Multi-Stakeholder Initiatives with the Private Sector

Key Considerations and Decision-Making Framework
I. Multi-Stakeholder Initiatives Overview

USAID engages with many stakeholders, including those in the private sector, to increase the impact of its development efforts and accelerate development progress. Multi-stakeholder initiatives (MSIs) are one key collective-action approach that USAID, working with others, has supported to address highly complex problems. MSIs tackle global challenges in health, agriculture, food security, vulnerable and displaced populations, climate change, the environment, global trade, and digital and financial inclusion. Often, these challenges are complex and systemic in nature and they require collaboration among diverse actors, including the private-sector, donors, non-governmental organizations, civil society organizations, and host-country governments, to mobilize shared knowledge, expertise, technology, business solutions, advocacy, and financial resources.

The COVID-19 pandemic is one area that requires collective action from multiple sectors to directly address the health impacts to save lives as well as the secondary economic and social impacts that have devastated families and communities. MSIs such as Gavi, The Vaccine Alliance, are playing a critical role in incentivizing the development of a vaccine and planning for an effective distribution strategy, particularly to underserved populations. Other MSIs have redirected their efforts in order to address the impacts or disruptions to business models, the workforce, and supply chains.

Because MSIs are an important tool for USAID, the Agency in 2019 conducted a review of 17 MSIs with at least one commercial partner to improve how USAID collaborates with its private sector partners. This brief shares those findings and identifies key challenges, lessons learned, and best practices, and proposes new ways to design, execute, structure, and evaluate MSIs. The key challenges identified include:

- launching an MSI too quickly,
- limited guidance on how to support Secretariats,
- insufficient USAID staff time,
- adoption of a relationship management approach,
- inadequate awareness on how and when to exit/end an MSI, and
- the absence of readily available guidance to design, manage, evaluate, and exit an MSI.

Based on these challenges, USAID developed an MSI decision-making framework that provides key questions for USAID staff and its partners to review prior to launching or joining an MSI. This framework provides a means for all partners to weigh key considerations regarding when an MSI is the most appropriate solution, how it should function, the design of its governance structure, measures of success, and information on how to structure USAID’s role throughout the design, governance, procurement selection, implementation, and exit process.

USAID is sharing these findings with the broader community to contribute to the global evidence base for MSIs. This brief provides an approach that can be utilized by a variety of stakeholders to strengthen the processes that support MSIs and improve their overall success.

**MSIs are Defined as Entities:**

- **That focus on** bringing about collective action solutions for global public benefit
- **That are comprised of** actors across the public and private sectors
- **Whose governance bodies** and capabilities are wholly new, rather than simply reliant on those of the constituent actors

II. MSI Literature

The USAID review and decision-making framework draw from a large body of MSI literature compiled to assess the conditions and contexts in which MSIs are most appropriate. Many of the findings in the 2019 USAID MSI review, presented in the next section, are consistent with the MSI literature.

In 2015, USAID and Omidyar Network commissioned a seminal study by the Global Development Incubator, More than the Sum of Its Parts: Making Multi-Stakeholder Initiatives Work, that reviewed nearly 20 MSIs to consider whether collective action was the right path and how to structure an MSI to enhance partnership health and impact over time. While this study endorses the role that MSIs play in achieving development outcomes, it also recommends that donors and their partners “proceed with caution” because MSIs are high-risk and often fall short of their ambitious expectations.

The study finds that MSIs are best positioned to address complex, multi-country problems that involve multiple sectors and/or fragmented industries, given their unique ability to convene players who do not ordinarily work together but are able unite around a common cause.

More Than the Sum of Its Parts also emphasizes that because the MSIs reviewed were complex due to their size and scope, they required formal governance and coordination structures and processes including a decision-making body (e.g., a Steering or Executive Committee), a coordination node, often called a Secretariat, and sometimes working groups. The study identifies these key components of an MSI governance structure:

1. A Steering Committee provides strategic direction and oversight of the MSI. Partner representation, roles, decision-making processes, communication, and conflict mitigation are crucial elements of designing the decision-making body structure to ensure active participation and trust. Key functions include:
   - aligning partner expectations towards a shared vision
   - harmonizing funding priorities
   - managing partner and external communications
   - overseeing the Secretariat

2. A Secretariat serves as the MSI’s coordination node and is often led by an Executive Director. Key functions include:
   - coordinating MSI activities
   - relationship management
   - communications and knowledge management
   - monitoring progress
   - financial management

The design of a Secretariat’s financial and human resources should reflect the MSI’s complexity (e.g., number/type of partners, workstreams, geographies, and complexity) the study finds, and the staff size should balance operational effectiveness with cost effectiveness. Additionally, donors often prefer to directly support field activities, undervaluing the importance of the coordination role played by the Secretariat.
Sufficient funding of the Secretariat and its location are critical to the MSI’s success. Some Secretariats in the study were “housed” at an existing organization while others were located at a new entity. An existing organization provides the advantage of quickly mobilizing resources, staff, and infrastructure and, according to the findings, is often the most beneficial option at the start-up stage. However, the study identifies a few long-term disadvantages with in-house Secretariats including: some MSIs were not aligned with the existing entity’s goals and priorities; the hosting entity can impose rules that restrict the MSI; and organizations might not allow the MSI to serve as a neutral broker for all the partners. In contrast, a new entity has autonomy right from the start and offers neutrality and independence. They take time to establish, however, and may result in high costs.

3. Working Groups are often technical and/or geographically focused. These groups can provide greater inclusion and incentivize active participation of smaller, non-core members without sacrificing efficiency.

III. USAID Participation in MSIs

USAID has a long history of engaging in MSIs, often as a founding member. Structured and managed appropriately, with the right mix of partners, MSIs can be an effective means to achieve impact that USAID or other stakeholders cannot achieve alone. Building on *More Than the Sum of Its Parts*, USAID in 2019 reviewed 17 MSIs with at least one commercial partner to improve its understanding of private sector interests and constraints that might limit their participation in MSIs, identify best practices, and review/develop program and procurement guidance related to design, execution, governance, and evaluations of MSIs.

USAID selected the MSIs to represent all of the technical areas of its work. Of the 17 MSIs reviewed, eight addressed health issues, four focused on climate-related issues, two addressed financial/trade issues, two focused on technology, and one addressed children in adversity. The study examined how the MSIs were initiated and structured, and how USAID supported each MSI Secretariat.

**MSI Initiation**

Because it is critical to get the MSI design “right from the start,” the reviewers assessed how USAID was involved in the initiation and design of these MSIs. In 15 out of the 17 MSIs, USAID was one of the founding and lead design partners. Six were initiated by USAID technical teams in collaboration with others, and five were identified through USAID procurements. Four MSIs were created in response to a high-level Administrative initiative. Only two MSIs were started by other partners that USAID joined.

The review finds that the Agency’s involvement and seed funding are often critical to help MSIs move from concept to implementation, given USAID’s credibility and convening power, global and field networks, technical expertise, and resources to put ideas into action. However, the review also reveals that USAID’s linchpin role sometimes creates unintended risks for the long-term health of MSIs, such as over-reliance on USAID funding and thought leadership that crowds out other partners.

**MSI Governance Structure**

Partner representation, roles, decision-making processes, communication, and conflict mitigation are crucial elements of designing the governance structure. As shown in Table 1,13 of the 17 MSIs had a separate governance structure. USAID participated on the Steering Committee.
Table 1 provides an overview of key aspects from the 17 MSIs.

<table>
<thead>
<tr>
<th>MSI &amp; Mission</th>
<th>Core Partners</th>
<th>USAID Participation in Governance Structure</th>
<th>Secretariat Placement</th>
<th>USAID Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance for Affordable Internet (A4I): Increase access to Internet globally</td>
<td>WWW Fd., DFID, Omidyar Network, Google, Microsoft, Cisco, Facebook</td>
<td>Yes</td>
<td>NGO/www Fd.</td>
<td>New project</td>
</tr>
<tr>
<td>Aspen Management Partnerships* (AMP): Strengthen leadership and management capabilities in Ministries of Health</td>
<td>Aspen, CHAP, CRI Fd., Doris Duke Fd., Goldsmith Fd., Gavi (Zambia), JBJ Fd., Mulago Fd., LGT, Merck for Mothers, Pfizer, UBS Optimus, Vitol Fdn</td>
<td>Yes</td>
<td>NGO/Aspen Institute</td>
<td>Multiple existing mechanisms</td>
</tr>
<tr>
<td>Better Than Cash Alliance (BTCA): Promote digital banking globally</td>
<td>UN, BMGF, SIDA, Omidyar Network, Mastercard, Visa, Citi Fd.</td>
<td>Yes</td>
<td>Multilateral/UN Capital Development Fund</td>
<td>Public Int. organization (PIO)</td>
</tr>
<tr>
<td>Children in Adversity (CAA): Improve children social economic progress</td>
<td>GHR Fd., World Childhood Fd., World Bank, Save the Children, Canadian Trade, Wellspring Advisors, EIMG</td>
<td>USAID helped with design</td>
<td>New NGO established with non-USAID funds</td>
<td>Existing mechanism</td>
</tr>
<tr>
<td>Climate Services for Resilient Development (CSRD): Climate change advocacy for informed policy/decision-making</td>
<td>DFID, ADB, IADB, UK Met Office, Esri, American Red Cross Google, Skoll Global Threats Fund</td>
<td>Yes</td>
<td>Donor/USAID</td>
<td>Only USAID Staff Time</td>
</tr>
<tr>
<td>Gavi, the Vaccine Alliance** (GAVI): Promote access and availability of vaccines</td>
<td>BMGF, DFID, Norway, UNICEF, World Bank, Vaccine manufacturers</td>
<td>Yes</td>
<td>Gavi</td>
<td>PIO</td>
</tr>
<tr>
<td>Global Alliance for Trade Facilitation (GATF): Facilitate cross-border trade for economic growth</td>
<td>Canada, DFID, DFAT, GIZ, Denmark, WEF, Center for Int’l Private Enterprise, Int’l Chamber of Commerce UPS, Walmart</td>
<td>Yes</td>
<td>Multilateral/World Economic Forum (WEF)</td>
<td>PIO</td>
</tr>
<tr>
<td>Global Handwashing Partnership (GHP): Promote handwashing globally</td>
<td>FHI 360, London School of Hygiene/Tropical Medicine, Univ Buffalo, UNICEF, Water Supply/Sanitation Collaborative Council, World Bank, Colgate-Palmolive, P&amp;G, Unilever, Dow</td>
<td>Yes</td>
<td>NGO (virtual, housed at FHI)</td>
<td>Multiple existing mechanisms</td>
</tr>
<tr>
<td>GSMA Connected Women: Close the gender gap to access cell phones</td>
<td>AusAID, GSMA, Visa</td>
<td>No</td>
<td>Private/GSMA</td>
<td>New Project</td>
</tr>
<tr>
<td>Survive and Thrive (S&amp;T): Save the lives of mothers, newborns, and children.</td>
<td>AAP, ACNM, ACOG, NIH, AHA, Jhpiego, Save the Children, March of Dimes, LDS Charities, Global Health Media, ST T Int’l, Project C.U.R.E., Millennium Villages, CMMB, IPA Laerdal, Johnson &amp; Johnson</td>
<td>Yes</td>
<td>NGO/American Academy of Pediatrics</td>
<td>Multiple existing mechanisms</td>
</tr>
<tr>
<td>Mobile Alliance for Maternal Action (MAMA): Provide information to pregnant women via cell phones</td>
<td>UN Fd; Johnson &amp; Johnson, BabyCenter</td>
<td>Yes</td>
<td>NGO (virtual, housed at MCSP/UNF)</td>
<td>Multiple existing mechanisms</td>
</tr>
<tr>
<td>Reproductive Health Supplies Coalition (RHSC): Promote access to quality RH supplies</td>
<td>PATH, JSI, UN, Nederlands, Population Council, Bayer, AG, BMGF DFID, SECONAF, IPPF Pharm.manufacturers</td>
<td>Yes</td>
<td>NGO (virtual, housed at PATH)</td>
<td>Multiple existing mechanisms</td>
</tr>
<tr>
<td>Saving Mothers, Giving Life (SMGL): Reduce maternal mortality by 50%</td>
<td>CDC, OGAC, Peace Corps, ACOG, Project C.U.R.E. Merck for Mothers</td>
<td>Yes</td>
<td>Merck/USAID</td>
<td>N/A</td>
</tr>
<tr>
<td>Scaling Off-Grid Energy (SOGE): Connect households to electricity globally</td>
<td>UK aid, ADB, Acumen, UN Fd, Shell, Microsoft, GSMA</td>
<td>Still being established</td>
<td>USAID</td>
<td>N/A</td>
</tr>
<tr>
<td>Smart Communities Coalition* (SCC): Increase delivery of essential services to refugees</td>
<td>Over 50 development partners; Mastercard, Accenture</td>
<td>Still being established</td>
<td>Not set up</td>
<td>Still being established</td>
</tr>
<tr>
<td>Tropical Forest Alliance** (TFA): Reduce tropical deforestation with the sourcing of key commodities</td>
<td>Over 100 partners, governments, NGOs Cargill, General Mills, Kellogg, HSBC, Marks &amp; Spencer, McDonald’s, and more</td>
<td>Yes</td>
<td>Multilateral World Economic Forum</td>
<td>Only USAID LOE</td>
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</table>

* 50–100 partners **100+ partners Private-sector partners are listed in blue.
in all 13 MSIs and was a funding partner in 12 MSIs. The one exception was the Tropical Forest Alliance; USAID serves on the Steering Committee but was not a funding partner. Two MSIs were still quite nascent so they were developing their governance structure during the review period.

Lastly, USAID assisted in the design of the Children in Adversity governance structure but did not participate. Only one MSI, GSMA Connected Women, did not have a separate governance structure due to the small number of partners and defined scope. This data is consistent with other studies that show that MSIs need a formal governance structure to successfully operate.

**USAID Support for MSI Secretariat**

Given the critical role played by MSI Secretariats, the reviewers sought to understand if and how USAID had supported them and how this support might be improved. The Secretariats ranged in size from two people to over 200 people, reflecting the variation in the number and type of partners, technical area, geographies, and complexity. Of the 17 MSI Secretariats reviewed, six were based at NGOs that USAID could fund through existing projects. This was expeditious for USAID but not always the best fit for other partners, requiring cumbersome processes for some partners to support the Secretariat’s work. Three MSIs were developed through a new USAID procurement process that allowed more discussion among the partners regarding the Secretariat’s location and level of support, but these procurement processes can be quite lengthy. Three other MSIs were supported through public international organizations, which was found to be the easiest way to aggregate funding from several sources. For both Saving Mothers, Giving Life and Scaling Off-Grid Energy, USAID staff served as the Secretariat. Staff indicated this is the least desirable role for USAID, given the heavy workload and competing priorities. Overall, the review finds there are pros and cons for using existing projects and developing new projects, and these need to be considered and discussed with all of the MSI partners.

**Key Challenges for USAID**

The findings reveal that USAID staff often found it challenging to support the MSI because of the partners’ differing operational approaches, processes, timelines, and measures of successes. Here are five key challenges USAID identified in the review that are useful for other partners to consider.

**Rapid Launch:** On many occasions, a high-level initiative compelled staff to quickly stand up an MSI, resulting in a hasty engagement with actors who might not have been the best partner mix. Based on staff reports, this led to insufficient time to create a clear theory of change and common vision among the partners. As a result, these MSIs had difficulty creating trust and ownership, a shared operational model, and clear measures of success among the partners, leading to implementation challenges and limited long-run success.

**Knowledge of Secretariat Support:** Staff reported a lack of readily available information on how to establish or manage an MSI Secretariat. The review found USAID was a key financial supporter of 12 of the 15 Secretariats, and six were supported via existing USAID projects. This presented a challenge because in several cases the MSI and existing project periods of performance, staffing structures, objectives, and/or Monitoring and Evaluation (M&E) frameworks were not aligned, creating implementation challenges. As a result, several of the MSIs were shuffled between different projects to continue USAID’s support, causing uncertainty for the MSI and requiring negotiation among all the partners for USAID’s continued participation. In addition, as some of the MSIs gained momentum, their Secretariats “housed” at NGOs wanted to become their own (new) organization. While this can be beneficial, given that the organization will have a singular focus, it can also restrict funding streams and presents a challenge to some donors. This was the situation.
for the Children in Adversity MSI. Some partners felt that a new organization was essential but the complexity of simultaneously launching a new MSI and a new organization was one reason for its demise.

**Creating Adequate USAID Staff Time:** USAID’s best asset is its people — their expertise, creativity, and networks. The review reveals, however, that it was often challenging for staff to carve out enough time to manage the internal and external relationships needed to ensure an MSI’s success. Investments in relationships are critical to create internal buy-in, align partner interests, incentivize partner participation and ownership and manage challenges. Staff reported that without dedicated time and commitment to these elements, an MSI was more likely to lose focus, develop mistrust, and find partner motivation is fading.

**Adoption of Relationship Management vs Project Management:** Given that MSIs involve many actors, they do not represent a “typical” USAID project. MSIs require a greater emphasis on relationship management, coordination, and negotiation since decisions are made by group negotiation. The quality of interaction among MSI partners can define the initiative’s success and impact. The partners and the Secretariats need to navigate power dynamics and conflicts and establish accountability processes to keep partners true to their commitments. Staff indicated that the co-creation and co-management processes are critical for the MSI’s success, but required skills are different than managing a contract or grant with an implementing partner.

**Awareness of How to Exit / End an MSI:** MSIs should continue as long as they are creating value for the partners; if they no longer create value they should end. Of the 17 MSIs reviewed:

- Four were operational for less than 5 years.
- Nine lasted between 5-10 years.
- Four were operational for more than 10 years.

Staff reported that MSIs lasting more than five years had regular periods in which the partners reviewed progress, revised/created new milestones, and reaffirmed their commitment to the MSI, often through 3-5 year costed plans.

Unlike closing out USAID projects that have well-articulated processes, staff reported an absence of clear steps to exiting from and/or ending an MSI. Several staff reported that there can be political sensitivities if USAID decides to exit or end an MSI. It is important that partners agree on how this should be communicated within the MSI and to external audiences.

A key task of USAID project closure is inventory disposition. However, staff reported that it was often not clear who “owned” the products produced jointly by the MSI partners. Because most partners had not discussed this issue at the outset, they lacked an “upfront agreement” on how this process would be handled. For example, after three years and achieving their global objectives, USAID and Johnson & Johnson agreed to end the global Secretariat of the Mobile Alliance for Maternal Action. A key deliverable of the partnership was the joint development of a core set of maternal and newborn health text/voice messages for pregnant women/new mothers. Without a rulebook on how to ensure these products would remain available to the global community the partners had to negotiate an acceptable solution.

**Absence of Readily Available Guidance to Design, Manage, Evaluate, and Exit an MSI:** There is no one-size-fits-all approach or instrument for USAID to structure, support, or participate in an MSI. Without a core set of guidance for launching an MSI, staff who wanted to initiate Agency involvement were often not aware of all the options. At times, this resulted in avoidable pitfalls, time-consuming course corrections, or staff working to deliver sustainable impact with a less-than-ideal MSI structure.
IV. MSI Decision-Making Framework

In response to the challenges identified in the literature and the review of USAID’s involvement in the 17 MSIs analyzed, USAID developed a decision-making framework based upon five key questions that organizations should address when launching, structuring, managing, and exiting an MSI. The framework includes questions that all partners should ask, as well as questions specific to USAID. It also outlines good practices from past and present USAID experiences for consideration by those involved in the design and management of MSIs. The decision-making framework is based on three phases:

Phase 1: Q&A and Assessment
All of the partners, including USAID, answer key questions to assess the need for and design of an MSI.

Phase 2: Agreement and Partnership
If all partners agree that an MSI is the best option, then USAID determines if it should be involved.

Phase 3: Role and Commitments
If USAID determines it should be involved, then it makes a determination on USAID’s roles, commitment (e.g., funding and staff time).
## Table 2: MSI Decision-Making Framework

<table>
<thead>
<tr>
<th>Questions</th>
<th>For All</th>
<th>For USAID</th>
<th>Best Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WHY is an MSI approach necessary?</strong></td>
<td>Is the collective needed to tackle the problem?</td>
<td>Is an MSI a better way for USAID to reach its objectives?</td>
<td>• Tread carefully and consider other options before launching an MSI. • Prepare for long-term engagement. • Seek to launch a conversation, not an institution.</td>
</tr>
<tr>
<td></td>
<td>Are the conditions right to launch a new initiative?</td>
<td>Would USAID involvement provide an impetus for others to follow?</td>
<td></td>
</tr>
<tr>
<td><strong>WHO should be involved in the MSI?</strong></td>
<td>What expertise, skill sets, networks, or funding is needed to achieve results?</td>
<td>What role(s) could USAID play to best contribute to the MSI?</td>
<td>• Tie partner roles directly to the achievement of results. • Consider how partner dynamics may affect collaboration, trust-building, and relationship management. • Use co-creation processes for problem definition/approaches.</td>
</tr>
<tr>
<td></td>
<td>What are the specific roles/responsibilities of partners?</td>
<td>How will partners be selected or engaged in a co-creation process?</td>
<td></td>
</tr>
<tr>
<td><strong>HOW should the MSI function?</strong></td>
<td>What is the design of the decision-making body/governance structure, for all partners?</td>
<td>Will USAID support with Secretariat? If yes, how?</td>
<td>• Start with a small core of partners for decision-making then add others to build momentum. • Remain flexible to manage different funding cycles and priorities. • Encourage all partners to shape the Secretariat.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>What role will USAID play in the governing body?</td>
<td></td>
</tr>
<tr>
<td><strong>WHEN does the MSI need to achieve results?</strong></td>
<td>How will the partnership define success?</td>
<td>What are the metrics of success for USAID, and how will they be measured?</td>
<td>• Be aware that MSIs need clear metrics for all partners to see their successes. • Think through the end state of the MSI, from its inception, so all partners understand under what parameters an MSI — or USAID’s role — might end or how the MSI might transform.</td>
</tr>
<tr>
<td></td>
<td>How will the MSI measure and report results?</td>
<td>How will USAID assess the MSI’s progress and determine USAID’s continued involvement or exit?</td>
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<tr>
<td></td>
<td>How will partners determine the future of the MSI?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WHAT does USAID need to do to support the MSI?</strong></td>
<td>What is USAID’s role in the MSI?</td>
<td>How can USAID play a catalytic role without the MSI being dependent on Agency support?</td>
<td>• Create an environment that allows partners other than USAID to take on leadership roles. • Define staff roles and set reasonable expectations about how much staff time will be needed to support the MSI.</td>
</tr>
<tr>
<td></td>
<td>Who selects the engagement mechanism?</td>
<td>How can USAID bring value to an MSI beyond funding?</td>
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<td></td>
<td>Why oversee implementation and track progress?</td>
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## V. MSI Best Practices

| **Take Your Time:** | Even if the MSI must start quickly, it is essential for USAID and the partners to take time to answer the questions in the framework to increase success. Building trust and a shared vision takes time and commitment from all the partners. It might be necessary to add other partners to ensure success. |
| **Clear Theory of Change and Value Proposition:** | Develop a well-articulated theory of change, with strong buy-in from all the partners, that describes how the collective effort will achieve the desired results. In addition, each partner must have a clearly defined value-proposition outlining how their participation in the MSI benefits them and how their efforts will help achieve MSI results. |
| **Balance Partnership Mix:** | USAID’s experience suggests that it is important to understand other partners’ priorities, constituencies, and requirements that might impact the nature of collaboration. It is important to understand the reasons why all partners want to participate in the MSI and what each participant expects from it. These issues need to be addressed so that all of the partners understand each other’s strengths and limitations. The number and type of partners should reflect the size and scope of the MSI. USAID MSI managers suggest starting with a smaller group of core partners to facilitate alignment of partner interests and effective decision-making. A larger set of aligned partners might be added later to build MSI momentum, bring contributions, or implement activities in specific areas. However, USAID’s experience suggests that expanding involvement to a larger number of partners without clearly considering the rationale for their inclusion can impact MSI effectiveness. There remains a variety of ways to ensure broader representation and inclusion, particularly for smaller entities, such as rotating seats and developing working groups with non-core group member participation. |
| **Create Operations Norms and Conflict Resolution:** | USAID staff recommended that MSIs should establish clear terms of reference regarding partner representation, voting, decision-making, and conflict resolution as well as clear steps for partners to exit and new partners to join the MSI. Multiple dynamics might affect conflicts of interests, either actual or perceived. Partners may not join an MSI at equal standing; funders and larger partners often have greater influence over an MSI’s direction. Some partners might be more averse to trying new ideas or taking risks. At times, the involvement of commercial actors might raise concerns of the profit motive superseding the objective of collective action. It is essential, therefore, for partners to develop operational processes and norms to anticipate these types of issues and establish an agreed upon conflict resolution process to ensure the MSI can navigate these different dynamics. |
| **Make a Long-term Commitment:** | Founding partners should commit to a 5- to 10-year period given an MSI’s complex nature and scope. MSIs should have 3- to 5-year costed strategic plans to keep the partners focused on results and foster commitment accountability. Changes in partner priorities have put the MSI trajectories at risk, even those that are performing well, because the MSIs, particularly the Secretariats, may have funding that is not diversified among the partners. If partners need to change their commitment levels, they must communicate this to the other partners as early as possible to ensure stability. Donors, including USAID, should guard against actions that might create over-dependence on one funding stream or partner. |
| **Plan an Exit Strategy from the Outset:** | USAID’s experience shows it is best to establish clear metrics of success and an exit strategy at the beginning, putting into place measures so the MSI can continue to function as USAID steps back. |
| **Think PARTNER Rather Than PROJECT:** | MSIs require a greater emphasis on relationship management, coordination, and negotiation since decisions are made by group negotiation. Think of them as start-ups. MSIs require a substantial amount of time from USAID managers to contribute to a shared vision, align diverse interests, and navigate partner tensions. |
VI. Conclusion

USAID’s PSE policy states “the private sector is fundamental to our goal to end the need for foreign assistance, based on our premise that private enterprise is one of the most powerful forces for lifting lives, strengthening communities, and accelerating countries to self-reliance.” Because we live in an increasingly complex world that often compels us to work with different entities and in different models, the use of MSIs, if well designed and structured, can be an important tool to help diverse stakeholders manage the complexity while achieving development and business goals.

USAID anticipates using this data to: streamline our processes; enhance participation and support of MSIs; deepen our engagement with the private sector; expand the ways we work with the private sector, both financial and non-financial; and strengthen our co-creation and relationship management skills. The insights gained from this work has already been shared across the Agency and will be incorporated into relevant private sector engagement training programs. We hope this information is useful to our colleagues working in the collection action arena.

Acknowledgements

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Susan Rae Ross  
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