalance could potentially minimize the role of the public sector in the municipality.

- Degree of **control and ownership** the public sector desires
- **Scale** of private sector contribution versus public sector management efforts
- Degree to which the private sector's contribution has **alignment/synergy with national goals** for education
- Level of **commitment** offered by private sector including both time and effort
- Public sector costs and **capacity** to manage the initiative and the balance between the public and private sector roles

Many officials in the public sector question the private sector's long-term commitment and vision. Some officials cited the "ribbon-cutting ceremony phenomenon" in which the private sector is more interested in the visibility gained from the partnership than educational impact. Ministries of education often question whether the time required to support smaller-scale activities is justified, particularly when the company's commitment over time is unclear.

"Education is a process and the private sector is not working for the long term in education...The businessman does not think of sustainability."

Senior Level Ministry Official

Model Selection

After conducting a self assessment and making the internal decisions described above, both sectors will consider how to organize their support in education. Experiences in Latin America show three principal models of private sector investment. The classifications, however, are conceptual and there may be considerable overlap between model types as most private sector companies engage in several different activities. The operative models from the private sector perspective include the following:

- **"Do-it-Yourself"**
- **Business Alliance**
- **Public-Private Partnership / Multi-Sectoral Partnership**

“Do-it-Yourself”

In this model, a company leads its own education initiative rather than partnering with another donor, NGO, or other actors. While this model may include some collaboration and consultation with the public sector, the company acts on its own, with a donor-centric approach on the far left end of the spectrum of private sector support for education. Companies frequently want to target specific communities or have a direct impact on and relationship with beneficiaries. Characteristics of this model include high levels of visibility, control, flexibility, and risk.¹²

This model is attractive to many companies since there is often a lack of familiarity and trust among the private sector, public sector, and NGOs. A comprehensive study on forms of private sector participation in education in Honduras conducted by PREAL and *Fundación Para La Educación Ricardo Ernesto Maduro Andreu* (FEREMA) found that half of the 675 companies that invested in education acted independently. Only 12.5 percent coordinated their activities with the Ministry of Education and 42 percent coordinated with NGOs, local community organizations, or international donors.¹³ This “do-it-alone” preference reflects a similar pattern in other countries in the region.

Companies with more ambitious and mature programs often create their own corporate foundation to develop their own education expertise and enhance legitimacy. For example, *Banco Uno*, a regional bank, decided to create *Fundación Uno* and hired staff with education expertise to implement social programs like the *Jovenes Talentos* program, which provides additional math courses for advanced students. Some of these organizations operate more like NGOs or foundations than private companies. Other times, companies compensate for their lack of education expertise by contracting with expert services to carry out the education intervention. Such relationships are typically contractual and the company maintains decision-making and control. The choice to create this in-house capacity rather than partnering allows a company to maintain visibility and control as discussed above.

Business Alliance

An association of different businesses may decide to work together on an education initiative. They typically join together to implement education programs, invest in policy dialogue and carry out campaigns to raise awareness of national and regional education issues. They may be organized by region, sector, business association, or simply by like-minded entrepreneurs with the goal of having a bigger impact and to leverage greater resources. As companies align together, the level of visibility, flexibility, and control go down for the individual company. However, the level of risk assumed by the individual company is reduced and legitimacy is enhanced by collective action. In addition, peer support can stimulate other companies to join the group and increase the overall comfort level in tackling an education initiative.

There has been a growth of this model across Latin America with organizations such as *Empresarios por la Educación* or other associations in many countries in the region. Some Business Alliances are formed around the goal of advocating for education and often bring the influence needed to have an impact—knowledge of the policy-making process, access to decision-makers and influence and stature within the country—and have less of a need to partner to obtain expertise. Others have decided to build technical expertise by creating their own organizations or full-service NGOs rather than partnering with other actors. These organizations can use a donor-centric approach, however, experience has shown that associations of businesses typically have greater collaboration with the

¹² The researchers acknowledge that there are several types of risk. Risk is traditionally defined as the chance that an investment’s actual return will be different than expected, including the possibility of losing some or all of the original investment. In this paper, risk also refers to the chance of damaging a company’s reputation or relations with other partners and sectors.

¹³ PREAL, FEREMA, & COHEP. (2001). *Formas de Participación del Sector Privado en la Educación Hondureña*. Tegucigalpa, Honduras: PREAL, FEREMA, & COHEP.

public sector and tend to be closer to the right hand side of the spectrum of relationships with a more partnership-centric approach.

Public-Private Partnership/Multi-Sectoral Partnership

The last model is the Public-Private Partnership, representing the right hand side of the spectrum. These partnerships can be between a company or a Business Alliance and the public sector. Some PPPs can include a larger group of actors such as NGOs, other donors, the public sector, and/or civil society and form a Multi-Sectoral Partnership. The Multi-Sectoral Partnership is the most complex arrangement as it involves more actors and the scope becomes broader. While they require greater collaboration, when they build on the comparative advantages of each partner, the combination of these assets can create a strong potential for impact in education. In a PPP or Multi-Sectoral Partnership, the individual company partners with others to get assets it lacks and to minimize overall risk. However, visibility, control, and flexibility are reduced.

Hybrid Versions

A number of different versions of the operative models have emerged in Latin America which tap various advantages of the three categories. In these hybrids, groups of companies have joined together for national impact, to improve the quality of support, and to provide a forum to encourage more companies to invest in education. While the hybrids have different structures for companies' participation, they allow individual companies the ability to act independently, maintaining the overall visibility, flexibility, and control that many private sector entities desire. These types of organizations can be particularly effective at bringing in smaller businesses.

In Costa Rica, an NGO formed by the private sector, *Asociación de Empresarios para el Desarrollo*, allows companies to donate to the organization which then implements programs at the school level or guides member companies in programs businesses directly implement in schools. These options allow companies the opportunity to maintain contact, control, and visibility at the school level while having the NGO provide quality control and guidance for companies to generate greater impact.

Funcafé, a foundation started by an association of coffee growers in Guatemala, is an example of a Business Alliance within the same sector banding together to implement social development programs. While the organization started by designing and implementing its own programs, it now implements programs on behalf of other private sector donors. The *Proniño* program, carried out in partnership with Bell South, has provided over 1,000 students with scholarships.

Examples of hybrid models can be found in the Appendix.

The Public Sector

In general, the public sector was less concerned about the way the private sector operates (i.e. "Do-it-Yourself", Business Alliance, Multi-Sectoral Partnership) than the type of relationship it has with the private sector and how that relationship fits into the government's larger plans. However, in Colombia where there has been a mature and established relationship with a Business Alliance, the Vice Minister noted that the creation of *Empresarios por la Educación* has made a significant impact on education and facilitated partnerships. The public sector places less importance on the model with the private sector. Instead, it examines private sector support in terms of who initiated the activity and whether or not the private sector is working in agreement with the public sector.

In many countries, the public sector finds itself responding to private sector initiatives rather than stimulating them. One public sector official said private sector relationships are scattered and not

organized by the Ministry of Education. Not surprisingly, most government officials regard the public sector led partnerships as the most successful. In Guatemala, one private sector representative thought public sector led initiatives were the most effective, and another encouraged the public sector to better articulate its needs.

As government education offices gather more experience, they are improving organization and are better able to cooperate with the private sector. In Colombia, the Secretariat of Education for Bogotá has led a long-term process of dialogue and collaboration with the private sector and has created an informal structure for the relationship through regular monthly meetings. While agreement is reached jointly, the public sector established the framework for the partnerships, taking into consideration the private sectors' interests and capacities and maintaining a leadership role.

As the trend of private sector investment grows, the public sector is trying to be more proactive, creating institutional mechanisms and articulating the type of PPPs it seeks with the goal of moving from many independent education projects to more formalized agreements and engagement with the public sector. For example, in El Salvador, the government is developing a portfolio to identify potential opportunities for the private sector that fit within the government's long-term plans.

One successful public-private partnership in Guatemala, *Tecnología Para Educar*, was born three years ago during a constructive kick-off meeting when the partners rolled up their sleeves and defined the needs and who would fill each role. *Tecnología Para Educar*, a multi-sectoral alliance of eight actors including the Ministry of Education in Guatemala, Canadian International Development Agency, Microsoft, and *Fundación Sergio Paiz Andrade* (FunSEPA), brings computers that have been refurbished by youth at risk and trains teachers in IT. According to Salvador Paiz, Executive Director of FunSEPA, clearly defining the roles and responsibilities and finding synergies among all the partner contributions at the onset were key success factors. The program is currently in a scale-up phase.

Partnership Formation

When a decision has been made to enter into a partnership, partners should jointly determine the needs and define goals, objectives, roles, and responsibilities. For any education initiative, a needs assessment should be carried out. Recent research has shown that some PPPs are more supply-driven than needs-based. There has been the perception that some private sector investments are driven by resources and interests rather than the specific educational needs.¹⁴ It is incumbent upon both the public and private sectors to ensure that proposed

partnerships meet an identified need.

Planning

Once the needs have been identified, partners should determine if there is the right mix of assets to meet the needs for a specific activity as in the chart below using the example of a literacy campaign. The Partnering Initiative, a UK-based program that provides training and guidance in cross sector partnerships, recommends taking this participatory resource mapping exercise a step further to clarify roles and responsibilities in a workshop format.¹⁵

14 Draxler, Alexandra. (2008). *New Partnerships for EFA: Building on Expertise*. Paris, France: UNESCO, pp. 17, 28, 66.
15 Tennyson, Ros. (2003). *The Partnering Toolkit*. London, UK: The Partnering Initiative.

Resource Mapping Chart – Example of Literacy Campaign

Asset	Description	Public Sector Partner	Private Sector Partner	Other Partner(s) (e.g. civil society)
Time	<i>Staff time to implement, manage, liaise, oversee education initiative</i>	Staff from the Ministry of Education's Office of International Cooperation and Alliances can coordinate the partnership and maintain communications.	Company's Public Relations Officer can be the corporate point person for the alliance; President can be public voice of campaign.	Representatives from a local NGO and national newspaper can participate in the alliance.
Education Expertise	<i>Expertise in education needed to carry out initiative</i>	Ministry of Education has Office of Literacy to guide on literacy strategies to be promoted in campaign.		Project team from local NGO has expertise in implementation of community reading programs.
Business/Management Skills	<i>Management capacity to oversee initiative</i>		Company's marketing office has expertise in rolling out national campaigns.	
Local Context	<i>Knowledge of the local context</i>	Ministry of Education has local education offices.		Local NGO has years of experience working at local level in this region.
Access to Decision Makers/Policy-Makers	<i>Access to decision makers to affect education policy</i>		President of Company has access to members of national congress to help put literacy on the national agenda and leverage more resources.	
In-kind Resources	<i>In-kind resources for education initiative</i>		Company employees willing to contribute to book drive. Company has distribution system to reach schools.	National newspaper has ad space to print reading promotion messages to the public.
Financial Resources	<i>Financial support for education initiative</i>	Ministry of Education has resources to co-finance literacy campaign.	Company has resources to co-finance literary campaign.	
Stakeholders' Support	<i>Support from community members, teachers, Ministry of Education officials, etc.</i>	Ministry of Education has access to teachers through unions and other professional associations.		

After mapping out the resources, partners jointly define the specific goals and objectives. A vision statement, work plan, and evaluation framework may be created during this phase. Ideally, this should be a flexible process focusing on the partnership's long-term goals which can be measured by progress towards a set of jointly defined success indicators.¹⁶ This phase can be as short as a successful working session, or as long as several years of negotiation. The Equatorial Guinea Educational Development Program (PRODEGE), an example of a Multi-Sectoral Partnership, brings together the government of Equatorial Guinea, Hess Corporation, and AED. The partnership formation took two years.

Implementa- tion

After a partnership has been formed, it will continue to evolve through the implementation phase. In mature PPPs, both sectors continually self-evaluate their performance, making modifications and improvements to both the project and partnership design when necessary. It is also important to establish a communication plan or mechanism for the implementation phase so collaboration is ongoing and there are flexible mechanisms for changing the model, roles, and responsibilities as the partnership evolves.

Applying Success Strategies

During implementation partners can begin applying specific success strategies. In Latin America, both public and private sectors are creating and utilizing a diversity of strategies to improve the effectiveness of their education initiatives. Some success strategies are common to any development or education initiative, and some are common to any type of private sector support for education. The research revealed that other success strategies apply only to the public and private sectors respectively.

While there is a long list of success strategies for education initiatives, the following strategies are highlighted since they are often lacking in private sector projects. These include **measuring and evaluating results**, adapting approaches accordingly, ensuring that activities are designed in a participatory manner with beneficiaries (**informed decision-making**), and creating **ownership with the beneficiaries** rather than dependency.

Project-Specific Success Strategies

Monitoring and Evaluation	Measuring impact, conducting self-analysis of the education activity, and acting upon the results is critical to sustainability and impact.
Beneficiary Ownership	Building ownership with beneficiaries to avoid creating dependency is crucial.
Participatory Decision-Making	Education activities have more success when beneficiaries are involved in decision-making (e.g. consulting with the local school community before carrying out an education activity).

In addition to the project-specific strategies above, there are strategies specific to the private sector. To build support within a company, private sector success strategies include providing sufficient benefit to the company, maintaining corporate interest and energy, and having the capacity within the company to be sustainable. Often private sector support begins with one committed individual, typically in a leadership position. Over time, the initiative should be institutionalized within an organiza-

¹⁶ Jones, David. (2001). Conceiving and Managing Partnerships. A Guiding Framework. *Business Partners for Development Practitioner Note Series*. July 2001.

tion. In addition to receiving information on the impact of the program, sustainability is strengthened when there is **personal interaction** with the schools or the program. When corporate representatives spend time in the classroom, they have a greater understanding of the needs as well as the intervention, and the personal interaction with beneficiaries stimulates a greater sense of corporate ownership and satisfaction. When a company uses its **core business competency**, its sense of ownership and contribution typically increases.

Private Sector–Specific Strategies

Institutionalization	Having broad corporate support within a company strengthens a company’s ownership and the overall sustainability of the initiative. Education initiatives often start with one passionate, committed individual; however, broader support within a company is essential for sustainability.
Utilization of Business Competency	Contributing its own competency to the education initiative instills company ownership of the initiative and fosters sustainability.
Personal Interaction	The amount of communication and direct contact the private sector partner has with beneficiaries can deepen support and enhance sustainability.

The public sector has its own unique set of strategies when approaching PPPs. A few ministries of education in the region have, or are in the process of creating, **specific offices** to work with the private sector partnerships. Having an **institutional mechanism** in place is imperative to maintaining the **balance of power** and overall sustainability of the education initiatives.

Public Sector-Specific Strategies

Institutional Capacity	A separate office or point person within a Ministry of Education to facilitate and manage PPPs aids not only the partnership formation process, but helps provide follow-through during implementation and evaluation phases. The institutional capacity also ensures the public sector maintains some ownership and sustainability of an initiative. At the regional level, partnerships are more successful when there is sufficient capacity to work with the private sector.
Institutional Mechanisms/Infrastructure	A mechanism in place that ensures regular contact and meetings with partners, or the existence of national policy councils that include private sector members, ensures that the relationship is institutionalized. Mechanisms can be both formal structures, or informal and based on relationships.
Balance of Power/ Complementarity	Each partner’s role must be clearly defined and recognized. In some cases, the private sector’s role grows in power and influence. However, in order to build lasting relationships and initiatives, it is imperative that the private sector not replace the role of the public sector. The partnership should be value-added and complementary.

Building partnerships requires a different set of strategies beyond those mentioned above. There must be strong **leadership** within each partner and within the partnership. There must be agreement and **governance structures** that provide accountability and allow for flexibility as partnerships evolve. Because most partnerships are self-regulated, such transparent agreements and decision-

making mechanisms are essential. All partners will want some public **recognition** of their efforts. **Effective communication strategies** are needed to deal with different language and processes, and to ensure constant flow of information and decision-making. Partnerships should **encourage synergy** among participants and should assess the **value-added** each partner brings. For new partners, trust must be established. Many of these strategies are also required for Business Alliances since they are partnerships among different companies.

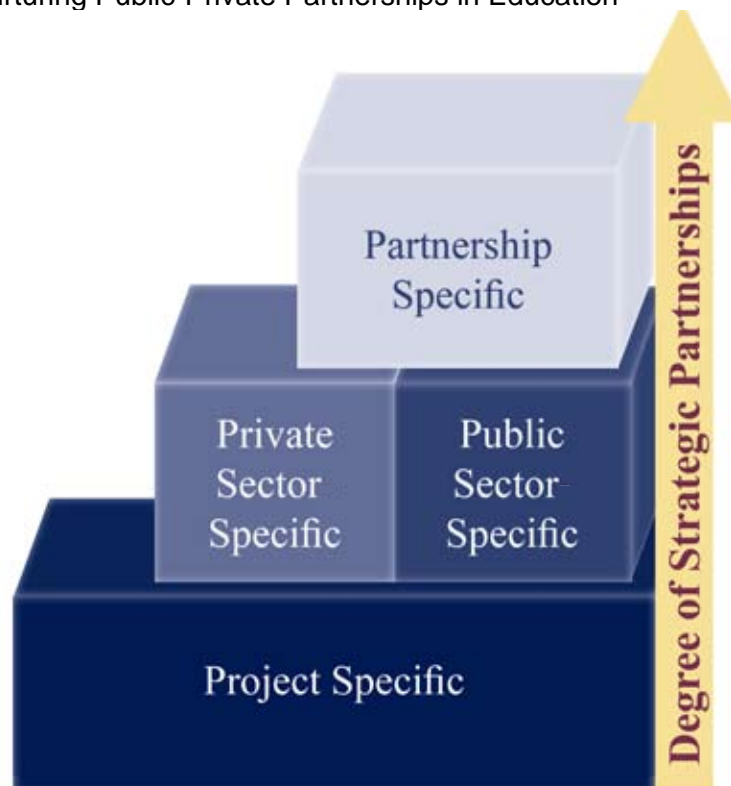
Partnership-Specific Success Strategies

Leadership	Champions are needed from both public and private sectors as well as within the partnership to catalyze activities and initiatives, and make decisions. Higher-level representation can bring greater ownership and visibility but must be coupled with depth of support within the partners to ensure sustainability.
Transparent and Flexible Governance Structures	An agreement to establish accountability, roles, and means of resolving conflicts is essential. Such structures should be transparent and allow flexibility so the partnership can evolve over time.
Recognition	Shared recognition affords partners visibility and inspires innovation and increased participation. Alternatively a partnership may decide not to use any individual logos.
Clarity of Roles	Being transparent and clear about goals from the onset is vital to developing a good partnership. Partners should understand what is reasonable to expect from each other and that improving the quality of education is a process.
Ownership	Ownership of an initiative enhances overall sustainability. In PPPs in education, both the public and private sector partners need to feel ownership of the activity.
Effective Communication Strategies	Frequent and open communication is essential to build trust and effective management. Often the business partners and education leaders use different terminology. Explaining different terminology, procedures, and work cultures can help bridge these gaps.
Encouraging Synergy/Value Added	The partnership should ensure that each contribution provides value-added and that the mix of activities is organized to allow synergy.
Broker/Brokering/Personal Interaction	For some partnerships, having a broker to help manage the partnership can help bridge language or organizational barriers. The broker can be an outside entity or an individual within the public or private sector. A third party can also play this role in the multi-sector partnership model. More mature relationships may not need a broker.

Partnership building is a challenging endeavor for both sectors. As a partnership becomes increasingly complex, more success factors are needed to sustain and nurture the alliance, thus increasing overall impact. The diagram below depicts this building block effect of success strategies. The bottom block contains strategies that are useful for any development project laying the foundation for success. The second tier shows strategies that are useful for the private and public sectors respectively. Building on the previous levels, the third tier representing PPPs requires additional strategies.

“Partnership building with the private sector has been extremely complicated and difficult.”

Senior-Level Ministry Official, Latin America



Evaluation

A critical part of any education activity is evaluation. For PPPs, self-reflection is important to ensure the partnership is functioning effectively. A separate evaluation may be conducted for each partner, as well as a collective evaluation to identify partnership issues. Based on the evaluation results, a partner may choose to change its scope or type of operative model. For example, if a “Do-it-Yourself” company decides it needs more influence among policy-makers to carry out its girls’ education campaign, it may decide to partner with a Business Alliance working on the same issue to more effectively achieve the education goals.

There are three general areas of a partner’s self-evaluation that can help identify what works, does not work, and what may need to be adapted or redesigned:

- **The impact and quality of the education activity** – To what extent were the education goals achieved?
- **The impact of participating in the education activity** – To what extent did the partner (public or private) benefit from participating in the initiative?
- **The quality of the partnership** – To what extent was the partnership mechanism effective in achieving the education goals?

Impact on Education

As with any education activity, a project should measure the impact on the education system by using various evaluation indicators such as student achievement, retention rates, repetition rates, literacy rates, and examining qualitative data through student, teacher, and community surveys. In a partnership, the indicators should be determined jointly and results shared with all partners.

Impact on Partner

There are also three perspectives to consider in evaluating how each partner was affected by participating in a PPP in education:

For the private sector:

- Did it achieve a greater understanding of education?
- Does it have a greater commitment to education?
- Did it achieve a Return on Investment (ROI)?

For the public sector:

- Did it achieve an ROI on the public side, or a change of attitude/understanding of education?
- Did it achieve a greater understanding of the private sector contributions to education?

For both sectors:

- Is there a greater understanding and capacity to engage in partnerships?
- What was the cost benefit of participating in the partnership?
- What were the trade-offs? Was the partnership worth it?

Quality of Partnership

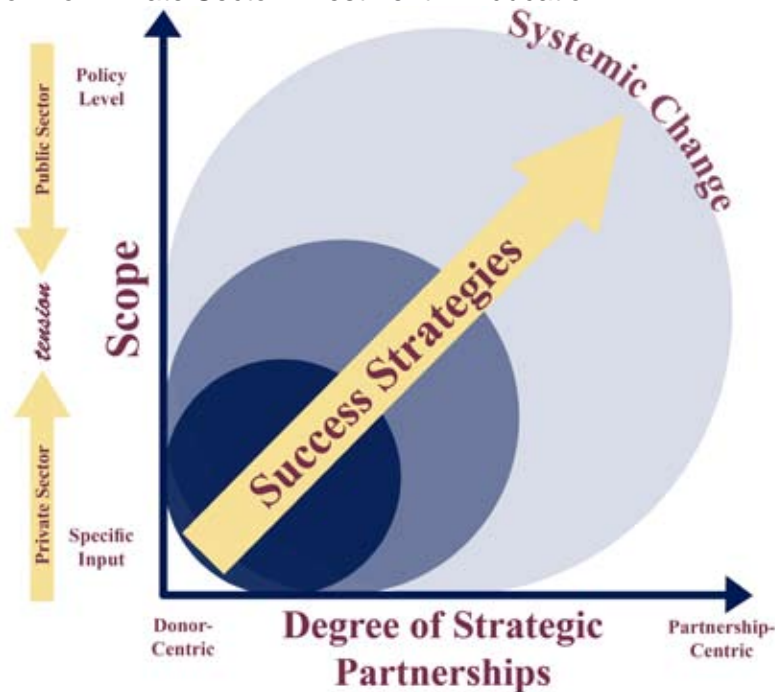
Measuring the effectiveness of the partnerships is more difficult than evaluating the impact of the education project. PPPs are organic and continually evolve during implementation. One strategy for evaluating the quality of the partnership is to jointly create an evaluation framework that specifically addresses the goal of the partnership at the onset to ensure that all partners agree with the indicators and understand the measurement. It is also important to get the perspective of experts outside the partnership.

The research found the experience in this area is limited. More mature, sophisticated examples of PPPs have strong monitoring and evaluation frameworks and reporting. In Brazil, the Bradesco Foundation, founded by the largest bank in the country, is committed to continually monitoring results and correcting problems and recognizes this as a major success factor.¹⁷

17 Scheffler, Jonathan. (2007). *The Bradesco Foundation's Challenge: Making a Difference in Brazil's Education System*. Boston, MA: Harvard University Kennedy School of Government.

Having identified different models and success strategies, the bigger question is how private sector support fits into an education system. Education is unique in that it requires the participation of a large number of actors—students, teachers, parents, community leaders, Ministry of Education officials, and politicians—as well as the input of materials like books and furniture, and educational processes such as teacher training. While every input is essential for success, it is the combination of these ingredients acting together that provides quality learning. Outside actors can help create the conditions for change and stimulate reform, and innovation and technical knowledge can be provided by specialists, but ultimately, large-scale impact requires active collaboration from the public sector and civil society. Since the public sector is ultimately responsible for delivering the national education services, it must be engaged and have some level of initiative ownership for the impact to be sustainable.

Conceptual Framework for Private Sector Investment in Education



The conceptual framework shows how the potential for impact grows as the degree of strategic partnerships shifts from donor-centric to partnership-centric, as more stakeholders are engaged (from “Do-it-Yourself” to Multi-Sectoral Partnerships) and the scope of the activity expands from a specific input to policy level. Moving up along the left side of the framework, there can be tension between the public and private sector. The research revealed that as the private sector becomes more engaged in an education initiative, there is a natural evolution from specific inputs to education processes, advocacy, and then public policy. At the same time, the public sector in several countries was uncomfortable with this progression and feared private sector participation in the policy realm might upset the balance of power.

On the horizontal axis, moving from left to right, private sector support becomes more partner-centric and a broader array of stakeholders is involved. In the lower left hand corner, a single company acts alone. Depending on the size and scope of the investment, the impact can be small or more significant. Moving to the right, a company acts with an increasing degree of partnership and number

of actors, resulting in greater impact. The range of actors can include the public sector, business associations, media, NGOs, unions, and broader civil society (teachers, parents, and students) since large scale change only happens when they are engaged. Such Multi-Sectoral Partnerships can potentially have the largest impact.

As education investments take on more strategic partnerships and the scope evolves to encompass broader education issues, the number of success strategies needed to achieve impact and foster sustainability in the partnership increases. These larger, more ambitious partnerships require mature partners, a strong enabling environment, and time and experience working collaboratively. Countries and companies without these conditions may be better off starting with smaller scale activities.

Trade offs in PPPs

Both public and private sectors can use the decision-making factors and conceptual framework to identify trade-offs and to choose the appropriate model, partnership, and success strategies. The following examples show how both sectors can use the trade-off analysis.

“Company A” desires to build its reputation in the immediate community where it works. It has a high desire for visibility and control and therefore chooses the “Do-it-Yourself” model. After consulting the community as part of a participatory needs assessment, the company decides to tackle the illiteracy problem. Since Company A does not have technical expertise in this area, it decides to contribute by donating books to the two schools. Applying a success strategy, the company consults with the beneficiaries to ensure the activity is consistent with needs and there is local ownership. The company may also consider deepening the support and enhancing sustainability by encouraging personal interaction amongst the employees and community through book drives, or regular reading times for employees at the schools. While it may decide not to develop a partnership with the public sector, it should consult and secure agreement for the planned activity. Company A can control the purchase, donation, and publicity around the project to ensure visibility. However, since the company only focuses on the provision of books, and is not training teachers on how to use the new books with improved reading strategies, the company cannot ensure the donation will result in better reading skills.

Company A – Book Donation Activity

Motive	Build reputation in community Internal Considerations: high visibility, high control, high flexibility, high risk
Scope/Scale	Specific input – donation of books Scale: 2 schools
Model	“Do-it-Yourself”
Formation/Implementation	Company performs participatory needs assessment with community, plans and implements book donation project
Success Strategies	Beneficiary Ownership Personal Interaction

In the next example, Company B also decides to focus on improving literacy, but chooses a different path. With the enlightened self-interest motive, Company B joins with other businesses and the public sector to support a nation-wide literacy campaign. Through a partnership with the Ministry of Education, the campaign is linked to teacher training initiatives in the classroom. The partnership evolves into a Multi-Sectoral Partnership as Company B uses its contacts to engage a national news-

paper and teacher unions in order to reach a larger audience and ensure teacher buy-in. Utilizing one of the success strategies, the partnership encourages the participation of more private sector companies by ensuring shared recognition and raising the profile of the initiative. Company B sacrifices individual control to have a broader impact.

Company B – Literacy Campaign

Motive	Enlightened self-interest Internal Considerations: low visibility, low control, low flexibility, low risk
Scope/Scale	Advocacy – National Literacy Campaign Scale: National level
Model	Business Alliance/Multi-Sectoral Partnership
Formation/Implementation	Company performs participatory needs assessment with community, plans and implements book donation project
Success Strategies	Shared recognition

From the perspective of the public sector, both Company A and Company B bring important contributions. The public sector will review the books to be donated to ensure they are consistent with the educational approach used in those schools. If it believes that Company A could have a larger commitment to education, the public sector will engage the company in a broader dialogue to seek their input and encourage a more significant role in education.

As the public sector begins dialogue with Company B, the Ministry of Education will understand the companies' motives, assess its own motive for collaboration with the private sector, and determine if the proposed appropriate activities are consistent with the national education plan. The Ministry identifies point people or a specific office to engage with the private sector. The Business Alliance and Ministry conduct a needs assessment and resource mapping exercise to determine if they have the needed resources. The partners establish the objectives, roles, and responsibilities, and agree on a governance mechanism that provides sufficient flexibility to evolve with the project and regular meetings to review progress. All partners set target indicators and agree on an evaluation strategy.

Ministry of Education – National Curriculum Council

Motive	Labor Market Knowledge/Links to Economic Development Internal Considerations: Alignment/Synergy with national goals
Scope/Scale	Public Policy – Council formation Scale: National level
Model	Public-Private Partnership
Formation/Implementation	Business leaders participate on National Curriculum Council
Success Strategies	Institutional Mechanism Encouraging Synergy Personal Interaction

In a third example, shown in the table above, the Ministry of Education decides to initiate a partnership with the private sector. As part of its National Education Plan, the Ministry promises to improve science education and creates a consultative council to provide recommendations for improving primary and secondary level science curriculum. In order to create links to economic development, members of the private sector, are invited to join the council. Using the institutional mechanism success strategy, the Ministry aims to institutionalize the relationship by holding regular meetings with the private sector in which the council reviews the current curriculum, and business leaders help

identify the gap in competencies and specific needs in their sector. The partnership also creates a synergistic environment in which new activities are born. Both sectors agree to carry out externships for teachers over the school holidays in which science teachers spend several weeks working in a company to see how aspects of the science curriculum is being applied in the workplace. During the externship, the company and teacher develop lessons to be applied in the classroom. Over time, the partnership grows to having the private sector council participate in a revision of the curriculum and companies agree to establish a group of corporate volunteers who visit schools monthly to support science instruction.

4. PULLING IT ALL TOGETHER

With the increase in the number and diversity of businesses supporting education in Latin America, and the openness of the public sector to view the private sector as a partner in supporting education, there is a need to nurture private sector support, encouraging a shift from a donor-centric to a partnership-centric perspective, and enabling PPPs to grow, mature, and become more effective.

A number of strategies can help the private and public sectors, donors, and other actors to create more successful partnerships:

- Understand each other's **motives** and identify the most appropriate scope, scale, and models based on those motives.
- Identify the **scope and scale** consistent with capacities of the partners and the level of agreement and collaboration between the public and private sectors.
- Conduct a **self-assessment** of institutional capacity of public and private partners and their assets; ensure that partnerships take advantage of partners' competencies.
- Select the **model** based on each partners' interests.
- **Design and implement** the partnership with clearly defined roles, procedures, and mechanisms to create structure and accountability while allowing for flexibility.
- Develop and implement an **evaluation framework** for PPPs in education.

Over the long-term, the following steps can help create a more nurturing environment for PPPs in education:

- Create formal or informal institutional mechanisms to work with PPPs.
- Encourage the public sector to define a portfolio of options or provide guidance for private sector investment.
- Improve the enabling environment through legislation and incentives and conduct outreach, recognize effective partnerships, and encourage smaller partnerships that can lead to broader collaboration.
- Create opportunities to educate the private sector about education issues, thus fostering greater knowledge and commitment. Build opportunities for the public sector to understand the perspectives, potential, and advantages of cultivating private sector partnerships.
- Recognize the limitations of PPPs and the need to balance the roles of public and private actors.
- Start with simple or small partnerships to allow greater understanding of education and experience in partnerships and take on larger challenges over time.
- Enhance the degree of strategic partnerships through early collaboration between the public and private sector, and broaden the role of civil society actors.

As the public and private sectors consider partnering to support education, the decision-making factors and conceptual framework can serve as a guide in identifying the scope, model, and strategies for success, and to design programs for PPPs. Partnering among different sectors is certainly a challenge, but as countries enter a more mature phase in implementing PPPs, the benefits to education are invaluable.

Research Design

The research approach included the following processes:

- Reviewing research on PPPs
- Defining PPP in education
- Identifying different models of PPPs
- Interviewing key brokers or leaders from different PPPs
- Holding a two-day workshop to develop and validate a conceptual framework. Participants included senior level representatives of companies, corporate foundations, or NGOs formed by the private sector representing each PPP model.
- Analyzing workshop results and refining the framework.
- Interviewing representatives from the public sector including Ministers of Education and senior-level officials at the departmental or regional Secretariats of Education to seek perspectives on the trade-offs and factors for success for PPPs.

Hybrid Models**Hybrid Example 1: AMCHAM Nicaragua School Sponsorship Program**

Understanding the importance of education to economic growth, the American Chamber of Commerce in Nicaragua (AMCHAM) formed a school sponsorship program and invited companies throughout the country to join. This model was selected because the founders felt it was necessary for companies to have a one-on-one relationship with schools so they could see the results of their support. Companies chose the schools they wished to support, often adopting schools in their own communities. Each company signed an agreement with the Ministry of Education that identified them as the sponsor. The schools could then determine how, and at what level, the companies could invest in education. Within a short time-frame there were more than 75 schools in the program. After a few years, this group of companies formed an alliance with an international donor, USAID, and a non-governmental organization to bring new educational reforms to the schools. The alliance brought new approaches from the NGO and the international donor which focused on improving the quality of schools, while the private companies brought entrepreneurial ideas such as school businesses and performance-based incentives. Even with a formal agreement on paper, it took time for the partners to understand what each brought to the partnership and to learn from the other. Over time, there was tremendous synergy that strengthened the partnership and stimulated sustainability. The combination of the ideas and innovations generated by the alliance led to increased test scores, greater community participation, and new school businesses, which gave children an exposure to business and reduced dependency on the donors. These strong results helped focus corporate sponsors on education quality, brought in new sponsors, and encouraged the private sector to increase support.

The AMCHAM school sponsorship program is a hybrid that combines the “Do-it-Yourself,” Business Alliance, and Multi-Sectoral Partnership approaches. This model utilizes the following strategies for success:

- Flexibility of approach
- Knowledge of results and evaluation
- Institutionalization (at both the level of the group of companies and at the level of the individual company)
- Encouraging synergy

- Ownership
- Personal interaction with the beneficiaries
- Recognition (Each company could maintain its own identity and visibility. In a group, recognition of individual companies is also required.)
- Communication strategy
- Added value

Hybrid Example 2: Asociación de Empresarios para el Desarrollo – Costa Rica

In another prominent hybrid model in the region, a group of private sector leaders in Costa Rica decided to form a non-governmental organization in order to promote Corporate Social Responsibility with the goal of attracting investment to the country. Education is its primary, but not sole, area of focus. *Asociación de Empresarios para el Desarrollo* (identified in this report as AED-CR to avoid confusion with the organization authoring this report) is funded almost entirely through contributions from the private sector and maintains a private sector board. An affiliate of United Way, AED-CR encourages companies to support education through direct corporate donations as well as programs that encourage employees to contribute to education. In addition to implementing programs in schools (either directly or through other NGOs), it has also established a volunteer program to encourage employee interaction with schools through the *Binomio–Empresa-Escuela* program to create a relationship with schools in which business leaders provide technical expertise to help schools develop strategic plans and improve management. AED-CR carries out its program through agreements with the Ministry of Public Education thereby streamlining the process of multiple companies having separate agreements. AED-CR has established parameters for giving so that each company is recognized according to its giving level (e.g. gold or silver level depending on the level of corporate giving). As with many private sector education initiatives, AED-CR was started through the passion and commitment of one individual. As it has grown it has become more institutionalized with greater depth of support from a wide variety of companies and professionals.

The AED–CR example is a hybrid of the “Do-It-Yourself,” Business Alliance, and Multi-Sectoral Partnerships approaches and utilizes the following strategies for success:

- Recognition (through a formal award system)
- Flexibility of approach (Despite being fairly structured, companies can participate in a variety of ways)
- Institutionalization
- Personal interaction
- Encouraging synergy
- Value added
- Utilization of business competency
- Ownership

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