P3 IMPACT AWARD
Recognizing Collaborative Excellence

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

The P3 Impact Award applicants humbled and inspired us by demonstrating the value they created and the communities they uplifted by forming collaborations between businesses, governments, nonprofits, and other organizations.

While the award recognizes and celebrates the excellence of the finalists and winners, the P3 Impact Award is also a vehicle for sharing and advancing—through this report and other outreach—best practices developed by the award applicants with P3s worldwide. This special edition of Ideas to Action highlights the P3 Impact 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 in 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, and well-deserved congratulations to the finalists. As global societal issues continue to become increasingly complex, the need for leadership, innovation and impact from the businesses, governments, nonprofits, and other organizations 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.

Mary Margaret Frank
Associate Professor of Business Administration,
Darden School of Business
Academic Director,
Institute for Business in Society

Dean Krehmeyer
Executive Director,
Institute for Business in Society

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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.*

Country Rankings
Highest to Lowest:

Group 1
- Chile
- Peru
- Indonesia
- South Korea
- Ghana
- Mexico
- Russia
- United Kingdom
- Nepal
- Georgia

Group 2
- United States
- Australia
- Jordan
- Guatemala
- Uruguay
- Thailand
- Poland
- Sweden
- South Africa

Group 3
- Turkey
- Panama
- Nigeria
- India
- China
- Japan
- Colombia
- Kenya
- Vietnam

Group 4
- Germany
- Singapore
- Brazil
- Ireland
- Egypt
- France
- Spain
- Greece
- Italy

*SSee The Concordia Partnership Index for methodology.

SCOPE OF P3 IMPACT AWARD APPLICANTS

Sectors

- Economic Development: 6%
- Education: 11%
- Energy: 17%
- Environmental: 17%
- Financial Services: 17%
- Health and Sanitation: 6%
- Workforce: 28%

Locations

40+ countries have partnerships operating in them

Budgets

Distribution of partnerships’ budgets:

- $0 – 99,999: 17%
- $100,000 – 1M: 11%
- $1M – 10M: 39%
- $10M+: 28%
Cocoa is hot. As incomes rise around the world, especially in emerging markets, so does demand for chocolate. Industry experts have predicted that demand for cocoa will grow 30 percent by 2020. Unfortunately for chocolate lovers, 90 percent of the world’s cocoa is produced by small-scale family farms, which if left to operate alone, will struggle to meet demand. Approximately 20 percent of the world’s cocoa is produced in Ghana by more than 700,000 cocoa farmers who struggle to make a living. Illiteracy, small-scale farms, and poor farming practices leave most impoverished, and child labor is prevalent.

Ghana farmers had limited knowledge of modern farming practices such as the proper use of fertilizer and pesticides to combat diseases and insects, which can destroy up to 40 percent of a cocoa farmer’s crop. Farmers were also unaware of some basic farming practices such as weeding, pruning, and planting ground cover to prevent erosion. The result had been paltry yields and meager profits for farmers. For example, Malaysia produced an average of 1,600 pounds per acre in 2011 while Ghana farmers produced an average of only 320 pounds per acre. Agriculture extension agents, who are government experts in best farming practices, faced the challenging task of educating these small-scale farmers about modern farming techniques. The agents, few in number, were stymied by bad roads and the sheer isolation of the myriad 10 acre farms scattered throughout western Ghana.

In 2011, The Hershey Company, the Ghana Cocoa Board and the World Cocoa Foundation joined forces to launch a simple pilot program to modernize these farms’ practices. Those changes—which increased production and profit—also fueled social changes that improved the lives of women and children who worked on the farms. Called CocoaLink, the program provides farmers with a two-way mobile phone information exchange. The program uses cell phone text and voice messaging to provide crucial information—such as disease alerts and fertilizing schedules—directly to the farmers. Most of the farmers, despite their minimal income, either have a cell phone or access to one from family members.

The extension agents messaged a remarkable amount of knowledge to the CocoaLink farmers—a total of 1.2 million free texts packed with information based on the cocoa growing calendar and local growing conditions. Now, 45,000 registered farmers in over 1,800 villages have embraced CocoaLink, and more farmers are jumping on board as the program’s success spreads. Since the program began, the cocoa yield has jumped 45 percent and income has increased by 70 percent. Farmers’ knowledge of and attitudes about socio-economic issues, such as child labor, education of young girls, and malaria have been positively impacted. About 10 million West Africans have direct economic ties to cocoa growing, so CocoaLink’s improvement of yields has important multiplier effects. The program is also cost effective—each text message costs an average of 50 cents. The program’s success did not
Hershey’s innovative CocoaLink partnership exemplifies many of the practices of solving complex problems about which we teach and research. First, in order to address complex problems, leaders must first construct a deeper understanding of the issues that create the problem. Too often managers move too quickly to a solution. Second, this complex problem required the invention of a system that did not previously exist. To design the two-way mobile phone exchange, leaders at Hershey had to piece together elements of existing solutions to create something that had never been done before. Finally, choosing the mobile phone based system was not the end of the project; Hershey and its partners continued to learn from their stakeholders and refine their system to make it more beneficial for their users. In addressing complex problems, leaders need to exercise empathy, invention, and iteration. Hershey’s CocoaLink project demonstrates how these practices can reduce sources of risk in any solution, and increase the odds of meaningful success.

Bidhan L. Parmar, Assistant Professor of Business Administration, and Jeanne Liedtka, United Technologies Corporation Professor of Business Administration, are currently studying how managers solve complex problems in the social sector.
AFRICAN DIASPORA MARKETPLACE (I, II, III)

Diaspora, communities of people who live outside their shared country of origin or heritage, play a key role in foreign assistance. Most of these communities retain strong emotional, financial, and familial ties to their countries of origin. Recognizing the importance of diaspora, U.S. Agency for International Development (USAID) and the Western Union Company partnered to launch the African Diaspora Marketplace (ADM) in 2009. The ADM encourages diaspora entrepreneurship and investment in business ventures in Africa by offering seed capital and other support services, such as technical assistance and access to potential investors. The ADM provides benefits to its participants by leveraging the services and expertise of its partners. Western Union contributes its vast network of financial institutions that publicly promote ADM entrepreneurs and offer access to small and medium-sized enterprise (SME) funding, while USAID provides its expertise in encouraging economic development in Sub-Saharan Africa. This partnership acts as an innovative form of foreign development assistance by engaging diaspora as entrepreneurs and is already being used as model for long-term economic growth in other developing countries in Latin America and the Caribbean.

FACULTY INSIGHT

"The African Diaspora Marketplace (ADM) stimulates connectivity across differences to create value for all. It links sometimes disparate cultural communities together in generative, productive ways. By connecting diaspora entrepreneurs with a diverse set of key stakeholders, the ADM builds bridges between the privileged and impoverished, experienced and inexperienced, young and old.

The ADM also leverages diversity across its partners, USAID and Western Union, to provide lessons in cross-sector collaboration. The ADM beautifully embodies the opportunity and challenge of 21st century commerce. Collaboration—and healthy competition—among diverse and increasingly complex entities is the key to creating value in the global marketplace. The ADM can be an important leader in generating economic prosperity and social good in the African Diaspora."

Martin Davidson is Professor of Business Administration in the Leadership and Organizational Behavior area. His research focuses on how leaders leverage difference to generate superior performance. He authored the book, The End of Diversity as We Know It: Why Diversity Efforts Fail and How Leveraging Difference Can Succeed.
THE COCA-COLA COMPANY & WORLD WILDLIFE FUND GLOBAL FRESHWATER PARTNERSHIP

Because water is essential to nature, communities and business, The Coca-Cola Company and World Wildlife Fund formed a transformative partnership that conserves and protects freshwater resources around the world. Combining World Wildlife Fund’s water expertise and deep understanding of the local context with Coca-Cola’s water management priorities and global presence, these partnering organizations made efforts to bring water conservation and protection practices beyond company operations and into the communities and watersheds. The partners developed tools to enable bottling partners to expand water stewardship activities beyond their plants. They also encouraged bottlers to implement energy-saving practices. Through such efforts, the partnership helped to improve water efficiency by 21.4 percent from 2004 to 2010 and reduce manufacturing-related emissions in developed countries by approximately 8 percent, compared to a 2004 baseline. In addition, the partner organizations have been working to improve the ecological health of some of the world’s most important freshwater basins. Key achievements include helping to establish a freshwater reserve in East Africa, create a new policy statute in Vietnam, and incorporate pollution control techniques in China. Building on the partnership’s progress, in 2013 the collaboration was renewed through to 2020 to achieve even greater impact.

FACULTY INSIGHT

“Water is typically an open access resource that is easily accessible by many and often times free, which frequently leads to overuse and depletion of water resources. In spite of this easy access, water is especially precious in areas where it is scarce. Water markets are created around the world to allocate and price water properly. This is quite difficult as pricing water properly hinges upon many conditions that are not feasible in many areas of the world, including the proper distribution of water rights and appropriate metering and monitoring of water use. When these conditions are not fulfilled, it is quite important that a large water user explicitly acknowledges the value of water and partners with a nonprofit organization that is committed to water conservation. This partnership indicates that a multinational and intense water user realizes it is risky to ignore the value of water. The partnership underscores it is both good business and the correct thing to do for firms to learn about the value of water in the areas where they are active, even when the price of water in those areas does not always reflect its true value.”

Peter Debaere, Associate Professor of Business Administration, is an international economist and teaches the MBA course, “Global Economies of Water.” His current research is at the intersection of international economics and water. He recently published Water Markets as a Response to Scarcity.
GLOBAL ALLIANCE FOR CLEAN COOKSTOVES

The Global Alliance for Clean Cookstoves (Alliance) is a public-private partnership launched in 2010 that works at scale to save lives, improve livelihoods, empower women, and protect the environment by developing a global market for clean and efficient household cooking solutions. The Alliance helps overcome market barriers that currently impede production, deployment, and use of clean cookstoves in the developing world. The unique structure of the partnership has four distinct parts: national partners or governments who commit resources and leadership; implementers who have expertise in the design, manufacturing, and testing of cookstoves and fuels; donors who provide financial or in-kind support; and champions who promote global awareness on the clean cookstoves and social issues being addressed. The Alliance creates significant impact by employing unique approaches for developing a thriving global market for clean cookstoves and fuels, which include: engaging national and local stakeholders, including women who are predominantly the end users of the cookstoves, and facilitating access to the carbon finance market as supplemental means of sustainable funding. In just three years, the Alliance and its partners have helped grow the market for clean and efficient cookstoves from 1.6 million to 20 million, helping millions of people around the world live healthier and safer lives, while also protecting the environment and empowering women.

To facilitate the expansion of clean cookstoves and fuels, the Alliance uses a market-based approach to realize its mission. The organization leverages grant funding to bring investment into the sector and supports a carbon market. Through the carbon market, the Alliance brings together buyers wanting to reduce their carbon footprint with sellers, specifically clean cookstove developers, who generate emissions savings. The purchase of carbon credits allows developers to invest in new technology and better operations, while enabling people to use more efficient and safer cookstoves at lower prices, thereby reducing gas emissions. Although not without risks, an efficient carbon market provides a price that market participants place on these emissions.”

George (Yiorgos) Allayannis is Professor of Business Administration and Associate Dean for Global Executive MBA. His primary research focus is on corporate risk management, corporate financial policies, and international finance. He has published and taught a case on carbon markets.

Partners
United Nations Foundation and its 1,000 cross-sector partners, and 45 national governments

Social Challenge
Health, indoor air pollution, environmental and gender impacts caused by unsafe cookstoves and solid fuels used for cooking

Location
Global, with efforts focused in Bangladesh, China, Ghana, Guatemala, India, Kenya, Nigeria, and Uganda
The Wireless Access for Health Initiative (WAH) improves health care in the Philippines by leveraging the technical and managerial expertise, authority and resources provided by its cross-sector partners. WAH uses new and innovative technologies such as 3G wireless data networks, low-cost hardware, and open-source software to develop a customizable, open-source electronic health records (EHR) program that improves access to more accurate and relevant patient health reports. The positive impact of the WAH can be seen in the improved collection and recording of patient health data, increased number of patients’ preventive visits, reduced wait times at these visits, heightened morale of health care workers, and most importantly, improved perception and delivery of public health services. The public approval and support of the WAH is instrumental as the EHR program will be expanded to 500 additional local government units within the next five years.

Veronica Cacdac Warnock is a Senior Lecturer and Batten Institute Fellow. Her research focuses on economic development in emerging markets and inclusive finance. Frank Warnock is the James C. Wheat, Jr. Professor of Business Administration in the Global Economies and Markets area. Veronica and Frank teach the MBA courses, “Markets & Society” and “Global Sustainability in Practice.”
Concordia

Early P3s were largely found 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 have the potential not only to raise a business’s public relations profile, but also to impact its core business. By doing good, companies can in fact do well.

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 regional events to bring together stakeholders to form these emerging P3s. Concordia uses its research arm, P3 Intelligence, to better understand the mechanics and best practices of the modern P3. The P3 Impact Award aligns perfectly with these objectives, as it not only recognizes P3 leaders, but it also seeks to identify best practices that can then be applied across sectors and regions. Concordia encourages partnerships of all sizes and sectors to apply for the award next year and to share their stories of impact and innovation.

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, and inequality rank among the most pressing global issues today; these issues are often too expansive and complex to be met by any one government or organization. Creating solutions requires innovation, ingenuity, and collaboration across diverse sectors. Through P3s, we are able to leverage the best of public- and private-sector resources to create practical solutions that promote shared prosperity and value and strengthen well-being and security.

The Secretary’s Office of Global Partnerships is excited by the innovative work of the P3 Impact Award finalists. They provide concrete examples of what can happen when the public and private sectors combine forces to create transformative partnerships to address critical global challenges. Further, they demonstrate the fundamental elements of a successful partnership—shared objectives, transparency, mutual risks and benefits, and accountability. And they highlight the different strengths of each sector: private-sector partners can add value through their resources, technolo-
gies, networks, and specialized expertise, and the public sector can provide country presence, extensive relationships with local and national governments, credibility and goodwill. As the leader of P3 cultivation and facilitation at the U.S. Department of State, we believe in sharing best practices and lessons learned with others to increase knowledge on how best to implement partnerships. We encourage the P3 finalists and partnership builders across the globe to do the same so that we can continue to strengthen best practices that can be applied across sectors and regions.

Further, the changing global landscape characterized by limited individual resources shows the need for continued P3 development to promote enhanced growth and prosperity for all. Global Partnerships Week, an annual global celebration of the critical role P3s play in promoting diplomacy and development around the world, does just this. The next Global Partnerships Week celebration will be held in March 2015 and will mirror the P3 Impact Award’s efforts by bringing together multidisciplinary partnership practitioners and leaders from around the globe.

By recognizing the best partnerships with the P3 Impact Award, we hope to encourage further P3 development and show that far more can be accomplished together than alone. With cooperation, transparency, and accountability, shared challenges can become shared opportunities.

University of Virginia Darden School Institute for Business in Society

The P3 Impact Award celebrates the type of initiatives—cross-sector partnerships—that the world needs. Public finances have become a binding constraint for much of the necessary efforts to alleviate poverty and restore economic freedom. Partnerships that bring together the skills and know-how of business with public sector’s access to and understanding of the underserved can make meaningful and scalable impact.

The Darden School’s mission statement begins with a mandate to improve the world. To that end, we are keen on exploring and implementing more P3 opportunities. In courses such as “Markets and Society,” “Global Economies of Water,” and “Creative Capitalism,” Darden students consider how businesses, governments, and NGOs can work together to harness private-sector tools and approaches to find resolutions to challenges around the world. The urgent and structural problems that inhibit people from being productively engaged in their communities and improving their condition demand responses that must—whenever possible—be market enabling, never market destroying.

The challenge is to design and create innovations and interventions 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 with narrowly focused missions, governments attempting to provide services for the poor and underserved run into capacity constraints; NGOs find themselves in perpetual fund-raising mode, diverting energy and attention from their core missions; and some businesses only service higher-income segments. But together, through P3 partnerships, each sector can attain its goals and serve the larger society. In the process, growth and prosperity increase without leaving behind the poor and underserved. The bottom of the pyramid, as some have termed these populations, will experience better living conditions and achieve the human freedoms that every person deserves.

We applaud the finalists of the P3 Impact Award and the many others in this space who are doing important work yet remain unrecognized.
Concordia

Concordia's mission is to identify new avenues of collaboration for governments, businesses, and nonprofits by convening global leaders and developing new research products. Concordia promotes effective public-private collaboration to create a more prosperous and sustainable future.

Concordia was established in 2011 to enhance the scale and effectiveness of public-private partnerships (P3s). Guided by a global network of advisers and a robust research program, Concordia helps organizations maximize the impact of their P3s. Held annually in New York City, the Concordia Summit convenes over 400 of the world’s most prominent business, government, and nonprofit leaders. The 2013 Concordia Summit featured the launching of the Concordia Partnership Index, an interactive ranking of countries based on their readiness and their need to engage in P3s. Since its founding, Concordia has established itself as a neutral, non-partisan organization with the power to connect leaders and drive impact through effective P3s.

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 well-being of people from all walks of life; and to make democracy serve every citizen more effectively and justly.

state.gov/s/partnerships/

University of Virginia Darden School Institute for Business in Society

The University of Virginia Darden School of Business is one of the world's leading business schools, offering MBA, PhD and Executive Education programs. The unique Darden experience combines the case study method, top-ranked faculty whose research advances global managerial practice and business education, and a tight-knit learning environment to develop responsible and complete leaders who are ready to make an impact.

The Institute for Business in Society (IBiS), established at the Darden School in 2011, prepares leaders to positively impact society through business. IBiS advances thought leadership and innovative practices through research, teaching and programs.

darden.virginia.edu/web/IBiS