

# Nine Questions Every Company Should Ask to Strengthen their Partnership with USAID



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## **About Balanced-MERL**

The Balanced Design, Monitoring, Evaluation, Research and Learning (BalanceD-MERL) consortium under the U.S. Global Development Lab's Monitoring, Evaluation, Research, and Learning Innovations (MERLIN) program at USAID is testing how balanced integration across all aspects of D-MERL enables teams to rapidly learn and incorporate findings into program design. The BalanceD-MERL consortium consists of World Vision (Prime), Innovations for Poverty Action, Institute for Development Impact, Search for Common Ground, and the William Davidson Institute at the University of Michigan.

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# INTRODUCTION

USAID and the private sector engage in multiple ways. The goal of this document is to help companies (or private sector partners) to generate value and meet the objectives of their partnership with USAID.

Asking the right questions is a key part of this process.

This document presents nine questions that companies can ask during their partnership with USAID (**Figure 1**). Action-oriented guidance is also provided to help companies connect each question back to the overall program management strategy for their engagement. Although this document centers on the private sector, other non-profit or public-sector partners can apply it to their work with USAID as well.

Although each company's collaboration with USAID is unique, these questions focus on one thing they all have in common: how companies ensure good program management that is responsive to data. Good program management integrates program design (D) and implementation with their monitoring, evaluation, research, and learning (MERL) activities to achieve partnership objectives. Taken together, these activities are referred to as D-MERL (**Figure 2**).

Using the lens of D-MERL is important because program design and implementation should *not* be thought of as separate from the program's MERL activities. These are iterative processes that are deeply interconnected. Building MERL into program design is an investment in partnership success, agility, risk mitigation, and the exploration of new market opportunities that can have lasting impact for targeted communities.<sup>i,ii</sup> It also helps inform accountability to USAID and other partners.

The questions provided in this document are strongly informed by lessons learned during a 15-month technical assistance pilot with a USAID Global Development Alliance. During this pilot, the BalanceD-MERL consortium served as D-MERL technical experts to support a private sector partner– the awardee and implementer– in their first engagement with USAID. This list of questions is also supported by data gathered from a review of relevant literature, interviews with USAID Private Sector Engagement (PSE) experts, and interviews with the private sector partner from the pilot. These additional data sources reinforced findings from the pilot and included takeaways that apply to a wider set of USAID's private sector collaborations.

*Figure 1: Companies can partner with USAID in many ways*

**How can companies partner with USAID?**  
USAID's Private Sector Engagement (PSE) includes a flexible mix of financial and nonfinancial development approaches.

USAID mobilizes market-based solutions for development impact by leveraging many tools and approaches such as [Global Development Alliances \(GDA\)](#), the [Development Credit Authority \(DCA\)](#), the [Office of Private Capital and Microenterprise \(PCM\)](#) and the [Center for Transformational Partnerships \(CTP\)](#).





Figure 2: What is D-MERL?

#### What is D-MERL?

D-MERL refers to the integration of program design (D) with monitoring (M), evaluation (E), research (R), and learning (L) activities. This includes *designing* program activities to achieve the partnership's stated objectives, as well as using the following MERL processes to inform iterative changes that improve implementation of the program over time:

- *Monitoring* the performance of the program
- *Evaluating* the program on its set goals
- Engaging in *research* that generates new knowledge related to the context of the program, and
- *Learning* based on data gathered from any of the above activities and/or from changes in the program context

Specifically, this document is tailored to the unique management needs of companies that partner with USAID based on a few preliminary observations:

- Companies want to use MERL to support better program management.** A study of over 100 USAID Global Development Alliances found that “nearly all interviewed company representatives emphasized that alliances [with USAID] should have robust monitoring and evaluation systems throughout their lifespan – from beginning to end.”<sup>iii</sup> Private sector partners understand that MERL is important for demonstrating impact, adjusting program activities, and making strategic social investments based on data.<sup>iv</sup> However, some companies – especially those that are new to tracking development outcomes with USAID – may need added support to make these goals a reality.<sup>v</sup>
- Integration of MERL during program design can improve partnership effectiveness.** When companies have a strong commitment to MERL from the start, it can help build partnership trust and momentum. It also facilitates the creation of shared goals and understanding between partners, as well as a culture of adaptive management.<sup>vi</sup> And, since most of USAID’s development activities have a duration of five years or less – including 90% of partnerships with the private sector<sup>vii</sup> – it is important to minimize inefficiencies at the beginning of any collaboration by building MERL into the program design phase.
- Companies and USAID operate differently, and understanding these differences is key to a successful partnership.** USAID and the private sector can have different procedures, requirements, and vocabulary. Although USAID offers several resources related to various award activities, such as how to form a partnership, apply to USAID, or develop Monitoring, Evaluation and Learning plans, it is still important to provide guidance that is specifically targeted to the needs of companies.<sup>1</sup> This is especially important for companies who have never partnered with USAID.

## THE QUESTIONS

These nine questions for program managers are organized in the order that a company would execute their partnership with USAID. They start at the development of the partnership – before funding is disbursed – and continue to program design, implementation, and reporting.<sup>2</sup> Each stage includes a set of guiding questions that companies should consider. When available, helpful resources and action-oriented steps are provided for companies to leverage as they work through each question.

### DEVELOPING THE PARTNERSHIP

It is critical for companies to have conversations about roles, responsibilities, and expectations when developing the initial concept for collaboration with USAID. Early discussions between USAID and partners can help eliminate misperceptions that can lead to challenges, including lack of clarity about:

- The division of D-MERL roles and responsibilities across a diverse set of partners
- The level of detail necessary for the program’s design
- The role of MERL in decision-making for a program

<sup>1</sup> In addition to this guidance, companies can consult resources provided on USAID’s Web site: <https://www.usaid.gov/work-usaid/partnership-opportunities/corporate/commercial-engagement>. Where applicable, these resources are cross-referenced in this document.

<sup>2</sup> It is important to note that this list of questions may not always be sequential and certain questions may need to be revisited. Thus, partners should be prepared to take an iterative approach to strengthening D-MERL processes within their engagement.

As the collaboration is forming, companies can ask the following questions to optimize program implementation in later stages.

**1. Who will serve as the main points of contact for the program? Does a separate MERL champion need to be designated?**

Carefully select which person(s) will serve as the dedicated point of contact from the company and identify who the points of contact will be from other partner organizations. The partnership will benefit if these points of contact possess decision-making power within their organization and expertise related to the sector or geography of interest. Depending on the point of contact's level of expertise, the company may wish to designate an additional person to serve as their MERL champion or advocate. This person should understand the purpose and value that MERL activities bring to the engagement. They should also work directly with the partnership's core team of representatives to determine where MERL services will be most essential and beneficial. The MERL champion from the company should work closely with other MERL champions to understand each organization's MERL needs and their subsequent implications on the program. Investing in MERL champions is an investment in partnership building. These champions are critical assets that will play an increasing role as the work goes forward.<sup>viii</sup>

Where appropriate, companies can benefit from engaging the *right* point(s) of contact from USAID headquarters, the Mission, or the relevant operating unit. The USAID point of contact can be intentionally selected to function as a development expert, thought partner, project implementer, and champion for the needs of the partnership across the Agency.<sup>ix,x</sup> For example, having a point of contact at USAID headquarters can help partners better understand [USAID's evaluation policy and approaches](#), their work culture, and any USAID-specific reporting requirements.<sup>xi</sup>

**2. How will the company leverage each partner's expertise to strengthen the results and impact of the collaboration?**

While each partner will bring their own individual goals to the collaboration, the ideal partnership will be based on shared objectives and mutual decision-making. Problems will be identified together and the program will be cooperatively designed. Further, solutions will be jointly brainstormed and scoped to leverage the unique resources and technical expertise of each partner. This requires early and frequent communication about each partner's organizational objectives and assets, including acknowledgement of the areas where they *lack* skills or expertise— including MERL. The company should identify areas where each partner can make substantial contributions and where their involvement would be less effective. Once documented, these areas of expertise can be revisited at later stages of the engagement, such as during the design of individual program activities or the assignment of D-MERL roles and responsibilities.

**3. What information can be included in the written agreement to set the partnership up for success?**

Written documents are powerful tools for managing partnerships when they include the right information. In collaborations with USAID, a cooperative agreement and/or Memorandum of Understanding (MOU) may be developed and signed by the partners to explain the goals of the partnership. These documents can also include information related to the responsibilities of each partner to help accomplish their shared objectives. As much as possible, the company should try to operationalize processes within these written agreements to ensure the goals of their partnership are met. For example, **Figure 3** includes four key considerations that a company can discuss with USAID and other partners during the co-development of their written agreement(s). If partners find it useful, they can also create a separate, more detailed set of standard operating procedures that addresses how partners will work together, and to establish step-by-step guidelines for communication and decision-making.<sup>xii</sup>

Helpful resources:

- For more information, see [USAID's Memorandum of Understanding \(MOU\) guidance](#)

Figure 3: Four key considerations companies can include in their written agreement with USAID

To help tackle common challenges *before* they arise, company leadership can work with USAID and other partners to address the following key considerations:

**I. Creating contingency plans for staff turnover**

No one wants staff turnover, but it happens. Creating contingency plans to manage turnover – especially the loss of a critical point of contact for the partnership – is one of the keys to success in a multi-party collaboration. This type of planning helps the company manage various risks, including the challenge of sustaining long-term relationships, mitigating the negative effects of organizational restructuring, ensuring availability of USAID staff and resources, and preventing lapses in MERL competence among staff.

**II. Understanding differences in organizations’ decision-making**

Private, non-profit, and public-sector partners can have very different decision-making processes. Their timelines for making decisions may vary considerably too. At the beginning of the engagement, the company should work with other partners to clarify differences in (a) how decisions are made, (b) whether specific type of data is required to make decisions, (c) which person(s) has final decision-making power, and (d) expected timelines for making decisions at each organization.

**III. Adding-in extra time to account for relationship building**

Building relationships and processes with partners takes time. The company can help ensure that the partnership’s written documents contain relationship-building components, including: the importance of understanding differences in culture, leadership, and preferences for reports or other deliverables. Additionally, when setting project deadlines, partners should allow extra time to manage relationship dynamics. This is especially important when developing the program design, MERL activities, or completing any task where consensus is required across multiple organizations.

**IV. Conducting partner-wide “health-checks”**

Companies can use an anonymous survey or learning event to share and collect feedback on the role and performance of various partners. A written agreement is a good place to identify how and when (e.g., quarterly, bi-annually) such an activity will be carried out during the collaboration to provide crucial information on the quality of the relationship.

## SETTING THE FOUNDATION FOR STRONG PROGRAM MANAGEMENT

The below questions offer companies guidance on how to integrate MERL into their program design so that implementation of the D-MERL activities can be managed effectively.

**4. Have all partners co-developed the program’s theory of change?**

Before a comprehensive set of MERL activities can be developed, the partners should co-create a working version of the program’s theory of change based on their agreed-upon program design. A theory of change, which can also be called a strategy map, is a strategic framework that explains how the intended inputs and activities of a program contribute to its desired results (outputs, outcomes, and impacts). The theory of change can also serve as a communication tool between partners to develop a shared understanding of the problem and suggested solution. It can function as the foundation of the partners’ strategic engagement together as the co-development process can foster partnership cohesion and it can provide a framework for learning.

Helpful resources:

- The USAID Learning Lab offers [theory of change resources](#)
- A [case study from the Women and Water Global Development Alliance](#) offers key takeaways from co-developing a theory of change

**5. What are the learning priorities for the partnership? Has the company helped co-create the program’s learning agenda?**

Using the program’s theory of change as a guide, the company should co-create a learning agenda with USAID and other partners. A learning agenda is the set of action-oriented priority questions that partners seek to answer to improve the program and test their theory of change. For each question in the learning agenda, the partners should identify:

- Who is responsible to answer the question?
- What methods will be used to answer the question?
- How will the resulting data be shared (via reporting, learning events, discussion forums, etc.)?

Usually, learning agenda questions are organized by time (e.g., short- or long-term questions), thematic area, and their level of priority for the program. Developing a learning agenda can reinforce the program's priorities and help partners identify the program's key performance indicators, which are directly relevant for learning and adaptive management (see more information on indicators in question 6). A strong set of learning agenda questions should provide leadership with the following information about their partnership: *Are we doing the right things?*, *Are we doing things right?*, and *How do we know?* For example, in order for partners to decide if they are *doing the right thing*, they may develop a learning question to ask: "Does the [X approach] between [partner A] and [partner B], lead to better [X,Y,Z outcomes] for [target population C]?"

Helpful resources:

- See the USAID Learning Lab's post: [Learning Agendas: The Five Most Important Things You Need to Know](#) or this [Evidence Toolkit: Learning Agendas](#) by the Urban Institute

**6. Have key performance indicators (KPIs) been identified to measure program outcomes?**

It is extremely important to establish clearly defined key performance indicators (KPIs). Often, partners select KPIs that align with the outputs and outcomes that they outlined in their theory of change. This helps partners manage their program's activities and track intended results and contributes to the overall success of the engagement.<sup>xiii</sup> Of course, circumstances may shift based on evidence collected on the program. Partners' goals and KPIs must maintain a degree of flexibility to accommodate changes to their approach over time.<sup>xiv</sup> Importantly, before KPIs or related targets are adjusted, consideration should be given to how such changes might affect subsequent learning.

When selecting and synchronizing KPIs with their partners, companies ought to keep two related goals in mind: First, create some indicator(s) that "show a synergy between partners and that illustrate that the impact of the money [and other non-financial resources] is being maximized in such a way that could not have happened without the partnership."<sup>xv</sup> Second, agree on whether or not it is important for individual KPIs to be attributed to the work of specific partners. Attribution to individual partners may or may not be desired, depending on the structure of the partnership's shared objectives.

Helpful resources:

- The [standard foreign assistance indicators](#) are used by USAID to measure and illustrate U.S. government outputs and outcomes.
- Mission Measurement suggests adopting [an outcomes-based approach to measuring](#) the value of USAID's private sector collaborations





## INTEGRATING DATA INTO PROGRAM IMPLEMENTATION

At the beginning of the partnership, the program design should inform *what*, *when*, and *how* data are collected. In later stages, the reverse is also true. Data and insights from MERL activities should influence decisions about adaptations to the program's design and implementation. When companies do this successfully, they are engaging in adaptive management. Adaptive management requires managers to develop transparent communication channels and frequent data sharing and reporting with the program team – including their MERL points of contact. Companies should also want to engage in active reflection to unpack findings with partners. The steps below provide companies guidance on how to build a bidirectional relationship between these two components – the program implementation and the MERL activities – so that they can build a data-driven culture.

### 7. How will the company operationalize their MERL plans?

At this point the company should have already co-developed some critical tools and processes that will inform the foundation of their shared D-MERL approach, including their written agreement, theory of change, and KPIs. The next step is deciding when and how data will be collected, analyzed, and reported. Each partner that is managing a specific project or activity of the partnership needs a MERL plan for how they will evaluate that specific activity. If the partnership has multiple and/or complex projects, then it is useful to create one comprehensive [MERL strategy](#) document that describes all of the partnership objectives, learning questions, and KPIs (see questions 4, 5, and 6) in one place. This can help partners understand what each organization is contributing to the higher-level objectives and KPIs, while also assessing if there are any gaps.

#### Helpful resources:

- Here is an example [template](#) to develop a program's MERL strategy

### 8. What is the protocol for problem solving? How will the company use learning for adaptive management?

Conducting monthly update calls with the core partners is a useful way to increase the efficiency, agility, and transparency of the partnership. In addition to regular program management updates, the company should take intentional steps to ensure that iterative learning, problem solving, and knowledge development is well-supported within their partnership with USAID.<sup>xvi,xvii</sup> True adaptive management is a *structured* process to create a data-driven culture. For example, a company may conduct quarterly reflection calls with all partners to identify lessons learned and discuss program changes. Company staff can attend trainings about data analytics and visualization to promote evidence-based decision-making. Importantly, having separate calls or distinct activities for the purpose of reflective learning and adaptive management helps managers focus on exploring relevant data and focusing on how data learnings can be applied to the program. Discussion points could include:

- How do learnings from one activity or project apply to another?
- Can new data or learnings be used to change or improve program implementation?
- Should any program KPIs be updated, and why?

#### Helpful resources:

- The [Facilitating Intentional Group Learning Guide](#), consists of several exercises for using data (qualitative and quantitative) for reflective learning and adaptation.
- USAID curated the [Collaborating, Learning and Adapting \(CLA\) Toolkit](#) to help plan and implement activities more effectively.

### 9. What are partners' reporting requirements? What type of reporting will be the most timely, relevant, and useful?

Although sometimes overlooked, unsynchronized reporting timelines and procedures can be a source of real frustration. This is especially true for any company who is unfamiliar with USAID's reporting requirements and fiscal calendar year, which ends in September. The company will want to have a utilization-focused conversation with USAID and other partners about reporting to develop reporting mechanisms that will be timely, relevant, and useful to them. They should discuss *which* reporting format(s) are most valuable, as well as *who* is responsible for reporting *what* information. For example, in addition to financial and performance data, the company may need to include a learning-focused narrative in their reports to USAID. At the very least, all partners should agree on the purpose of reporting and the level of detail partners should provide to USAID based on compliance requirements.



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