



USAID/Vietnam Private Sector Engagement Strategy

USAID/Vietnam will pursue shared value partnerships with private sector partners to increase the speed and efficiency of achieving our strategic development results. By pursuing shared value partnerships, an approach to private sector engagement (PSE) that focuses on aligned interests and opportunities, we will mobilize domestic and international resources and identify private enterprise-driven solutions to development challenges, thereby moving closer to the day when development assistance will not be required. For the purposes of this paper, PSE is an approach to working with the private sector to understand aligned interests and opportunities, while a public-private partnership (PPP) is but one of many outcomes such engagement may produce.

This strategy identifies five key decisions that enhance existing processes and utilize existing strengths to achieve development outcomes:

Strategic Decision 1: Design activities that encourage the private sector to identify business opportunities within development challenges and clearly identify the means to partner with USAID and its implementing partners.

Strategic Decision 2: Attract shared value partnerships, as these have the greatest potential return on investment. USAID will not pursue partnerships based only on Corporate Social Responsibility (CSR) resources, and will direct interested firms to matchmaking opportunities through AmCham, etc.

Strategic Decision 3: Engage the private sector throughout the program cycle (strategy, project design, implementation, M&E) in priority sectors to provide insights into the design process while maintaining the integrity of the procurement process.

Strategic Decision 4: Utilize the procurement process to identify shared value partnership and innovation opportunities: 1) the value proposition (attracting the private sector to pursue common interests); 2) means to measure and estimate value; and 3) ensure appropriate staffing to support PSE.

Strategic Decision 5: Create a cross-sectoral PSE Team to capture and apply partnership lessons learned throughout the portfolio and from other missions, clarify the mission's partnership focus, measure progress and serve as a resource to staff.

USAID will actively manage the awards by ensuring partnerships contribute to project results and publicly acknowledging good performance. The PSE Team will review the progress of this strategy through a modified annual PPP reporting tool, which will capture the annual contributions of partnerships to the achievement of activity results. By tracking progress on a quarterly basis and actively managing the partnerships within our portfolio, we will accelerate investments into key challenges by transforming development challenges into business opportunities.