DARDEN IDEAS TO ACTION

UNIVERSITY OF VIRGINIA DARDEN SCHOOL OF BUSINESS

2015 SPECIAL EDITIONINSIGHTS & INNOVATION FROM

PACT WARD

PRESENTED BY:







P3 IMPACT AWARD

Recognizing Collaborative Excellence

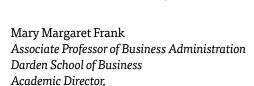
We are again delighted to present the P3 Impact Award in collaboration with Concordia and the U.S. Department of State Secretary's Office of Global Partnerships. The P3 Impact Award recognizes public-private partnerships (P3s) that are improving our world and society in innovative and impactful ways.

This year's P3 Impact Award applicants strongly demonstrated the value that continues to be delivered to global communities from these partnerships through the innovation of the private sector, public sector, nonprofit and other organizational partners. Representing organizations with combined revenues over \$350 billion and operating in over 70 countries, these applicants are true indicators of the global scale and impact of P3s today.

While the awards recognize and celebrate the excellence of the finalists and winners, the P3 Impact Award is also intended to be a vehicle for sharing and advancing — through this report and other outreach — best practices developed by the award applicants to P3s throughout the world. This special edition of Ideas to Action highlights the P3 Award finalists and includes insights from faculty at the University of Virginia Darden School of Business.

The Institute for Business in Society at the Darden School is a catalyst and convener of thought leadership on issues that arise at the intersection of business and society. The challenges of economic development, regulation, financial services, energy, environment, education and health that engage many leading public-private partnerships are examples of the unique opportunities for today's leaders across all sectors of society. Thus, we are very pleased to lead the effort to recognize excellence and share best practices. We invite you to share this report with your own colleagues and partners, and to reach out to us if we can be of assistance.

Thank you to all of our P3 Impact Award applicants. Congratulations to the finalists, whose work greatly impressed and inspired our judges. As global societal issues continue to become increasingly complex, the need for leadership, innovation and impact provided through P3s becomes more essential. We look forward to continuing to work with our collaborators and each of you in advancing this important work.



Dean Krehmeyer Executive Director, Institute for Business in Society

Institute for Business in Society

October 2015



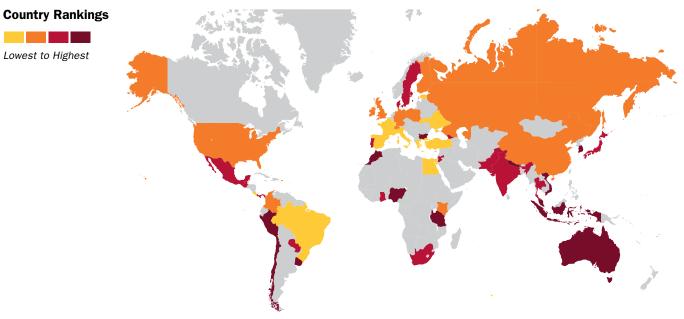
Mary Margaret Frank



Dean Krehmeyer

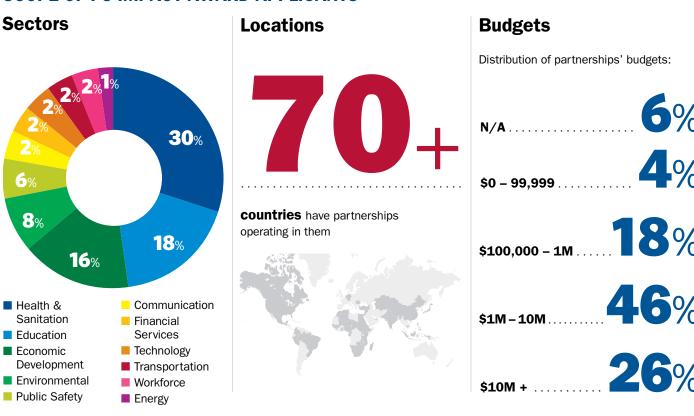
PUBLIC-PRIVATE PARTNERSHIP ENVIRONMENT BY COUNTRY

The Concordia Partnership Index ranks countries based on their readiness and need to engage in P3 activities for positive social and economic impact.*



^{*}See The Concordia Partnership Index for methodology.

SCOPE OF P3 IMPACT AWARD APPLICANTS



P3 IMPACT AWARD WINNER

Partners

Philippines' Department of Science and Technology's Information and Communications Technology Office (DOST-ICTO) and Bureau of Fisheries and Aquatic Resources (BFAR), USAID/ECOFISH, Microsoft, SSG Advisors, Tetra Tech

Social Challenge

Management of coastal and marine resources in the Philippines to support fisheries and the local communities who depend on them

Location **Philippines**











TV WHITE SPACE SUPPORTED FISHERFOLK REGISTRATION IN THE DANAJON REEF

You cannot manage what you do not measure, and in the Philippines, measuring the number of harvested fish in the country's fisheries is vital to managing them for sustained, shared use. The Danajon Reef in the Bohol province was previously one of the most biodiverse and productive marine areas in the Philippines, but extreme overfishing over the past five decades has decreased the fish population by 90 percent. Creating a plan for sustained fisheries management is not only critical to the survival of marine life, but also to the human populations depending on them. Of the 1.7 million Filipino people who depend on the country's fisheries for their livelihood, 40 percent live below the poverty line.

A key step in reaching the goal of sustainable fisheries management is registering fisherfolk working in the area. This information provides the government with vital data about the volume of fish harvested in that area. For the fisherfolk, registration unlocks access to vital government services, including health care, insurance and poverty-alleviation funds. However, in remote areas, registration is often extremely low, hampered by an inefficient process as well as the long distances between coastal communities and registration centers.

In August 2013, Microsoft, USAID's Ecosystems Improved for Sustainable Fisheries (ECOFISH) Project, the Philippines' Department of Science and Technology's Information and Communications Technology Office (DOST-ICTO) and Bureau of Fisheries and Aquatic Resources (BFAR) formed a partnership to overcome these barriers and successfully register fisherfolk through the use of a new technology, TV White Space. TV White Space repurposes unused broadcast television frequencies to provide high-speed wireless Internet access over ranges 10 times greater than traditional methods at an extremely low cost and with minimal infrastructure requirements, making it a promising solution in developing countries.

The initial TV White Space program was piloted in the Philippines' Bohol province and has already shown promising results both in benefitting local communities and supporting future development. Through the successful implementation of this technology, the partnership simplified the fisherfolk registration process and increased registration. Over 16,000 fisherfolk have been registered in the pilot municipalities, with nearly a quarter of these registered through TV White Space. Government agencies are using this registration data to design and deploy better fisheries management interventions that address overfishing as well as provide alternative livelihoods to fisherfolk.

The partnership also extended free Internet access to 20,000 people who previously did not have it. As a result of TV White Space, entire communities have access to high-speed Internet and public institutions such as medical clinics and schools can now provide improved services. Due tp the success of the TV White Space pilot, the government has expanded the use of TV White Space to other locations in the Philippines to support its goal of providing wireless Internet access to 99 percent of its population.

LEVERAGING PUBLIC-PRIVATE
PARTNERSHIPS IS A CRITICAL
PILLAR OF HOW USAID OPERATES.
OUR WORK WITH MICROSOFT,
THE PHILIPPINE GOVERNMENT
AND BUSINESS SECTORS
DEMONSTRATES HOW INNOVATIVE
PARTNERSHIPS CAN SERVE AS
VIABLE PLATFORMS TO PROVIDE
TARGETED ASSISTANCE, IN THIS
CASE, TO THE ENVIRONMENT
AND FISHERIES SECTORS AS WE
PURSUE OUR SHARED VISION OF
INCLUSIVE AND SUSTAINABLE
GROWTH FOR FILIPINOS."

 —Jeremy Gustafson, Director, Office of Environment, Energy & Climate Change, USAID/Philippines



With the success of this pilot program, the partners are looking toward future goals. The Government of the Philippines has now taken ownership over the TV White Space pilot and will continue to increase fisherfolk registration in order to improve its management plans and support for fisheries and fisherfolk. BFAR intends to expand the fisherfolk registration program nationally to both coastal and commercial fishers. Outside of the Philippines, Microsoft wants to expand TV White Space Internet solutions throughout the developing world, with efforts such as its Project Kgolagano in Botswana, Tanzania Commercial Pilot and Namibia Trial.

By leveraging each partner's strengths, the TV White Space partnership has been able to integrate cutting-edge, low-cost technology with a government program to sustainably manage fisheries, while supporting the communities that depend on them.

FACULTY INSIGHT

The TV White Space partnership is a great example of how a private company recognized an opportunity to pilot a new technology, while addressing a critical social need. Microsoft's technology holds the potential to enable people in many developing countries to connect to the Internet with minimal infrastructure. However, proof that it will work as intended is required to convince any entity to adopt it. Herein lies a fundamental challenge to the launch of any new technology: how to find the right situation to pilot it.

This partnership exhibits key characteristics that enable a pilot project to succeed. The technology was deployed for a specific purpose and to serve a specific group of users, yet the needs of these users are representative of the general target population. Management of a sustainable marine ecosystem in the Philippines requires substantial data that previously did not exist. Thus, the government had an urgent need, as did the fisherfolk who had difficulty accessing public services that could be obtained through registration. By deploying the technology to serve a government need and a specific population, Microsoft was certain to have demand, as well as learn of any faults. By clearly aligning the partners' incentives, this collaboration had great potential to identify flaws, learn and improve — all desired outcomes when piloting a new technology."

Jeremy Hutchison-Krupat, Assistant Professor of Business Administration, Technology and Operations Management. His current research focuses on effectively executing an organization's innovation strategy. He teaches courses on innovation and operations management.



P3 IMPACT AWARD FINALIST

Dartner

VilCap Investments, USAID's Global Development Lab's Partnering to Accelerate Entrepreneurship (PACE) Initiative

Social Challenge

Securing private capital for early-stage social entrepreneurs

Location **Global**







CATALYZING INVESTMENT TO DEMOCRATIZE GLOBAL ENTREPRENEURSHIP

The private sector has significant potential to accelerate development outcomes by investing in businesses that address social or environmental issues. However, less than 10 percent of such impact investments is committed to seed-stage or venture-stage businesses, creating a "pioneer gap." A critical reason for this gap is that investment funds rely on management fees to operate and thus have an incentive to raise large funds with high minimum investment amounts. As a result, seed- and venture-stage businesses, which fall outside the target investment criteria for these funds, cannot properly resource their teams. To solve this issue, the Partnering to Accelerate Entrepreneurship (PACE) Initiative at USAID's U.S. Global Development Lab and VilCap Investments formed a public-private partnership to build an investment vehicle to unlock private capital for seed-stage impact investments. Utilizing Village Capital's peer-review model and a market-rate management fee, VilCap Investments has helped create 2,530 jobs, generate \$5.6 million in revenues and raise \$25.2 million in additional capital.

FACULTY INSIGHT

The combination of small investment amounts and high due diligence costs traditionally price early stage, socially oriented enterprises well outside of the venture capital domain; either investors have to settle for sub-par expected returns or entrepreneurs face a steep cost of capital. The collaboration between the Partnering to Accelerate Entrepreneurship (PACE) Initiative and VilCap Investments is revolutionizing how private capital flows to impactful start-ups that historically found themselves without early stage financing, a position sometimes referred to as being in the "valley of death."

The PACE Initiative allows the government (USAID) to leverage limited financial resources to support a much bigger river of private funding. It supports Village Capital, whose innovative peer-to-peer evaluation model reduces due diligence costs and allows the management team to recognize tremendous economies of scale in evaluating promising investment opportunities. Instead of donating the money to companies with little or no hope of return, PACE supports infrastructure that fosters social entrepreneurship, teaches young start-ups how to perfect their venture and their pitch, and ultimately attracts private money to ensure these young companies' continued existence."

Elena Loutskina, Associate Professor of Business Administration, Finance. Her research explores how innovation in financial markets contributes to the flow of funds to consumers and small businesses alike. She teaches courses on entrepreneurial finance and private equity. In 2014, she initiated and taught a new "Impact Investing" MBA course.

P3 IMPACT AWARD FINALIST

Partners

The Coca-Cola Africa Foundation (TCCAF), Water and Sanitation for the Urban Poor (WSUP), Jiro sy rano malagasy (JIRAMA), Global Environment and Technology Foundation (GETF)

Social Challenge

Poor water services for low-income communities

Location

Madagascar









IMPROVING WATER AND SANITATION SERVICES FOR LOW-INCOME COMMUNITIES

Shortages of safe and reliable water, sanitation, and hygiene (WASH) services inhibit public health and economic development, particularly in low-income areas. Because utility providers in economically challenged regions often lack proven and sustainable models, local communities suffer from inconsistent and unreliable service. To address this issue, The Coca-Cola Africa Foundation (TCCAF) launched the Replenish Africa Initiative (RAIN) to improve water access for six million people in Africa by the end of 2020. TCCAF has partnered with Water and Sanitation for the Urban Poor (WSUP) in Madagascar to build the capacity of local utilities that directly serve communities and develop pro-poor WASH services in a market-driven and financially sustainable way. Already operational and serving over 230,000 people in five African countries, this collaborative approach promises to have far-reaching impact on economic growth and stability across Africa.

FACULTY INSIGHT

Too often, promising poverty reduction efforts fail because well-intentioned initiatives are not institutionalized and integrated into the lives of those at the entry point of change. The RAIN-WSUP Madagascar project illustrates the importance of understanding how social structural factors can enhance or limit a project's long-term utility.

A key social change feature of the project is its employment of women as facilitators of the clean water technology, which provides opportunities for these women to generate income. As providers of access to water resources, these women occupy valued roles, which promotes gender equality through economic engagement and technological mastery. The project also recognizes that extant water utilities are challenged by water pirating in low-income communities, resulting in significant revenue losses. With training in 'non-revenue water management,' along with incentives and avenues for clean water, there will be a corresponding reduction of lost revenue. The levers of change that fuel social movements are commonly believed to be group protest, civil unrest, or complex legal maneuvers. This 'quiet' social movement is creating better health, empowerment for women and less poverty — without turmoil."

Gregory Fairchild is the E. Thayer Bigelow Associate Professor of Business Administration and serves as an academic director of the Institute for Business in Society. His current research focuses on business models and public policy issues in community development finance. He teaches strategic management, entrepreneurship and ethics in the MBA and Executive Education programs.

P3 IMPACT AWARD FINALIST

Dartners

The Dow Chemical Company, The Nature Conservancy

Social Challenge

Incorporation of nature and ecosystem services in business decisions

Locations

Texas, Brazil, and other Dow sites







THE NATURE CONSERVANCY-DOW CHEMICAL COMPANY COLLABORATION

Nature provides benefits such as clean air and water — often called ecosystem services — upon which everyone depends. However, companies often do not consider these benefits when making business decisions. Recognizing this, The Dow Chemical Company (Dow) and The Nature Conservancy (TNC) partnered to help Dow and the business community realize, value and incorporate nature into business decisions, strategies and goals. Focusing initially on several large pilot projects and now moving to integrate nature into all business decisions at Dow, the collaboration has developed methods and tools, such as the Ecosystem Services Identification and Inventory (ESII) tool, to quantify the benefits of aligning business and conservation goals. By sharing lessons learned and best practices with the wider business community, the collaboration expects that companies and governments alike will undertake more substantial investment in nature.

FACULTY INSIGHT

The collaboration between Dow and The Nature Conservancy is a great example of how companies and nonprofits can work together to improve the health and environmental practices of industries. Dow and TNC have taken an innovative approach in that their partnership focuses on incorporating the value of nature into Dow's decision-making and bottom-line. By leveraging the resources of both parties to develop a new mindset to sustainability problems, the collaboration has the potential to influence not only Dow's current practices but also those of other companies more broadly.

Collaborations like this are often more difficult than they appear, particularly from a nonprofit's perspective. When working with industry, a nonprofit must build trust with companies but at the same time maintain an objective viewpoint and stay true to its mission. While the extent to which environmental nonprofits should work with industry has long been debated, the reality is there exists a spectrum of activists, each with a different attitude toward industry collaborations. No matter where a nonprofit fits on this spectrum, the key is having its activities and mission align. Without this alignment, a nonprofit risks alienating its donor base and losing its purpose."

Tim Kraft, Assistant Professor of Business Administration, Technology and Operations Management. His current research focuses on environmental and social responsibility issues in supply chain management. He teaches in the first-year MBA program as well as in the Partnership for Leaders in Education program.

P3 IMPACT AWARD FINALIST

Partners

Partners in Food Solutions (PFS), TechnoServe, USAID

Social Challenge

Small local markets and limited access to nutritious food in Africa

Locations

Ethiopia, Kenya, Malawi, Tanzania and Zambia



Connecting Expertise with Opportunity







PARTNERS IN FOOD SOLUTIONS-TECHNOSERVE ALLIANCE

Nearly two-thirds of the workforce in sub-Saharan Africa earn a living from agriculture. Many agricultural workers struggle to escape poverty due to a lack of stable, profitable markets. At the same time, one quarter of the region's people suffers from undernourishment. Recognizing that local food processors can meet both the market needs of farmers and the nutrition needs of the population, TechnoServe, USAID, and Partners in Food Solutions established a partnership to build the capacity of these enterprises. Through an innovative technology platform, the partnership matches the world-class expertise of leading food companies (General Mills, Cargill, Royal DSM and Bühler) with the needs of food processors in East Africa. Operating in five countries, the partnership has resulted in market opportunities for 700,000 smallholder farmers, the sale of over 15,000 megatons of nutritious food, \$2.6 million in financing and hundreds of new jobs.

FACULTY INSIGHT

Many organizations today operate in a collaborative environment, but often these groups are not maximally effective because the members don't fully recognize each other's expertise. A critical aspect of collaborations is identifying each member's expertise and creating processes to leverage it, while also acknowledging the need to seek out external parties for capabilities that are lacking. When General Mills committed to alleviating hunger in sub-Saharan Africa, it recognized that despite having extensive business expertise, there were areas where it needed additional support and sought out critical partners to achieve this goal.

Often status and power differences can create dynamics in which the more powerful entities do not listen as carefully to others who may hold information that is critical to the overall effort's success. In this collaboration, mutual respect and exchange of value prevents a shutdown of communication. Success depends upon TechnoServe conducting the right needs assessment and understanding the challenges the food processors face. If the African businesses feel as though they are being respected and valued, they will give accurate diagnostic information that allows volunteers to focus on their needs."

Melissa Thomas-Hunt, Associate Professor of Business Administration, Leadership and Organization Behavior. Her current research focuses on the effects of status and power on negotiation processes and the evaluation and integration of expertise within diverse groups. She teaches courses in bargaining and negotiating, leading teams, and women's leadership.

IMPRESSIONS AND FUTURE DIRECTIONS

Concordia

Early P3s were largely in the transportation and other "hard" infrastructure sectors. However, as exemplified by the P3 Impact Award applicants, we are now seeing P3s across a variety of sectors, including education, health, economic development, financial services, energy and the environment. By studying these partnerships, it is clear that the private sector has the capability of contributing to social good beyond corporate

philanthropy. Increasingly,
private and public stakeholders
are realizing that the poor
and disadvantaged are not
economically irrelevant; they
are not simply recipients of
charity. The disadvantaged are
potential consumers, business
partners, employees, suppliers
and distributors. Therefore, P3s

raise a business' public relations profile, but also to impact its core business. By doing good, companies can in fact do well.

have the potential to not only

Concordia is thrilled with the direction partnerships are taking. A truly impactful P3 requires that there are benefits to all partners, as well as to the broader environment and community.

When a collaboration benefits a company's core business, it ensures its sustainability; partners are incentivized to share risk, reward, core competencies and knowledge. These P3s have sound project management models, tend to be market-driven, and introduce needed innovation that shapes environments and behaviors. In its role as a convener, Concordia uses its annual Summit and year-round events to bring together stakeholders to form these new-age P3s. Through its Concordia Partnership Index, Concordia uses data to identify countries where the impact of public-private partnerships can be best absorbed. The P3 Impact Award aligns perfectly with these objectives, as the award not only recognizes P3 leaders, but also seeks to tease out best practices that can then be applied across sectors and regions. In particular, Concordia will apply these best practices to partnerships it will create through its campaign series. Launched in 2015, Concordia campaigns will each focus on a specific issue and form a strategic partnership to address it. The first campaign will tackle labor trafficking in corporate supply chains, an issue that directly impacts governments, businesses and civil society.

Concordia looks forward to the continued growth of the P3 model and encourages partnerships of all sizes and sectors to apply for the award next year.

The U.S. Department of State Secretary's Office of Global Partnerships

Public-private partnerships (P3s) are changing the way the U.S. government, private companies and organizations address global challenges faster and more efficiently than ever before. Climate change, poverty, terrorism, disease, insecurity and inequality rank among the most pressing global issues today, issues which are often too expansive and complex to be met by any one government or organization. Creating solutions and opportunities around these requires innovation, ingenuity and

collaboration across diverse sectors. We believe that P3s are the best way to leverage the best of public and private sector resources to create practical solutions that promote shared prosperity and value, strengthen well-being and security, and uphold governance and the rule of law.

The Secretary's Office of Global Partnerships is impressed by the innovative work of this year's P3 Impact Award finalists. They provide concrete examples of what can happen when the public and private sectors combine forces to advance solutions to critical global challenges through

transformative partnerships. They demonstrate innovation, in piloting new ways of thinking about age-old problems by using the latest technology and resources. Further, they demonstrate the fundamental elements of a successful partnership — shared objectives, transparency, mutual risks and benefits, and accountability.

As convener, catalyst, collaborator and cultivator of P3s that work to strengthen diplomacy and development outcomes at the U.S. Department of State, we believe in sharing best practices and lessons learned with others to increase knowledge about how to best implement partnerships. Along with the P3 Impact Award and the annual Global Partnerships Week celebration, we always look for new opportunities to highlight important work being done around the world through partnerships. Our extensive work in partnerships of all forms, from a STEAM camp for girls in Rwanda to a hackathon focused on sustainable fishing, has taught us that partnerships are most successful

when partners are aligned, from planning and strategy to implementation of the partnership. When partners are in sync, they can work around each other's constraints and take full advantage of each

take full advantage of each other's opportunities, leading to optimal outcomes all around.
Today's global landscape is

Today's global landscape is characterized by ever-changing stakeholders in any issue or region of interest, as well as constant resource limitations. This demonstrates further the need for continued support and recognition of the role of P3s to promote our shared goals

P3S ARE CHANGING THE
WAY THE U.S. GOVERNMENT,
PRIVATE COMPANIES AND
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GLOBAL CHALLENGES FASTER
AND MORE EFFICIENTLY.

THE UNDERSERVED.

in development and diplomacy around the world. By recognizing the most impactful partnerships with the annual P3 Impact Award, we hope to encourage further P3 development and prove that far more can be accomplished together than alone.

University of Virginia Darden School Institute for Business in Society

The P3 Impact Awards celebrate cross-sector partnerships that create meaningful, scalable impact. These partnerships bring together the skills and expertise of business with the nonprofit and public sector's access to and understanding of underserved populations. The urgent and structural problems that inhibit people from being productively engaged in their communities and improving their condition demand responses that must be market enabling, not market destroying.

The Darden School's mission statement begins with a mandate to improve the world. We continue to explore and implement opportunities that emphasize the important role P3s play in supporting this mission. In courses such as "Markets and Society," "Global Economies of Water," "Impact Investing" and "Creative Capitalism." Darden students consider how businesses, governments and NGOs work together to harness private-sector resources to find actionable resolutions to challenges around the world. Darden co-sponsors the U.Va. Tri-Sector Leadership Fellows program, in which students and faculty explore the importance of a crossdisciplinary perspective in leadership. Many of these courses and programs utilize insights drawn from

case studies created from data and best practices of the P3 Impact Award applicants.

Our challenge is to create innovations that

combine the capacities of governments and NGOs with markets, business and entrepreneurship to promote human development and transform global societies. In too many instances, P3S BRING TOGETHER governments attempting to provide services for the THE SKILLS AND EXPERTISE underserved run into capacity OF BUSINESS WITH THE constraints; NGOs find themselves in perpetual fund-NONPROFIT AND PUBLIC raising mode, diverting energy SECTOR'S ACCESS TO and attention from their core missions: and some businesses AND UNDERSTANDING OF only service higher-income

segments. But together, through

goals and serve the larger society.

P3s, each sector can attain its

The bottom of the pyramid, as some have called the underserved populations, will experience better living conditions and achieve the human freedoms that every person deserves.

We applaud each of the P3 Impact Award finalists, along with the many others who are doing important work yet remain unacknowledged.

P3 IMPACT AWARD PRESENTED BY

Concordia

Concordia is a platform for leaders who are committed to public-private partnerships (P3s). Through convenings, the Concordia Partnership Index and action-oriented campaigns Concordia raises the visibility of public-private sector collaboration and encourages its diverse stakeholders to utilize P3s to address global challenges. Held in New York City, the Concordia Summit is an annual event that brings together the world's most influential government, business and nonprofit leaders to explore solutions to urgent global issues.

www.Concordia.net

The U.S. Department of State Secretary's Office of Global Partnerships

The Secretary's Office of Global Partnerships (S/GP) at the U.S. Department of State is the entry point for collaboration between the U.S. Department of State, the public and private sectors, and civil society. S/GP aims to strengthen and deepen U.S. diplomacy and development around the world by building and promoting public-private partnerships that leverage the creativity, innovation and core business resources of partners for greater impact. S/GP works with partners across sectors, industries and borders to promote economic growth and opportunity; to invest in the wellbeing of people from all walks of life; and to make democracy serve every citizen more effectively and justly.

www.state.gov/s/partnerships/

University of Virginia Darden School Institute for Business in Society

The University of Virginia Darden School of Business delivers the world's best business education experience to prepare entrepreneurial, global and responsible leaders through its MBA, PH.D. and Executive Education programs. Darden's top-ranked faculty is renowned for teaching excellence and advances practical business knowledge through research. Darden was established in 1955 at the University of Virginia, a top public university founded by Thomas Jefferson in 1819 in Charlottesville, Virginia.

The Institute for Business in Society, established at the Darden School in 2011, prepares leaders to positively impact society through business. The Institute advances thought leadership and innovative practices through research, teaching, programs and convening events across important business in society initiatives.

www.darden.virginia.edu/IBiS/





