



LEVERAGING GOVERNMENT PARTNERSHIPS FOR SCALED IMPACT

Innovation Investment Alliance, Skoll Foundation, and CASE at Duke

FUNDER IMPLICATIONS

How can funders support scaled impact through effective host-country government partnerships?

Successful social enterprises from across the Skoll Foundation, Innovation Investment Alliance (IIA), and U.S. Agency for International Development (USAID) portfolios have illuminated key strategies for engaging government partners. So how can funders support social enterprises in using those strategies? Here we provide insights gleaned from the social enterprises and some of their funders:

“Systems change, which includes working with and through governments, takes time. Results are both slow to come and less tangible for reporting. Relationship building is critical and has to be widespread to not have all eggs in one basket because of constant changes. It’s critical for funders to understand this and support it.”

ELIZABETH HAUSLER | Founder & CEO of Build Change

Recognize Tradeoffs

Acknowledge the trade-off between long-term sustainability, impact, and reach. Government partnerships are often appealing due to government’s reach. However, achieving this reach may result in other tradeoffs—such as decreased impact per unit. Discuss this with grantees/investees to avoid surprises, and develop metrics to determine acceptable levels of tradeoff. Also note that the enterprise may need to provide ongoing implementation and monitoring support to government partners to maintain quality of impact.

Value contribution as much as attribution. Funding requirements can sometimes create perverse incentives for enterprises to maintain ownership of implementation in order to claim direct attribution for impacts achieved. Rewarding contribution equally could enable stronger engagement and uptake by government and a faster path to the end goal.

Engage for the long haul, not speedy results. When funding government partnerships, take into account extended timelines (years, not months) for relationship development, capacity building, and implementation. Also recognize that systems change is harder to measure and often occurs long after the funding period ends. One of Pratham’s goals is to reinvigorate the education system to innovate, but it acknowledges that measuring and reporting on that change to funders is challenging.

Effectively Evaluate Readiness for Government Partnerships

Recognize that you can’t know everything during up-front diligence. Partnerships and collaborative approaches will include significant iteration. Commit to the journey as a partner, with an openness to iterate along the way to stay on course for the targeted impact. Amanda West, social entrepreneur and member of the Social Ventures team at Mercy Corps, advises funders, “Expect the unexpected. Pilot results are unlikely to hold during scale. Plan a mid-grant visit to speak with the government partner in person to understand its perspective on tradeoffs, and be open to changing metrics mid-stream if necessary.”

Assess the appropriate government engagement based on your experience. Depending on the sector, target population, and region, advise on the appropriate level of government engagement from what you have seen work (or not work) with former grantees/investees. Skoll Foundation Principal, Lucien Chan, notes, “Some sectors are government-regulated or are a government-provided service, so the hypothesis is that the enterprise would need government partnerships as a critical pathway to scale. With market-based solutions, where government is an enabler or potentially a blocker, the engagement will be different.”

Carefully evaluate signs of government buy-in. Ask additional questions to determine the strength of government buy-in. If there is an MOU or letter of intent, is the document with a department or a person who has authority over this area? If the venture is looking for the government to contribute funding eventually, can it show evidence that this will be possible—and at a price point that the government can afford? If the venture will be providing evidence to the government to inform policy change, will its data be compelling to the right parties? Look out for any government partnerships or promises established ahead of an election, which may be red flags.

Ensure ventures have the appropriate core competencies and human capital. Assess whether the venture has the right human capital in place to engage government. VillageReach needed to hire staff with consulting experience to create toolkits and train government partners more effectively. Build Change brought in policy experts (some full-time hires, some part-time consultants) to help strengthen its advisory work. In addition to engaging the right skills, ventures also need adequate bandwidth to build relationships, which can be time-intensive.

Use Your Connections and Influence

Help ventures get connected. Social enterprises may be overwhelmed by the complexity of larger donors (particularly bilateral and multilateral donors) and not know where to start with governments. Funders can use their broad view to help ventures understand where to connect and, as appropriate, make introductions. One multilateral funder even holds “office hours” where grantees can get clarity on who to engage within that donor agency and gather suggestions for other connections in the country in which the funder has an interest.

Advocate and amplify where helpful. Where appropriate (and with consent of the enterprise), engage in conversations on its behalf and advocate for its work when it does not have a seat at the table (e.g., technical working groups, national strategic plans, global guideline development). Support knowledge exchange visits with government representatives from countries where the approach could expand and scale. And, when possible, share knowledge of the enterprise’s work with other funders and participate in collaborative funding. “As funders aimed at lasting systems change, we need to embrace ambitious collaborative funding,” says Skoll Foundation Principal, Liz Diebold. “With the efficiencies of shared diligence, milestones and objectives, and reporting requirements, we can streamline and leverage our efforts to add exponentially more value to organizations demonstrating strong impact.”

Help address larger market constraints. Invest in market-level changes (regulations, infrastructure) in support of key solutions. For example, a venture in USAID’s Scaling Off-Grid Energy Grand Challenge faced regulatory obstacles in processing mobile payments. To help address this issue, USAID engaged consultants to work with government to update the digital financial policy regulations to allow for broader use of mobile payments.

Use Your Expertise and Knowledge

Use your 30,000 foot view. Funders have insights into strategies pursued by different ventures across sectors, geographies, and approaches. Help ventures benefit from this knowledge by sharing relevant examples while also allowing the venture to adapt solutions to its own experience on the ground.

Ask the “What if?” questions. Ventures face many obstacles in partnering with government, so help each venture scenario plan while engaging with them on their work plans, reports, and regular updates. What if the government champion is transferred? What if the permit is denied?

Inject Some Flexibility into Your Funding

Patiently fund the start-up phase of partnerships. Establishing government partnerships can be a heavy up-front lift that may result in limited impact metrics in the short-term or which may not come to fruition at all—though that doesn’t mean it is not worth the effort. Consider providing initial flexible capital to build relationships and collaboratively scope roles and targets. When WSUP entered India, it was funded for an initial scoping phase that was critical to solidify government relationships and co-create a scope of work over which all parties felt ownership.

Provide patient capital for the scale-up and transition period. Many ventures noted that it is easier to obtain funding to test an idea or directly implement than it is to secure funding to scale-up with government. VillageReach shared its experience of bootstrapping a project for over two years to bridge the gap between initial seed funding and additional funding to scale. Engaging with government takes time and often requires extended periods of soft support from the social enterprise, so consider funding this work or allowing flexibility within grants.

Provide milestone-based funding, with flexibility on the timelines. Results of government partnerships can be difficult to control, so consider structuring funding on milestones to decrease risk for you and for the venture. USAID/DIV provides milestone-based funding to its ventures, such as the signing of an MOU, and makes an effort to be flexible in adjusting timelines given factors out of the venture’s control.

Visit the field to understand the context on the ground. Partners In Health remarked that funders who provided the best support tend to be ones who have spent time in the field visiting sites and therefore understand the need for a long-term presence and for flexibility.

The logo for Scaling Pathways features a stylized network of nodes and lines in white and orange, resembling a circuit or a map. The word "Scaling" is in orange and "Pathways" is in white, both in a sans-serif font.

Scaling Pathways

Insights from the field on unlocking impact at scale

The Innovation Investment Alliance (IIA):

The Innovation Investment Alliance (IIA) is a funding and learning partnership between the Skoll Foundation and USAID's Global Development Lab, with support from Mercy Corps, that has invested nearly \$50 million in eight proven, transformative social enterprises to scale their impact. In 2017, with all its funding committed, the IIA is focusing on drawing out lessons on scaling that are applicable to the social enterprise community with the aim to inform the ongoing conversation on how to create systems-level change and sustainable impact at scale.

The IIA's partners include:

- **The Skoll Foundation** drives large scale change by investing in, connecting, and celebrating social entrepreneurs and the innovators who help them solve the world's most pressing problems. Skoll brings an expertise in identifying and cultivating social entrepreneurs. Learn more at www.skoll.org.
- **The U.S. Global Development Lab (The Lab)** serves as an innovation hub. It takes smart risks to test new ideas, and partners within USAID and across other actors to harness the power of innovative tools and approaches that accelerate development impact. The Lab brings together diverse partners to catalyze the next generation of breakthrough innovations to advance USAID's mission to save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance. Learn more at www.USAID.gov/GlobalDevLab
- **Mercy Corps** empowers people to survive through crisis, build better lives, and transform their communities for good. Mercy Corps brings its experience in developing field-based programming in over 40 countries and investing in disruptive start-ups to the selection, evaluation and management of organizations selected for funding. Learn more at www.mercycorps.org.

The Center for the Advancement of Social Entrepreneurship (CASE) at Duke University:

CASE is an award-winning research and education center based at Duke University's Fuqua School of Business. Since 2002, CASE has prepared leaders and organizations with the business skills needed to achieve lasting social change. Through our research, teaching, and practitioner engagement, CASE is working toward the day when social entrepreneurs will have the skills, networks, and funding needed to scale their impact and solve the world's most pressing social challenges. Learn more at www.caseatduke.org.

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Scaling Pathway series

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www.scalingpathways.com