LEVERAGING GOVERNMENT PARTNERSHIPS FOR SCALED IMPACT

Innovation Investment Alliance, Skoll Foundation, and CASE at Duke
A Google search for “social enterprise” calls up over 400 million links. Indeed, there are hundreds of thousands of new ideas for mission-driven ventures emerging around the world. And there are some notable social enterprise organizations that have started to solve social and environmental problems at scale. What can we learn from the experiences of these organizations? Their hard-won lessons can benefit other social enterprises, funders, and the surrounding ecosystem.

Social enterprises often work on problems that are deeply entrenched, depend on cross-sector collaboration, and require multiple pathways to scale their impact and create systems-level change. The road to scaled impact is a nonlinear, complicated one. Along the way, the organizations have to overcome many challenges and roadblocks, including the following:

**Financing for Scale:** Determining which financing strategies best support their plan for impact at scale.

**Government Partnerships:** Effectively cultivating and managing partnerships with government and other actors in order to increase impact.

**Pathways to Scale:** Assessing which of the many pathways to scale will most efficiently and effectively drive towards their desired “end game.”

**Data:** Understanding how to best use data to drive performance and impact management and decision-making as they scale.

**Talent:** Defining the different talent strategies needed to identify, train, and retain the human capital needed for scale.

The Scaling Pathways Theme Studies Series dives into each of these topics in depth, bringing to light lessons learned by successful social enterprises that have navigated these challenges on the road to scaled impact.

The Scaling Pathways Series explores the strategies that leading social enterprises have taken to scale their social impact. The series includes Pivoting to Impact, highlighting critical lessons learned across geographies and sectors for enterprises and funders trying to unlock impact at scale; in-depth Case Studies, chronicling individual social enterprises’ scaling journeys; and Theme Studies, distilling insights and advice from a sample of social enterprises related to the five challenges outlined above. Find the full series at [www.scalingpathways.com](http://www.scalingpathways.com).

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As Roger Martin and Sally Osberg write in *Getting Beyond Better*, "Business innovation produces some kinds of transformation well, and government policy innovation does others. Each has limits. But many imperatives sit in the space between the two modes.” It is in this space that social enterprises and governments can leverage each other to dramatically accelerate the scale of impact.

For many social enterprises, partnering with government in some way is an essential strategy for achieving impact, especially when seeking systems-level change. Host-country governments (at the national, regional, and local levels), are a critical part of almost any impact ecosystem—from health to education to economic development and beyond. These governments have many unique assets including the following: networks or infrastructure that can reach citizens in great numbers and at economies of scale; decision-making authority over how resources (financial and beyond) are allocated over the long-term; and a deep understanding of community needs and context.

When global public health non-profit Partners In Health (PIH) began thinking about the long-term sustainability of its impact, it asked itself, “who can guarantee the right to healthcare in the long-term?” and recognized that government was the key stakeholder to help achieve this goal. From the government’s perspective, social enterprises can provide essential inputs: innovative ideas, “de-risking” a new approach, capacity for implementation, training and consulting expertise, and policy analysis.

Despite compelling reasons to pursue government partnerships to scale impact, there are, of course, trade-offs to understand and account for. Governments often have limited ability or appetite for experimentation and risk, due, in part, to the responsibilities of managing taxpayer dollars and/or working in under-resourced settings. Governments often proceed with longer timelines and slower, more complex processes due to diffusion of decision-making power and managing multiple constituencies. And, in situations in which the government adopts and implements a social enterprise’s model on a wide-scale, there are often implications for process and outcomes.

Luckily, the field now includes social enterprises that have worked with government partners in a number of ways and have navigated the associated opportunities and constraints. In this paper, we outline options that social enterprises might pursue for partnering with government and dive into the tactics of implementation based on the insights and experience of a sample of leading social enterprises (see Appendix A: Project Overview).

This paper is not intended to be a step-by-step guide, but rather a sharing of lessons learned and advice. While there are lessons herein that are relevant for many audiences (including governments involved in these partnerships), this paper is targeted primarily at social enterprises. Some of the advice may seem obvious, but our interviewees emphasized that even the most obvious steps are sometimes skipped. No matter where you are in the process, the strategies outlined here are critical for effectively leveraging government partnerships to achieve impact at scale.
EXECUTIVE SUMMARY

Using the perspectives and experience of some of the world’s leading social enterprises, this paper lays out key strategies and advice for ventures that are exploring, or already engaging in, government partnerships. As we heard time and again, there are no easy answers, no cookie-cutter approaches, and very few shortcuts to establishing strong and productive partnerships.

• Define goal(s) for government partnership. Common goals include the following: government clearing the path; government outsourcing to the enterprise; government adopting and implementing the solution; and government changing policy.

• Articulate social enterprise’s role(s) in achieving partnership goals. The most common roles social enterprises play cut across three broad categories: implementer, consultant/trainer, and systems advisor.

• Take the time to understand the context and critical stakeholders. Successful enterprises understood how to align with existing government priorities, worked across multiple levels of government, and identified other influencers.

• Build your own capacity—talent, funding, and systems—for long-term engagement. Enterprises must be prepared for a different type of engagement, often meaning hiring local talent and staff with partnership skills, seeking funders comfortable with risk, and building internal management systems.

In conducting our research, however, we identified key strategies that successful enterprises took in setting their visions, preparing their organizations, and building partnerships with government. Our interviewees’ advice to other social enterprises was twofold: 1) get on your mark (set a vision), get set (prepare), and go, and 2) stay the course—acknowledge that it is a marathon, not a sprint, so don’t give up when the path inevitably takes a turn or when you struggle to get one foot in front of the other.

ON YOUR MARK
Set a vision for government partnership
As a first step, social enterprises must set a vision for engaging with government. What role do you see government playing in the solution? What role can you play? Strategies include:

• Define goal(s) for government partnership. Common goals include the following: government clearing the path; government outsourcing to the enterprise; government adopting and implementing the solution; and government changing policy.

• Articulate social enterprise’s role(s) in achieving partnership goals. The most common roles social enterprises play cut across three broad categories: implementer, consultant/trainer, and systems advisor.

GET SET
Prepare for productive, long-term engagement
Partnering with government can be challenging and requires significant investment of time and resources. Therefore, it is important to prepare for the marathon before you take off. Strategies include:

• Take the time to understand the context and critical stakeholders. Successful enterprises understood how to align with existing government priorities, worked across multiple levels of government, and identified other influencers.

• Build your own capacity—talent, funding, and systems—for long-term engagement. Enterprises must be prepared for a different type of engagement, often meaning hiring local talent and staff with partnership skills, seeking funders comfortable with risk, and building internal management systems.
The paper also includes: advice to common “what if?” questions; key takeaways for entrepreneurs (in the form of a checklist); funder implications (the donor/funder/investor’s takeaways for supporting government partnerships); and brief descriptions of the government partnership evolutions of the organizations highlighted within.

We acknowledge that this Leveraging Government Partnerships for Scaled Impact theme study in the Scaling Pathways series is yet another chapter in a story that will continue to be written by the intense experimentation that undergirds the global field of social entrepreneurship. We look forward to sharing what enterprises are learning every day in the trenches in forms that make the lessons more easily shared, tested, and refined.

Methodology in Brief

The lessons and advice in this paper are driven by the experiences of leading social enterprises and funders focused on scaling impact. In developing this paper, the Scaling Pathways team did the following:

- Conducted literature reviews and analyses.
- Interviewed and included examples from eleven leading nonprofit or hybrid social enterprises, identified by Skoll Foundation, USAID, and Mercy Corps as having relevant and broadly applicable lessons.
- Surveyed 100+ social enterprises within the Skoll Foundation and USAID portfolios.
- Surfed key lessons learned and advice from focus groups and interviews with major funders.

For more information about the methodology, see Appendix A. For descriptions of social enterprises referenced, see Appendix B.
ON YOUR MARK
Set a vision for government partnership

As a first step, it is critical for social enterprises to set their vision for engaging with government. What role do they see government playing in the ultimate solution? What role can they play that will help the partnership succeed? Setting this vision is a critical step before an enterprise can get ready for government partnership, implement tactics, and manage the inevitable “what if’s.”

In order to leverage government’s unique assets, social enterprises must clearly define their goals for partnership, i.e., the role they envision government playing to achieve the vision of scale. Our interviewees shared a spectrum of goals that they pursue with host-country government partners, which fit largely into four categories, as outlined below. Of note, the idea of government as a provider of capital did not surface as a goal in and of itself but, rather, as a potential input that can occur throughout almost any category. The framework below, like the others throughout this paper, is not intended to be exhaustive or definitive but to provide the most common options as articulated by interviewees.

In that vein, the boundaries between these goals are blurry, and the pursuit of one over another often continues to evolve as enterprises evolve. In fact, many social enterprises eventually pursue multiple goals simultaneously: notably, 100 percent of the enterprises in our survey reported that they are currently working toward multiple partnership goals.

Potential Government Partnership Goals for Social Enterprises

<table>
<thead>
<tr>
<th>Goal</th>
<th>Description</th>
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<tbody>
<tr>
<td>Clear the Path</td>
<td>Enterprise directly implements its product/service, engaging with government to seek informal permission and/or avoid potential barriers.</td>
</tr>
<tr>
<td>Outsource</td>
<td>Enterprise directly provides a service/product—either through a government contract or by leveraging government resources/infrastructure.</td>
</tr>
<tr>
<td>Adopt</td>
<td>Enterprise works to transfer management/implementation of solution to a government partner—either fully or partially (with enterprise maintaining a role).</td>
</tr>
<tr>
<td>Change Policy</td>
<td>Enterprise influences the way government approaches or implements policy, allocates resources, and/or structures regulations.</td>
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**CLEAR THE PATH:** Enterprise directly implements its own product/service, engaging with government to seek informal permission and/or avoid potential barriers.

<table>
<thead>
<tr>
<th>Key Features…</th>
<th>Most Common When…</th>
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<tbody>
<tr>
<td>• Informal relationship with government with low level of effort and intensity.</td>
<td>• Government does not (and is not envisioned to) play a deep role in the sector or path to scale.</td>
</tr>
<tr>
<td>• Mostly transactional (i.e., gaining permits, licenses, or informal permission to operate).</td>
<td>• Enterprise wants/needs close control of implementation (and potentially IP).</td>
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<tr>
<td>• Social enterprise maintaining control of implementation.</td>
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*Example:* Clearing the path is often about cost or barrier avoidance, e.g., social enterprises engaging with government simply to get needed permits, tax exemptions, business license/registrations, or customs designations. Although this is a largely transactional relationship, it can be critical. We heard of one organization having its product locked up in customs for more than six months because the host-country government deemed that it did not have the right certifications in place. Clearing the path can also be about a more proactive approach to receiving “permission to operate” in a certain location—stopping short of a formal endorsement or active support. MyAgro CEO and Founder, Anushka Ratnayake, spoke of always “seeking permission” from local government officials before beginning work in a new region, but not immediately formalizing this partnership. MyAgro meets with village chiefs, mayors, and regional government representatives (e.g., regional agriculture or social development officers) to explain its work, make introductions, and ensure that these important local leaders feel a part of the solution (even ensuring that its demo days are hosted at the mayor’s office, as possible).

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**OUTSOURCE:** Government outsources to the social enterprise to deliver a product or service—either through a fee-for-service/product government contract or by allowing the enterprise to leverage government resources/infrastructure for implementation.

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<tr>
<th>Key Features…</th>
<th>Most Common When…</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Formalized relationship with government.</td>
<td>• Complex solutions requiring tighter control by enterprise.</td>
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<tr>
<td>• Social enterprise controlling direct implementation.</td>
<td>• Enterprise is interested in protecting intellectual property (often for-profit enterprises).</td>
</tr>
<tr>
<td>• Government generally providing resources, which may include financial resources (through fee-for-service/product contracts) or infrastructure that the enterprise can leverage.</td>
<td>• Enterprise is providing a service/product that the government does not have the capacity to directly implement.</td>
</tr>
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</table>

*Example:* Outsourcing relationships can look like a typical vendor/vendee relationship in which the government pays an organization to provide a product or service. For example, the California Department of Social Services contracted Code for America to deliver and scale the GetCalFresh program, which improves Californians’ ability to effectively and efficiently access the statewide Food Stamps program. Outsourcing can also include partnerships in which government is not paying or implementing, but is providing a platform for the social enterprise to deliver a product/service that supplements government’s own service provision—either through enabling direct delivery or by formally endorsing a product/service. For example, mothers2mothers in South Africa provides trained “Mentor Mothers” who work within communities and low capacity public health clinics to ensure that women receive important HIV-related health advice and medications. The Mentor Mothers are managed by mothers2mothers, but are able to use government facilities as a platform for program implementation. Unlike social enterprises pursuing the goal of clearing the path, outsourcing is a more formal engagement which includes endorsement and approval from government and often integration of the enterprises’ work within existing government systems or infrastructure.
A DOPT: Government takes on management/implementation of the solution—either fully or partially.

**Key Features...**
- Enterprise serving as adviser and often having had a direct implementation role to add to its credibility.
- Based on rigorous data, track record, and/or experience.
- Enterprise often seeking other end goals concurrently with Policy Change.

**Most Common When...**
- Government is motivated and has capacity to make systems changes.
- Enterprises, in later stages of implementation, are bringing deep technical expertise, ideally from that country/region or from similar work in other countries.

**Example:** Social enterprises may try to influence government to change policies and prioritize an issue at an institutional level; help government develop a strategy or national guidelines around a specific issue; and/or advise on allocation of budget. For example, an important part of education non-profit Pratham’s work is influencing governments in India to shift their focus in educational programming from increasing enrollment to learning outcomes. In part due to Pratham’s evidence of impact, compelling data, and advocacy efforts, in 2012 India’s erstwhile Planning Commission came out with a learning outcome policy for the country’s 12th Five-year Plan. The following year, the central government’s education department issued guidelines in line with the core of Pratham’s methodology. These guidelines have since been actioned by several state governments in the country and has driven traffic to Pratham as a key government partner.
Social enterprises can play many important roles as they work to achieve the government partnership goals described above. Although there are no simple formulas to determine which roles to play, the most common roles appear below under three broad categories: Implementer, Consultant/Trainer, and Systems Advisor. This framework is not meant to be exhaustive but can help leadership teams think through the roles their organizations can play now and over time.

**Common Social Enterprise Roles Within Government Partnerships**

<table>
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<tr>
<th>Implementer</th>
<th>Consultant/Trainer</th>
<th>Systems Advisor*</th>
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| **Fee-for-Service/Product:** Engages in a contractual fee-for-service/product relationship with government.  
   *E.g.*, Code for America entered into a multi-million dollar contract with the California Department of Social Services to deliver and scale the GetCalFresh program. | **Material/Tool Creation:** Creates materials and tools for government delivery of programming.  
   *E.g.*, Educate Girls supports effective teaching practices by providing Creative Learning and Teaching toolkits to teachers, helping them shift away from rote learning to more activity-based learning. | **Policy & Regulations:** Advises government on policy or regulatory changes that will improve enabling environment within target sector and population.  
   *E.g.*, Build Change worked with Nepal’s National Reconstruction Authority to approve Build Change’s retrofitting type design, resulting in retrofitting becoming an option (at scale) for homeowners. |
| **Supplemental Staff:** Provides additional staffing for government to increase its capacity to execute work.  
   *E.g.*, When Partners In Health was invited to Liberia during the Ebola crisis, it seconded staff to the national Ministry of Health to provide additional capacity. | **Training Programs:** Provides training programs to support government programs.  
   *E.g.*, In Brazil, Imazon shares its forest management system with local governments and spends time training them on its use. | **Resource Allocation:** Advises government in prioritization of issue area and associated budget allocation.  
   *E.g.*, Through Water & Sanitation for the Urban Poor (WSUP)’s work improving water and sanitation services for low-income urban communities, it de-risks investments from the public sector into these programs and helps to advise on strategic allocation of resources. |
| **Complementary Implementation:** Implements programs outside of, but complementing, formal government structure.  
   *E.g.*, With the consent of local government officials and in compliance with local regulations, myAgro creates and implements programs to support smallholder farmers in financing their needed crop inputs. | **Programmatic Technical Assistance:** Consults and advises on program development and execution.  
   *E.g.*, Across Latin America, Fundación Capital collaborates with the government partners responsible for social and financial inclusion to advise and enhance the design, measurement, and scale-up of their conditional cash transfer programs. | **Fundraising:** Advocates to secure external funds for government programs.  
   *E.g.*, VillageReach recognized that it was critical that the Health Center by Phone number be toll-free to the government in order to scale, and secured a commitment from the national corporate telecommunications provider to underwrite the cost. |
| **Shared Implementation:** Continues some direct implementation (for iteration and refinement) while government manages bulk of implementation.  
   *E.g.*, While Pratham trains and empowers government partners across India to incorporate its methodology into India’s schools, Pratham also maintains direct implementation sites to continue to demonstrate, innovate, and venture into new offerings. | **Monitoring:** Conducts program monitoring to track implementation and quality, and support improvement.  
   *E.g.*, In collaboration with the Liberian Ministry of Health, Last Mile Health developed and supports the execution of the Implementation Fidelity Initiative, ensuring timely data on Community Health Assistant program quality. | *While roles in each category can have systems-change orientations, those under Systems Advisor focus on high-level systems in-country as a default.* |

Of course, these roles will evolve over time. For example, Last Mile Health has always maintained its focus on provision of quality health care to people with limited access, but its roles have evolved to include supplemental staffing, direct implementation, training programs for Community Health Workers, and, finally, advocating for national workforce policies. (To learn more about the evolution of select organizations’ government partnerships, see Appendix B).

The most effective social enterprises will look at the whole system and see which roles they and other partners need to take on to fill in the missing puzzle pieces that will lead to systems change. Jennifer Pahlka, Founder and Executive Director of Code for America, articulated this point when she said, “*If we’re building bikes, but we are only making the frames and wheels—well, then we don’t have bikes.*” Similarly, VillageReach’s Emily Bancroft summed up their approach, saying, “*We were so stuck on the VillageReach ‘model’ at one time, but when working with governments it’s more about getting into the system and moving the right levers to get the change you want to see.*”
GET SET
Prepare for productive, long-term engagement

As with all partnerships, partnering with government can be challenging and can require a significant investment of time and resources. Before diving in, social enterprises should take the time to understand the government ecosystem and build their own capacity to engage over the long timelines that government partnerships often require.

STRATEGY 3: Take the time to understand the context and critical stakeholders

While it may seem obvious, entrepreneurs tell us that not everyone fully appreciates the importance of understanding context—and that a misunderstanding can result in costly missteps. Social enterprises should map the ecosystem\(^{10}\) to truly understand the context, existing status quo,\(^{11}\) government priorities, and stakeholders before diving into government partnerships.

Advice from the field to understand the context and critical stakeholders:

**Understand—and align with—existing government priorities.**
Many governments have detailed strategy documents outlining their priority investments of time and resources. Donors to those governments also create their own aligned strategy documents (e.g., USAID Missions have a Country Development Cooperation Strategy, which aligns the Mission’s investments and approach within the government strategy). Social enterprises should understand these priorities and articulate how their work aligns and contributes. In the words of WSUP Advisory’s India Country Program Manager, Akhilesh Gautam, “You are there to help [the government partner] and to succeed in their program.”

**Balance needs of multiple levels of government.**
When engaging in government partnerships, should social enterprises work with government at the national level, local level, or somewhere in between? The response from our interviewees was emphatic but ambiguous: “pick one, but do all.” Bancroft, President of VillageReach, noted that “there is not a wrong place to start. It’s all about what you can do, timing, and resources. Obviously [social enterprises] want Ministry of Health or Presidential sign-off—which might make scale go a little faster—but that’s not the usual way.” Given that high-level sign-off is not often the case, VillageReach typically invests its time building relationships with government at the local level, while also developing steering committees or advisory groups to keep regional or national bodies engaged and informed. WSUP Advisory was in the enviable position to begin its water, sanitation, and hygiene work in India under the Government of India’s national mandate to make India “open defecation free” by 2019. Although entering at the national level, WSUP recognized that it needed to demonstrate the effectiveness of its approach and build credibility at the local level—so it began direct implementation work in the city of Visakhapatnam (Vizag) in Andhra Pradesh state. In Build Change’s case, it discovered that key decisions affecting its prevention and reconstruction work with homeowners existed at multiple levels: national level for building code changes, city level for budgets, and municipal level for permits.

**Identify other important influencers of government.**
It is critical for social enterprises to identify other organizations—either based in-country or with a global role—that have a vested interest or have the government partner’s ear. For example, a USAID-funded global health venture was pursuing its maternal health program with the cooperation of the local government authority, when it ran into unexpected pushback from the country’s Anesthesia Societies. It realized that the anesthesia community played a key advocacy role in garnering political will with the government and hospitals and that leaving them out of the conversation had been a mistake. In another example, Build Change made a strategic decision to influence the World Bank on the importance of pre-disaster prevention with resilient housing; the World Bank provides many countries with significant loan capital to support homeowner subsidies. After a significant advocacy effort, Build Change reported that the World Bank is now in discussions about housing improvement programs with at least eight country governments.

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\(^{10}\) 89% respondents report engaging with all levels of government. Of those respondents partnering with government, 89 percent report engaging in some way (i.e., always, often, or sometimes) with all levels of government: national, regional/provincial, district, and sub-district. When asked which level they generally begin with in a new country, 53 percent reported entering at the national level. Forty-two percent reported “it depends,” but these respondents often noted a national-level (or regional/state level in larger countries) invitation or connection alongside engagement taking place at lower levels.
Developing and maintaining government partnerships is resource intensive, so social enterprises need to ensure the right mix of talent, systems, and funding to make the long-term commitment required.

Advice from the field for building capacity to partner with government:

**Leverage local talent.**
Over and over again, interviewees spoke about the criticality of leveraging local talent, since local talent may already have experience working in and with government, may bring existing relationships to the table, and may afford initial credibility because they are not viewed as outsiders. Robert Martin, Associate Consultant, and Akhilesh Gautam, Country Programme Director, underscored this point in sharing WSUP’s experience entering India. WSUP initially planned to bring in an expatriate with extensive technical expertise. In retrospect, it realized that it was much more important to have someone who knew how to get things done within the Government of India. As Martin said, “You can always bring in additional technical expertise from international sources—that is often welcomed. But the leadership and knowledge about how to get things done must be local.”

**Hire for partnership-building skills, not just technical or management expertise.**
Sharath Javeen, founder and CEO of STIR Education, wrote, “As social entrepreneurs, we tend to focus obsessively on our innovations, and neglect whether we’ve built the core competencies that will give us a realistic chance to support a government scale up of what we do.” His point was emphasized by many of the interviewees, including Elizabeth Hausler who noted critical partnership skills that Build Change seeks: “[We need people that] have a wisdom. They are not early in their careers, and understand how to move around things, deal with corruption, etc. They trust Build Change and are able to be candid with us. They must be good communicators and get things done, not ‘used car salesmen’ blowing hot air. They are connected to the right people at the right level.” Social enterprises also need to think about how those core skills change depending on the government partnership goals they seek. For example, advocating for policy change requires different skills than the direct engagement required when pursuing adoption with shared implementation. As Bancroft from VillageReach noted, “we had to shift from hiring the ‘do-er’ to more of a ‘consultant background’ as we moved beyond direct implementation to technical assistance.”

**Seek funders that understand risks and flexibility needed for government partnerships.**
When it comes to funders, Partners In Health has had success with individuals who ‘get it’ due to their experience working with similarly complex challenges or with private foundations who see the long game and can plan for it. WSUP recommends seeking funders who will support a flexible partnership scoping phase, within which the social enterprise and government partner can gain better clarity on scope, roles, timelines, and outcomes. Government itself may be a source of funding but may not be the most appropriate source in early stages. Code for America (CFA) secures philanthropic funding to support the initial stages of the product development lifecycle, even when government partners may actually have applicable budget lines. CFA has recognized that government procurement processes and vendor contracts come with certain restrictions that do not allow it to work in its preferred ways (i.e., across departmental siloes and with a user-centered approach) to achieve its impact goals.

**Build internal systems to accommodate partnership needs.**
As social enterprises work towards government partnerships, they must build their internal systems to be able to support the needs and constraints of these partners. For example, data management systems that have been sufficient for solo endeavors may require new elements to meet government partner expectations, such as access to data in real-time and user-friendly formats (e.g., dashboards) to allow government to respond to internal inquiries. The enterprise may need to ensure compliance with certain government standards and may need to update its accounting systems and transparency as a result. If the enterprise contracts directly with government, it must anticipate delays in government disbursements and ensure sufficient cash-on-hand and liquidity to withstand these delays. This may entail taking on working capital debt from low-cost providers, building up a strong base of unrestricted funding, or diversifying funding sources as WSUP did to smooth out its initial cash flows.”
GO: Take off, using techniques to build effective partnerships

Once you have your vision and are ready to partner with government, how do you actually go about engaging in an effective way?

While all enterprises we interviewed were adamant that there is no cookie-cutter approach to engaging governments, they did share a number of common strategies and pieces of advice. Strategies include determining the extent of government involvement as the enterprise develops its solution; identifying the types and levels of evidence needed for government buy-in; finding and cultivating those individuals in government who can champion the desired solution; and demonstrating true partnership to build a strong foundation of trust.

Interviewees also noted the unique scenarios they face working with governments in the countries they serve, sharing strategies for staying clear of the political fray and for ensuring that the government is able to maintain quality of impact over time—particularly when pursuing the Adopt goal with partners.

STRATEGY 5: Determine whether to “Build First” or “Build Together”

The organizations interviewed for this paper adopted a variety of approaches for when they engaged government in the solution. At the extremes are two approaches:

1) Build First, by developing and proving a model first and then bringing it to government for consideration and
2) Build Together, alongside government.

While few enterprises exist on either extreme of the spectrum (see graph on page 12), this framework can help enterprises think more intentionally about their approach and related implications for strategy.

The table on the following page outlines general attributes of each approach.

RUKMINI BANJERI, CEO of Pratham, spoke about the importance of flexibility in your engagement with government on your product or service:

“If you have something that is very rigid, it makes working with government systems hard. If you are prescribing what should be done exactly, it may or may not survive within the system. There will be a lack of ownership. You need to be sure there is flexibility to align with different systems, but to also stay within core principles.”
**THE APPROACH**

**Build First**
Social enterprise develops and refines a model or approach through direct implementation and testing. Gathers sufficient evidence to demonstrate that the model works and can be scaled, and brings it to government to propose partnership.

**Build Together**
Co-creation in which social enterprise engages government in the early stages of the design and both parties contribute to design, testing, and implementation.

**GENERALLY MOST APPROPRIATE FOR...**

**Build First**
- Venture start-up phase, when first developing and testing solution.
- When government is contracting for a product, service, or solution.
- When testing a new product, service, or approach in a context without existing government partnership or with little government capacity.

**Build Together**
- Organizations entering new countries but building on a portfolio of work with governments in different contexts.
- When launching new products, services, or approaches within context of existing government partnerships.

**EXAMPLE**

When Pratham initially developed its Read India program, it designed and tested its solution independent of government (although with light government engagement and the go-ahead to implement in government schools).

Pratham staff and volunteers implemented the model and gathered sufficient evidence (including through randomized control trials) to gain buy-in from the government and see adoption at a larger scale.

Fundación Capital takes a strong Build Together approach to developing new products/services. When designing any new solution, such as its LISTA (which in Spanish stands for Achieving Inclusion through Technology and Savings) Initiative, it aims to identify a government partner with whom it can co-design and co-implement from the very beginning.

It adopts a similar approach when entering new countries, engaging governments to uncover challenge areas and jointly identifying how Fundación Capital can help co-design solutions.

**COMMON PROS & CONS**

**Pros**
- More room for experimentation and risk-taking.
- Quicker (at the pace of the enterprise) mobility and adaptation.
- Tighter control, providing opportunity for more rigorous testing.

**Cons**
- May be less aware of nuanced government needs.
- Solution may be viewed as too disruptive by government.
- Can be seen as too much of an ‘outsider.’
- Government can act as roadblock if lack of formal engagement is perceived as an affront.

**Pros**
- Shared ownership leading to more durable and sustainable solutions.
- End-product aligned with all stakeholders’ needs.
- Stronger understanding of government needs and operational nuances.

**Cons**
- Often moves forward at a slower pace.
- Often need some level of reputation or prior evidence to convince government to engage.
- May be difficult to move too far away from existing approaches, given perceived risk.
Spectrum of Build First - Build Together Approaches, as reported in survey

Graph represents responses to survey question: “When do you typically engage in government partnerships in your process of product/service development? Choose the place on the spectrum that best represents your typical process.”

Advice from the field for determining whether to Build First or Build Together:

**Align with the proposed government partnership goal.**
The majority of organizations we interviewed who were pursuing the Adopt end game took a Build Together approach to build ownership and ensure solution alignment with government systems and motivations. On the other hand, most organizations that seek to Outsource should expect to Build First. Governments are more likely to expect proven models with strong evidence and model fidelity at scale when they are contracting for a specific solution.

**Consider whether the enterprise needs ownership and credit.**
In order to truly Build Together with government, it is often necessary for social enterprises to give up some degree of control and credit. Said Lisha McCormick, Chief Operating Officer of Last Mile Health, “An organization’s approach needs to align with its values and personality. We aim to support from behind and enable the government to take credit for its programming.” Some organizations are constrained in their ability to Build Together for a variety of reasons, such as a greater need for control or ownership of the implementation (to test variables, prove impact, etc.) or a need to more effectively measure and take credit for impact due to fundraising or brand-building.

**Balance 'soft engagement' and formal engagement for Build First.**
Organizations we interviewed that took a Build First approach often found opportunities for initial ‘soft engagement’ with government—even when they are not formally engaging government in pilots or initial implementation. For example, VillageReach finds ways to keep government interests and needs top-of-mind as it pilots new solutions. At the initial stages of VillageReach’s Health Centre by Phone initiative in Malawi, it recognized that even though the Minister of Health was very supportive of the idea, it was not yet at a stage where it was reasonable to have the national government actually partner on the pilot. The district health team in the pilot district was the initial key government partner. At the same time, VillageReach set up a project advisory committee that included key voices from the national government to provide formal input and initial approval of the pilot project. Although VillageReach did not ask for much from the advisory committee, it regularly reported to this group—which proved to be an effective way to develop the model with an eye to the needs of its potential future government partners.

This approach of light engagement has also paid off for Code for America. Initially, its GetCalFresh program was what Founder and Executive Director, Jennifer Pahlka, calls a bit of a “rogue” project, not formally sanctioned by the State of California. “We had enough trust built up with the counties and the State of California that they let us run it at an arm’s length and watched it but did not shut it down. When they could see that, in the counties where we were operating, we were starting to get better outcomes, the State came to us and said we want you to do this everywhere—which is when we asked them to pay us.”
Evidence of impact is critical for all social enterprises and becomes a foundation for engaging with governments. Virtually all of the organizations interviewed had some evidence in place before they engaged government in a meaningful way.

**Advice from the field for determining evidence needed:**

**Realize that impact evidence is important, but not sufficient, for partnering with government.** Often, social enterprises focus on impact evidence: what outputs and outcomes am I delivering? Does my model create more impact than alternatives? For example, Evidence Action’s work to provide access to safe water through the use of chlorine dispensers is based on a rigorous randomized control trial and Evidence Action continues to invest in systems focused on measuring the inputs, outputs, and outcomes of its work. This impact-related evidence is critical for any social enterprise’s work, but, according to interviewees, may not suffice for government partnerships. McCormick of Last Mile Health also stressed the importance of cost data: “I think a lot of the way that evidence has been gathered and generated hasn’t necessarily been the exact type of information that governments want, particularly when they are looking to inform policy cycles or how a program is going to be operationalized. ... In my experience, speaking with Ministry of Health or Finance officials, what they want to know is how you do it and how much it costs.” Additionally, government partners will often look for the track-record of working with government, evidence of strong organizational reputation, and potential for model fidelity at scale. When building such an evidence base through a pilot or direct implementation, USAID’s Lanakila (Ku) McMahan of the Securing Water for Food Team cautioned that enterprises need to ensure they are gathering evidence at a sufficient scale to be relevant for government.

**Understand that evidence needs often become more complex at later stages of implementation.** In Last Mile Health’s experience, government’s evidence expectations depend on the stage of implementation and of the partnership. During a pilot stage, government may be satisfied with basic, generalizable output data. McCormick noted, “We launched our pilot in one district and were able to say to the government that our improvement rates [for immunizations] were now at nearly 98 percent ... and government took notice of that.” The data was not collected through a controlled experiment but was still compelling for the government partner given Last Mile Health’s methodology and the impressive change in coverage. Over time, as there is deeper engagement or need to work with higher levels of government, evidence needs become more complex. As Last Mile Health has engaged in later-stage, larger-scale implementation with government, more detailed studies with a focus on cost-effectiveness and more frequent data collection and feedback loops have been necessary. The organization focuses on research that can provide timely information to guide program development and ensure program quality at scale, while also doing its own pre- and post-intervention tracking. For other organizations, this step may include leveraging existing studies and using methodologies that are more in line with the data needs and timelines of the organization (as opposed to a randomized-control trial).

**Keep an eye out for evidence expectations of other donors.** Government’s evidence expectations may also be influenced by the reporting requirements of its major donors, especially in more donor-dependent countries. Several interviewees spoke of engaging with key donors/financers such as the World Bank, Global Fund, and the United Kingdom’s Department for International Development to understand their key metrics and the level of evidence required. The enterprise can then build evidence that is aligned to both government and donor needs, setting the enterprise/government partnership up to deliver on donor expectations, ensuring that funds continue to be allocated toward the issue area or program, and building an evidence base for future funding—both in that country and, potentially, in others.
Leverage relationships and reputation to reduce need for additional context-specific evidence at the outset.

Past evidence of successful work with government and a sense of trust can reduce the burden of context-specific evidence required to begin a new partnership. When Fundación Capital first pitched the idea of creating a digital tool to increase the financial capabilities of cash transfer recipients to the Colombian government, it had little proof of this new approach and knew the government had no reason to believe it would work. What tipped the government to engage was the positive experience the government had in working with Fundación Capital previously. With that trust, Fundación Capital successfully piloted the LISTA Initiative hand-in-hand with the government. It generated rigorous evidence, following a few years of iteration, which further supported the scale-up. When entering a new country, Partners In Health had always built evidence through direct implementation in-country and then brought this evidence to government to gain buy-in. However, one week into working in Liberia, PIH was invited to meet with the Minister of Health because he had recently completed a study tour in Rwanda and seen their work in action there. Without treating any patients in Liberia, PIH was already seen as a trusted potential partner for the government because of the strong international reputation it had built.

In large, complex institutions with broad mandates, such as government, ideas can easily be lost without a champion—an individual with influence and commitment—to elevate them and move them through the system. Interviewees emphasized the importance of identifying and cultivating these champions—but also warned of the fragility of individual relationships given high levels of turnover.

**Advice from the field on finding and cultivating the right champions:**

**Connect through existing, embedded partners.**

When new to a country or region, identify existing organizations—NGOs, donor governments (such as USAID), or private sector partners—in that location that can help explain the context, regulatory environment, government priorities, and key decision-makers and make connections. When Partners In Health entered Liberia during the 2014 Ebola crisis, it had not worked previously in the country. So PIH looked to its long-standing partnership with Last Mile Health to engender trust with the government. PIH worked closely with LMH’s Liberia team to understand the country context, allowing the organization to quickly mobilize and respond to the crisis.

**Cultivate champions interested in the iteration process.**

We heard from many enterprises that you rarely go in knowing exactly what the solution will be and that solutions will evolve as you implement them. Therefore, finding champions in the government who are interested in the iteration process is important—but takes intentional effort up front. VillageReach, along with other collaborators, was testing the efficacy of using unmanned aerial vehicles (UAVs) in Malawi to deliver health commodities. In one test flight, the UAV crashed. While the government partners could have easily shut down the program because it was too high risk, they instead sat down with VillageReach and other collaborators to learn and iterate for the future (see box below).

**Cultivating Champions for an Unmanned Aerial Vehicle (UAV) Project:**

VillageReach invested a significant amount of time bringing together people who were clear on the vision and risks of the UAV project. Factors key to this approach included:

1. Engaging government and partners from the beginning, allowing them to be more informed and engaged champions.
2. Clearly articulating that the undertaking was a study to better understand operational efficiency and impact and included a safety and emergency protocol.
3. Including a variety of government stakeholders—not only the Ministry of Health but also regulatory bodies, such as Civil Aviation and the Department of Defense.
4. Engaging Ministry of Health officials as co-investigators on the study.

As a result, there was significant ownership of the work within the MoH and the Steering Committee, a clear understanding that this was a study with potential operational risk, established trust among partners, and a transparent process around addressing and reporting on any issues that arose during the study.
“What surprised me the most about government partnerships? … The willingness and ability of transformational leaders (whether mayor or minister or other) … to challenge the status quo when they can envision a different and better future for their citizens.”

SURVEY RESPONDENT

Ensure personal relationships become institutionalized.
Many times the relationship between the social enterprise and the government is initially a personal one, e.g., between a founder and a particular minister. In order to sustain staffing and regime changes, however, it is important that these relationships become institutionalized by engaging other government representatives, negotiating letters of intent, or signing MOUs or contracts.

Decrease the (physical) distance between potential champions and solutions. Make it easy for potential champions to see, hear, and experience solutions by bringing them into close proximity with the work. When trying to engage the interest of senior state officials for its education program, Pratham conducted its demo close to the state capital so the officials would see what was happening “right under their noses.”17 Last Mile Health co-locates its county-level offices with the county government health teams to ensure constant communication and flow of ideas. Fundación Capital takes senior officials to visit projects in other countries and meet with policymaker peers, which helps to ensure buy-in to the work.

STRATEGY 8: Demonstrate true partnership with listening, humility, and respect

One of the loudest messages we heard was the importance of approaching government partnerships with an open mind, respect, and humility. Interviewees had witnessed too many instances in which this was not the case (leading to negative outcomes) and had many experiences where they learned a tremendous amount from government partners (leading to better outcomes).

Advice from the field on demonstrating true partnership with government counterparts:

Demonstrate authentic respect and humility.
When Code for America first began its work bringing user-centered design and technology to government-run programs, it inadvertently brought some tech industry arrogance about how it could “fix government.” CFA quickly recognized the unproductive nature of this attitude and developed an incredible respect for the public servants with whom it worked. It recognized that it was learning an invaluable amount from these individuals and that the best results came from working together with mutual respect. Pahlka, of Code for America, advises, “If you are newer to working in the government space, it’s easy to dismiss them as big and bureaucratic. But go in with an open mind and be prepared to learn about your own work as well. Treat people with respect and understanding; they know a lot of things you don’t know and people can smell that authenticity.”

Communicate regularly—don’t just call when you need something.
Ana Pantelic, Chief Strategy Officer of Fundación Capital, made the point that if you want to build effective relationships, you cannot call people only when you need something from them. The Fundación Capital team takes the time to understand its partners’ needs and strives to add value by understanding the government’s own priorities and interests. This can be as simple as emailing an article of interest or inviting someone to an upcoming conference. The continued engagement not only builds a stronger connection but helps the enterprise continually learn from its government counterparts.

“Nearly 80% of survey respondents reported communicating with government at least several times per month; 16% reported communicating daily.”

Nearly 80% of survey respondents reported communicating with government at least several times per month; 16% reported communicating daily.
STRATEGY 9: **Proactively manage—or avoid—politics**

One concern we often hear from those who are considering engaging with governments is the risk of getting caught up in potentially contentious politics. But the enterprises with whom we spoke found a number of ways to focus on their technical work, maintain a variety of relationships throughout the government, and spread their risk.

**Advice from the field on proactively managing—or avoiding—politics:**

**Ensure strong relationships with civil servants and technical experts (i.e., those who will remain when political parties change).**

The enterprises we interviewed reiterated the importance of building relationships beyond those individuals associated with a particular party. Elected and appointed officials are important leaders to engage due to their decision-making power and influence, but technical experts and lower level staff are more likely to weather elections and party transitions. One of Fundación Capital’s strategies is to be sure to invite a technical person—in addition to the higher-level policy maker, such as a minister—to events or trainings. Code for America, like most social enterprises, tries not to be associated with any one party. It works hard to get people with different political ideologies on board, with the core belief that everyone can get behind a solution that provides better service at a lower cost.

**Spread out risk.**

Risk is inherent in government partnerships as political parties or the political climate may change and/or governments may experience instability. If possible, social enterprises can spread out their risk by, as Hausler of Build Change said, not having “all eggs in one basket.” She spoke of running programs in multiple countries because disruptions can occur at any time, such as when the President of Guatemala was imprisoned while Build Change was implementing work with that government. MyAgro’s Ratnayake shared her experience of piloting their model in Mali, where major political unrest ensued before they had replicated the model in any other country. MyAgro quickly identified a nearby country with similar demographics where it could initiate an additional pilot, so as to continue learning while building the model.

**Be wary of promises made before an election.**

One interviewee shared a warning about promises made by government officials ahead of an election. Ventures should be wary about these promises—often made to rally voters—as these often do not come to fruition, especially in the absence of MOUs or more formal agreements. Additionally, ventures should be aware of—and transparently communicate with funders about—implementation and sales slow-downs common in the months before, during, and immediately after election cycles.

STRATEGY 10: **Help maintain quality of impact over time**

Many enterprises struggle with how to help their government counterparts maintain quality of programs over time—particularly when driving towards government adoption and implementation of programs. As CEO Rukmini Banerji of Pratham warns, comparing results of its own directly controlled implementation to results from scaled government-controlled implementation is like “comparing apples to oranges.” Pratham recognizes that as its program is scaled it will potentially reach more difficult-to-serve districts that often have lower baselines. In addition, the programs will be managed by partners with more limited bandwidth. Within this reality, Pratham works hard to maintain results through indirect implementation by working with partners at each stage to adapt and adjust—a process it calls dynamic program design. The enterprises we interviewed spoke of a number of strategies to ensure continued quality implementation and results over the long-term, from creating easily adoptable solutions, to building human capital capacity within the government, to developing monitoring tools.
Advice from the field on maintaining quality of impact over time:

Break the solution down into small, achievable steps—especially when moving toward government adoption.

Pratham thought extensively about how to ensure that its education solution could be scaled throughout India, recognizing that ensuring scalability and quality would require it to be broken down into small, easy-to-follow steps. In the Brookings’ Read India case study, “[CEO] Banerji explained that Read India was really about breaking down the learning process into simple steps that an ordinary person could follow.” Pratham’s commitment to creating small, doable steps would also help government partners to envision how the program could be implemented within the existing infrastructure, without significant additional investment required. Some solutions are inherently more complex and are unlikely to ever be boiled down to small steps—in which case ongoing technical assistance and support will likely be critical to success.

Identify the human resource needs and create a roadmap to address them.

As enterprises engage government more directly, and especially as they move toward government adoption or implementation of a program, they report struggling with a lack of government capacity (e.g., limited staff bandwidth and/or limited relevant training)—which often leads to decreased quality of implementation. Facing this challenge, VillageReach saw the need to move beyond breaking the solution into small steps and invested time in creating a toolkit to guide the human capital and process aspects of program transfer to government partners (see sidebar). VillageReach also recognized the benefit of seconding staff (i.e., temporarily assigning them) to a government office to help move the process along, including championing the solution framework and identifying the right people to take activities forward. Bancroft believes that secondments can be effective but must be set up in the right way: “The risk is that the secondee is just another body to do the work, but the role needs to be focused on getting the right people to take on the right pieces. The secondee must have the right skills to keep people focused and moving in the right direction, while also having a commitment to knowledge transfer.”

Allow—and empower—others to adapt.

Ensuring quality of impact over the long-term does not always mean a rigid adherence to a particular program model. Empowering partners to adapt to changing circumstances, while keeping key outcomes in mind, may be necessary given the realities of working in low-resource settings. VillageReach, in transitioning the management of the health commodity supply chain to a district health team in Mozambique, realized the importance of ensuring that the health team clearly understood the desired outcomes and what it takes to run the system. The district team then felt empowered to make adaptations to the system when faced with the reality of funding shortages or other obstacles they regularly encounter. VillageReach recognizes that the system may not run exactly the way it envisioned, but the benefit of the local team taking ownership is a sustainability win. Pratham speaks about the mindset change it strives to achieve with its partners, whereby partners approach education problems differently than before—such as by moving away from the linearity between age and grade to teaching at the level of the child, regardless of age. After understanding the educational needs of the children, teachers and administrators trained in Pratham’s methodology can adapt to their unique contexts. This mindset helps them to integrate and deliver their regular approach, beyond the inputs provided by Pratham.

The Village Reach Transition Toolkit:

Recognizing that competency transfer is essential for sustainable adoption, VillageReach developed a toolkit to clearly map out all the necessary pieces with the key stakeholders. The primary components of the Toolkit include the following:

1. Solution Definition. Document the solution so it can be understood and applied by people who did not participate in its development.
2. Transfer Strategy and Criteria. Define the transfer strategy and evaluation criteria to guide the transition from project mode to operational mode.
3. Transfer Plan and Management. Define the phases, steps, activities, and timing of the transfer plan; define readiness criteria to assess progress; manage execution of the competency transfer.

Emily Bancroft, VillageReach President, remarked how much they have seen this approach pay off: “Even though it has taken more time, it has been great in terms of accelerating transfer and impact.”
Monitor performance and impact over time.

A major concern for enterprises transitioning their solutions to another party for implementation is the ability to maintain the model at high quality with its intended level of impact. To solve this challenge, some enterprises remain engaged in monitoring and evaluation directly, while others work collaboratively with partners to set up quality assurance systems before the transition occurs. Last Mile Health worked closely with the Government of Liberia to develop the Community Health Assistant model, which is now being implemented by many different partners throughout the country. To ensure continued program quality, LMH worked with the Ministry of Health to create the Implementation Fidelity Initiative (IFI). Through the IFI, the MOH staff and county health teams collect data on program implementation and perceptions monthly and partners come together quarterly to triangulate and review the data and identify areas for quality improvements (see box below for more detail).

Last Mile Health’s Implementation Fidelity Initiative:

Liberia’s Ministry of Health and Last Mile Health worked jointly to develop the Implementation Fidelity Initiative. The IFI provides relevant and timely community and facility-level data on the National Community Health Assistant Program to ensure program quality and continuous performance improvements. The MOH and county health teams collect data monthly from the following sources:

1. **Community Health Assistants** (commonly referred to as community health workers, or CHWs). Data collection includes questions about supervision, regular payment, cadence of household visits.
2. **Observations and spot-checks.** Data collection includes supply checks, community public health prevention efforts, and rating of live CHW interactions with community.
3. **Community.** Data collection includes questions on experience with CHWs, from both household and facility users.

MOH and partners gather quarterly to triangulate the data from all sources, identify potential issues impacting quality, and develop timely solutions.

Maintain a “learning lab” to continue iterating and improving.

A number of the enterprises we interviewed spoke of the importance of maintaining a handful of sites where they continue to directly control and manage implementation of their programs, even after handing off control of implementation at other sites to government or NGO partners. Pratham maintains large, dynamic “laboratories” in locations across the country where it can demonstrate, test, and tweak interventions and create the next innovation. Last Mile Health, while working in support of the County Health Teams who ultimately manage the county-level community health worker programs, also recognizes the importance of maintaining “exemplar sites” where it can continue iterating on the model. Partners In Health uses its direct service programs as learning labs to help identify the next challenges it can help tackle, as it is currently doing in Rwanda with non-communicable diseases.

Contribute to plans for continued funding of government work.

In the resource-constrained environments in which social enterprises often work, access to funding may be a critical barrier to maintaining quality. In some cases, social enterprises may be able to help identify existing government funds that can be reallocated—such as Pratham does through incorporating its methodology into the existing education system, and Build Change does with unlocking government’s own subsidy capital. In Colombia, Build Change found that the government’s constitution included a right to a safe home and the budget included subsidies for homeowners to strengthen their existing dwelling places. Build Change worked on the demand-side to create interest from homeowners in retrofits and worked with the government to help unlock access to this existing source of capital. Other social enterprises may focus on helping the government secure additional external funding to sustain programs. Last Mile Health helps government partners submit proposals to external donors and VillageReach worked with Malawi’s major telecommunications provider to have it underwrite the toll-free service needed to successfully scale Health Center by Phone.
MANAGE THE “WHAT IF S?”

Even with the best laid plans, unexpected challenges will arise as you partner with government. The enterprises we interviewed emphasized the importance of being clear about values, training staff on policies for addressing challenges, and creating scenario plans as challenges inevitably occur. Here we summarize advice from these enterprises on some of the most common challenges. As we heard from members of USAID’s Development Innovation Ventures Team, never stop asking, “What if?”

What if you are faced with corruption?

We heard the same advice repeatedly and emphatically from interviewees: Never engage. Be transparent that you will never engage and report when corruption does happen. When working with government, an enterprise will likely face corruption, either overtly or covertly, including requests for bribes, pressure from government agents to hire relatives or friends, and more. WSUP’s Gautam warns, “Your reputation is critical, so [when corruption presents] you must retreat in the short term, hold off for the long term, and find the right partners” that will engage in the work with you ethically. The advice from Hausler, Founder and CEO of Build Change, was to understand where the possibilities for corruption are, who stands to benefit, and how you might structure your work to limit opportunities for corruption. Build Change’s solution is to bypass cash allocations to contractors—where the bulk of corruption tends to occur—and ensure funds are given directly to the homeowners who are most likely to use the funds for improvements related to their families’ safety and productivity.

What if your government partners change?

They will, so be ready! Government partnerships are inherently unstable due to changes in political parties, elections, turnover, and strife—and in the case of our interviewees, coups, civil war, and high-level officials being jailed. So, do not put too many eggs in one basket. Make connections at multiple levels or departments; think about building relationships not only with political appointees but also those in civil service and the technical experts who often remain through political party transitions; and always stay above the political fray by remaining a neutral party. Imazon deeply engages with government at all levels to implement forest monitoring protocols, and its political neutrality is a key piece of its value proposition. Amintas Brandao, Jr., Imazon Adjunct Researcher, explains: “We have had the benefit of being neutral politically and, as a third party, many see us as more credible. Imazon’s reports cannot be held back by a political issue of the moment, for example.” Pratham’s approach of working with all levels of the state education system helps ensure that its methodology continues to be adopted even when political parties change. It shared an example of a change in state government that led to new leadership less committed to championing Pratham’s work. Nevertheless, the impact that Pratham pioneered with the previous government was already embedded and championed at the lower levels within the state, which led to these educators and administrators continuing to accept Pratham as a key collaborator.

What if government partners want to take over your Intellectual Property?

Many social enterprises have Intellectual Property (IP) they want to protect—either because they want to continue to scale their own solution, or because they are a for-profit company and IP is their lifeline. We heard stories of social enterprises working toward government endorsement of a product or toward a contract—but who encountered challenges when the government partner began to see itself as part owners of the product. While IP protection is tricky in any industry, interviewees recommended being very clear from the beginning about partnership goals and product intentions, taking the time to find the right long-term partner, and structuring engagement upfront in a way that aligns and protects these goals.
What if you are perceived to have conflicts of interest?

It is not uncommon to face issues around conflict of interest—whether real or perceived. Last Mile Health serves as both an implementer in the field and an advisor to the Ministry of Health, with each role complementing and increasing impact of the other. However, some have perceived them to have a conflict when advising the MOH on resource allocation, since their field programs could stand to benefit. LMH worked diligently to prove that it was tackling its work from an ecosystem-building approach so as to offset those perceptions. Build Change avoids perceived conflicts of interest by deferring to the local government on the selection of neighborhoods in which it will work. While this means that Build Change may have to physically move the focus of its work when regimes change, it is able to avoid any perceived favoritism or alignment with a political party.

What if government partners slow you down?

Change can happen more slowly when partnering with government, so enterprises must determine whether the potential upsides of working with government outweigh the costs. VillageReach has begun to put in significant time at the beginning of a project to develop a transition toolkit with its government partners [see page 17] and has found that the up-front investment pays off in accelerating the work as it is implemented. VillageReach and others also report placing secondees in relevant government offices to act as champions and help accelerate change. Survey respondents reported additional strategies, such as entering into non-financial agreements to reduce chances of delays in project approvals, and incentivizing agencies by bringing matching funds, additional manpower, or other resources that “we can combine with theirs in order to get a backlog or something else cleared that is in the way.”

What if partners feel threatened by your disruption of the status quo?

Innovation means disrupting the status quo, which can be scary—especially for risk-averse governments. A key job of many social enterprises is to de-risk new approaches for the government—often done through small pilots and initial scale-up. VillageReach recognized that much of the work it was implementing around the health commodity supply chain was a departure from the status quo—which was not an issue when VillageReach was running the program but became an issue when it began to plan for government adoption of the program. The VillageReach team had to stop and consider the incentives and systems constraints of the government and adapt both the program and the way in which it was framed (e.g., new way of achieving policy objectives) in order to make adoption easier and less uncomfortable. As Pratham has found, identifying opportunities for small, incremental change over time can be an effective way to scale within a large, complex system. Pratham CEO Banerji noted that “[Y]ou improve in small jumps most of the time, and only sometimes do you take big leaps.”

What if your government partnership is successful?

If an enterprise is in the fortunate position of achieving success scaling impact by leveraging a government partnership, what can it do next to build on that momentum? It can use policymakers from that successful partnership to generate buy-in from policymaker peers in other countries, as Fundación Capital does. Enterprises can package their approach for government partners in other locations to use, as WSUP India is doing by packaging its urban sanitation approach into a toolkit (“SBM In a Box”21) to share with municipalities where WSUP does not have the funding to engage. Enterprises can also continue to go deeper in their work with that government partner, taking on more and more complex challenges as Partners In Health does with health systems strengthening in Rwanda and Build Change does with moving from post-disaster reconstruction to pre-disaster prevention in a number of countries.

Greatest Challenges in Partnering with Government

% reporting challenge as within top three

“Other” challenges reported included government inability to allocate funding, burdensome procurement practices, and lack of political power to deviate from status quo—even from those willing to engage.
How can funders support scaled impact through effective host-country government partnerships?

Successful social enterprises from across the Skoll Foundation, Innovation Investment Alliance (IIA), and U.S. Agency for International Development (USAID) portfolios have illuminated key strategies for engaging government partners. So how can funders support social enterprises in using those strategies? Here we provide insights gleaned from the social enterprises and some of their funders:

“Systems change, which includes working with and through governments, takes time. Results are both slow to come and less tangible for reporting. Relationship building is critical and has to be widespread to not have all eggs in one basket because of constant changes. It’s critical for funders to understand this and support it.”

ELIZABETH HAUSLER | Founder & CEO of Build Change

Recognize Tradeoffs

**Acknowledge the trade-off between long-term sustainability, impact, and reach.** Government partnerships are often appealing due to government’s reach. However, achieving this reach may result in other tradeoffs—such as decreased impact per unit. Discuss this with grantees/investees to avoid surprises, and develop metrics to determine acceptable levels of tradeoff. Also note that the enterprise may need to provide ongoing implementation and monitoring support to government partners to maintain quality of impact.

**Value contribution as much as attribution.** Funding requirements can sometimes create perverse incentives for enterprises to maintain ownership of implementation in order to claim direct attribution for impacts achieved. Rewarding contribution equally could enable stronger engagement and uptake by government and a faster path to the end goal.

**Engage for the long haul, not speedy results.** When funding government partnerships, take into account extended timelines (years, not months) for relationship development, capacity building, and implementation. Also recognize that systems change is harder to measure and often occurs long after the funding period ends. One of Pratham’s goals is to reinvigorate the education system to innovate, but it acknowledges that measuring and reporting on that change to funders is challenging.

Effectively Evaluate Readiness for Government Partnerships

**Recognize that you can’t know everything during up-front diligence.** Partnerships and collaborative approaches will include significant iteration. Commit to the journey as a partner, with an openness to iterate along the way to stay on course for the targeted impact. Amanda West, social entrepreneur and member of the Social Ventures team at Mercy Corps, advises funders, “Expect the unexpected. Pilot results are unlikely to hold during scale. Plan a mid-grant visit to speak with the government partner in person to understand its perspective on tradeoffs, and be open to changing metrics mid-stream if necessary.”

**Assess the appropriate government engagement based on your experience.** Depending on the sector, target population, and region, advise on the appropriate level of government engagement from what you have seen work (or not work) with former grantees/investees. Skoll Foundation Principal, Lucien Chan, notes, “Some sectors are government-regulated or are a government-provided service, so the hypothesis is that the enterprise would need government partnerships as a critical pathway to scale. With market-based solutions, where government is an enabler or potentially a blocker, the engagement will be different.”

**Carefully evaluate signs of government buy-in.** Ask additional questions to determine the strength of government buy-in. If there is an MOU or letter of intent, is the document with a department or a person who has authority over this area? If the venture is looking for the government to contribute funding eventually, can it show evidence that this will be possible—and at a price point that the government can afford? If the venture will be providing evidence to the government to inform policy change, will its data be compelling to the right parties? Look out for any government partnerships or promises established ahead of an election, which may be red flags.
Ensure ventures have the appropriate core competencies and human capital. Assess whether the venture has the right human capital in place to engage government. VillageReach needed to hire staff with consulting experience to create toolkits and train government partners more effectively. Build Change brought in policy experts (some full-time hires, some part-time consultants) to help strengthen its advisory work. In addition to engaging the right skills, ventures also need adequate bandwidth to build relationships, which can be time-intensive.

Use Your Connections and Influence

Help ventures get connected. Social enterprises may be overwhelmed by the complexity of larger donors (particularly bilateral and multilateral donors) and not know where to start with governments. Funders can use their broad view to help ventures understand where to connect and, as appropriate, make introductions. One multilateral funder even holds “office hours” where grantees can get clarity on who to engage within that donor agency and gather suggestions for other connections in the country in which the funder has an interest.

Advocate and amplify where helpful. Where appropriate (and with consent of the enterprise), engage in conversations on its behalf and advocate for its work when it does not have a seat at the table (e.g., technical working groups, national strategic plans, global guideline development). Support knowledge exchange visits with government representatives from countries where the approach could expand and scale. And, when possible, share knowledge of the enterprise’s work with other funders and participate in collaborative funding. “As funders aimed at lasting systems change, we need to embrace ambitious collaborative funding,” says Skoll Foundation Principal, Liz Diebold. “With the efficiencies of shared diligence, milestones and objectives, and reporting requirements, we can streamline and leverage our efforts to add exponentially more value to organizations demonstrating strong impact.”

Help address larger market constraints. Invest in market-level changes (regulations, infrastructure) in support of key solutions. For example, a venture in USAID’s Scaling Off-Grid Energy Grand Challenge faced regulatory obstacles in processing mobile payments. To help address this issue, USAID engaged consultants to work with government to update the digital financial policy regulations to allow for broader use of mobile payments.

Use Your Expertise and Knowledge

Use your 30,000 foot view. Funders have insights into strategies pursued by different ventures across sectors, geographies, and approaches. Help ventures benefit from this knowledge by sharing relevant examples while also allowing the venture to adapt solutions to its own experience on the ground.

Ask the “What if?” questions. Ventures face many obstacles in partnering with government, so help each venture scenario plan while engaging with them on their work plans, reports, and regular updates. What if the government champion is transferred? What if the permit is denied?

Inject Some Flexibility into Your Funding

Patently fund the start-up phase of partnerships. Establishing government partnerships can be a heavy up-front lift that may result in limited impact metrics in the short-term or which may not come to fruition at all—though that doesn’t mean it is not worth the effort. Consider providing initial flexible capital to build relationships and collaboratively scope roles and targets. When WSUP entered India, it was funded for an initial scoping phase that was critical to solidify government relationships and co-create a scope of work over which all parties felt ownership.

Provide patient capital for the scale-up and transition period. Many ventures noted that it is easier to obtain funding to test an idea or directly implement than it is to secure funding to scale-up with government. VillageReach shared its experience of bootstrapping a project for over two years to bridge the gap between initial seed funding and additional funding to scale. Engaging with government takes time and often requires extended periods of soft support from the social enterprise, so consider funding this work or allowing flexibility within grants.

Provide milestone-based funding, with flexibility on the timelines. Results of government partnerships can be difficult to control, so consider structuring funding on milestones to decrease risk for you and for the venture. USAID/DIV provides milestone-based funding to its ventures, such as the signing of an MOU, and makes an effort to be flexible in adjusting timelines given factors out of the venture’s control.

Visit the field to understand the context on the ground. Partners In Health remarked that funders who provided the best support tend to be ones who have spent time in the field visiting sites and therefore understand the need for a long-term presence and for flexibility.
KEY TAKEAWAYS FOR SOCIAL ENTREPRENEURS

The “There Is No Checklist” Checklist for Government Partnerships

The social enterprises we interviewed were adamant that “there is no checklist” that governs their engagement in government partnerships. And yet we saw patterns in the strategies and behaviors that they had refined over time to set them up for success. This “no-checklist” checklist walks through the three major steps: setting a vision for government partnerships (On Your Mark), preparing for the engagement (Get Set), and then diving in with techniques to build effective partnerships (Go). Within each step we have summarized key strategies and advice from the field, gathered through our research. More detail on each of these elements can be found in the paper—just follow the page numbers.

ON YOUR MARK: Set a vision for government partnership
Governments can be critical enablers of scale. But to use time and resources strategically, you need to determine how they fit into your theory of change and the roles you need to play to work toward that vision.

Tip: most social enterprises aim to achieve multiple goals simultaneously, and some change over time as the enterprise iterates and the context changes.

DEFINE PARTNERSHIP GOALS. What role do you envision government partners playing to help you achieve scaled impact? Create a strategy based on your partnership goals, which can include:

CLEAR THE PATH: Enterprisedirectly implements its product/service, engaging with government to seek informal permission and/or avoid potential barriers.

OUTSOURCE: Enterprise directly provides a service or product, either through a government contract or by leveraging government resources or infrastructure.

ADOPT: Enterprise transfers management or implementation of solution to the government partner, either fully or partially (with continued enterprise role).

CHANGE POLICY: Enterprise influences the way government approaches or implements policy, allocates resources, and/or structures regulations.

ARTICULATE YOUR ROLES. There are many roles your enterprise can play—now and over time—to achieve your government partnership goals. Articulate these to government and funders, and ensure you have sufficient capacity and expertise to play these roles. Common roles are listed below:

<table>
<thead>
<tr>
<th>Implementer Roles</th>
<th>Consultant/Trainer Roles</th>
<th>Systems Advisor* Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental Staff: Provides additional staffing for government to increase its capacity to execute work.</td>
<td>Training Programs: Provides training programs to support government programs.</td>
<td>Resource Allocation: Advises government in prioritization of issue area and associated allocation of budget.</td>
</tr>
</tbody>
</table>

Roles continued on next page.
GET SET: Prepare for productive, long-term engagement

What will it take to set you up for success in your partnerships with government? Successful enterprises recommend pursuing the strategies below in preparation for your engagement. Remember: it’s a marathon, not a sprint!

UNDERSTAND CONTEXT. It may seem obvious, but isn’t always taken seriously: Take the time to understand the context and the appropriate levels and decision-makers to engage.

- Understand and articulate how you align with existing government priorities, such as priorities for the sector and populations your enterprise is targeting.
- Plan to engage across multiple levels of government, understanding their needs and the ways in which their agendas overlap with yours.
- Identify other key influencers of government, who may need to be engaged to champion your work and/or to ensure they feel included in the process.

BUILD INTERNAL CAPACITY. Ensure your enterprise has the capacity to establish and maintain government partnerships, including your talent, funding, and internal systems.

- Leverage local talent that can help navigate complex government structures and bring relationships and credibility.
- Develop (or hire for) the skills, attitudes, and competencies necessary to forge trusted partnerships, such as communication and negotiation.
- Seek out appropriate sources of funding to provide you with the flexibility to iterate and the consistency to sustain relationships once formed.
- Invest in the data collection, management, and communications systems anticipated to be key to effective engagement.

GO: Take off, using techniques to build effective partnerships

Once you’ve articulated your vision and prepared yourself, how do you actually go about engaging in a way that meets your goals? While there is no one single way, there are a number of tactics and strategies that can help you succeed and avoid common pitfalls.

BUILD FIRST OR TOGETHER? Determine whether to develop and test your model first before bringing it to government (Build First) or to pursue a co-creation approach (Build Together). In reality, you will likely end up somewhere in the middle.

- Consider your partnership goals in determining whether to Build First or Build Together. If you are working toward Adoption, you may veer toward Build Together. If working toward Outsourcing, you may veer toward Build First.
- Take into account your enterprise’s need for ownership and credit, as Build Together may limit both.
- If Build First, determine the extent to which you should still engage government in initial phases to receive input and help with future buy-in.

**Complementary Implementation:** Implements programs outside of, but in complement to, formal government structure.

**Shared Implementation:** Continues some direct implementation (for iteration and refinement) while government manages bulk of implementation.

**Programmatic Technical Assistance:** Consults and advises on program development and execution.

**Monitoring:** Conducts program monitoring to track implementation and quality, and support improvement.

**Fundraising:** Advocates to secure external funding for government programs.

*While roles in each category can have systems-change orientations, those under Systems Advisor focus on high-level systems in-country as a default.*
DETERMINE EVIDENCE NEEDS. Determine the type and level of evidence needed to engage. Most organizations have some proof of concept or impact evidence before they engage government in a meaningful way.

- Determine which types of evidence actually match the government’s interests. This is likely more than just impact metrics, and may include cost-effectiveness, partnership ability, and scalability.
- Understand how stage of implementation or stage of the partnership affects the level of evidence needed. Basic output data or evidence from existing studies may be sufficient at early stages.
- Be aware of the evidence expectations from the government’s major donors, which could influence the government’s demands and your opportunity to seek direct funding from those donors.
- Leverage your reputation and track record to gain trust in implementing new initiatives, potentially reducing the need for additional context-specific evidence at the outset.

FIND CHAMPIONS. Identify and cultivate champions within the government who can serve as iteration partners and help move solutions through the system.

- Use existing partners in-country (NGOs, donors, etc.) to help you connect with key government decision-makers and potential champions to help carry out your work.
- Find and cultivate champions who are interested in the iteration process, since things will surely never go exactly as planned.
- Ensure that key relationships are not just between two people but are institutionalized for longevity.
- Make it easy for potential champions to personally see, hear, and experience your solutions by bringing them into close proximity with your work.

DEMONSTRATE PARTNERSHIP. It may seem obvious, but is worth repeating: Approach government partnerships with an open mind, respect, humility, and an eagerness to learn.

- Demonstrate authentic respect and humility; you have as much to learn from your government partners as they do from you.
- Show partners that you are taking their input seriously and that you are making changes based upon it.
- Maintain regular contact and communications with your partners; don't reach out only when you need something.

ACTIVELY MANAGE POLITICS. Take steps to minimize the extent to which your enterprise is negatively impacted by contentious politics.

- Ensure you build strong relationships with civil servants and technical experts (i.e., those who will remain even when political parties change).
- Spread out the risk of program disruption in any one location of operation by maintaining multiple programs and by being ready to shift if necessary.
- Recognize that prior to, during, and after elections implementation may slow and promises made by candidates may never come to fruition. Communicate transparently with funders about this tension.

MAINTAIN QUALITY OF IMPACT. Support government in maintaining quality of impact over time as it plays a greater role, and support continuous improvement.

- Break your solution into small, achievable steps to make it easy for others to replicate—especially if you are moving toward the Adopt goal.
- Consider maintaining some direct implementation role so as to have a learning lab within which to continue to experiment and iterate.
- Create a roadmap, with stakeholders, to plan for human resource needs (including training and hiring) as new partners begin managing elements of your solution.
- Empower your partners with a new mindset and understanding of the ideal outcomes so that they can adapt to changing circumstances while keeping long-term goals in mind.
- Contribute to a plan for continued monitoring of performance and impact over time, with systems in place to use the data for decision-making.
- Support government in identifying sources of funding to continue to support new or refined programs.
APPENDIX A

Project Overview & Methodology

**Project**
The *Scaling Pathways* project brings together the Innovation Investment Alliance (IIA) (a funding and learning partnership between the Skoll Foundation and USAID’s Global Development Lab, with support from Mercy Corps) and the Center for the Advancement of Social Entrepreneurship (CASE) at Duke University to study organizations that are attempting to scale impact and draw out applicable lessons for the social enterprise community at large. In Phase 1 of Scaling Pathways, we shared high level lessons about scale in Pivoting to Impact and profiled the scaling journeys of three organizations—VisionSpring, Imazon, and Evidence Action—in in-depth Case Studies. In Phase 2, we are creating Theme Studies that distill advice from a variety of social enterprises related to key scaling topics: financing, government partnerships, pathways to scale, talent, and data. Find the full series at [www.scalingpathways.com](http://www.scalingpathways.com).

**Process**
The *Scaling Pathways* partners surveyed social enterprises from across the Innovation Investment Alliance, USAID’s Development Innovation Ventures (DIV), and the Skoll Foundation portfolios to understand the challenges that they face on the road to scale. From this initial set of 100+ leading social enterprises, we conducted in-depth conversations with funders and reviewed literature and background materials to identify enterprises that we believed had interesting stories and lessons to share about each theme. We then conducted interviews, literature reviews (by theme and by organization), and conducted analyses for each of the enterprises interviewed. We also distributed a follow-up survey to 100+ social enterprises in the Skoll Foundation and USAID/DIV portfolios to gather additional insights specific to government partnerships (see more information in the bottom paragraph).

As part of the interview process, we gathered insights from the following individuals whose organizations are highlighted throughout the paper:

- Elizabeth Hausler, Founder & CEO, Build Change
- Jennifer Pahlka, Founder & Executive Director, Code for America
- Jessica Silverman, Senior Director of Development, Code for America
- Ana Pantelic, Chief Strategy Officer, Fundacion Capital
- Lisha McCormick, COO, Last Mile Health
- Anushka Ratnayake, Founder & CEO, myAgro
- Rachel Gasana, Director of Partnership Strategy, Partners In Health
- Joel Curtian, Senior Program Development Officer, Partners In Health
- Cate Oswald, Director of Global Policy and Program Development, Partners In Health
- Leslie Flinn, Senior Director, Strategic Partnerships, Partners In Health
- Emily Dally, Impact Initiative Director, Partners In Health
- Annie Michaelis, Monitoring, Evaluation, and Quality Improvement Director, Partners In Health
- Rukmini Banjeri, CEO, Pratham
- Devyani Pershad, Head of Program Management, Pratham
- Emily Bancroft, President, VillageReach
- Akhilesh Gautam, India Country Program Manager WSUP Advisory
- Robert Martin, Associate, WSUP Advisory.

We distributed a second survey to the 100+ social enterprises in the Skoll Foundation and USAID/DIV portfolios. We received completed responses from 21 enterprises, 19 of which reported actively engaging with government. Of the 21, 76 percent were nonprofit organizations with the remainder (n=4) for-profit or legal hybrids. The organizations spanned all regions and many sectors, including health, economic opportunity, education, environmental sustainability, and peace and human rights. Eighty-six percent reported annual budgets of over USD $1 million, and just over half of the sample reported budgets in excess of USD $3 million. Twenty-four percent reported less than ten years in operation, 57 percent reported between 10-20 years, and 19 percent reported over 20 years.
The briefs below give a different view of these award-winning social enterprises than we typically see. While the briefs broadly speak to mission, they are not about the details of the interventions or about the holistic scaling story. Rather, they provide a 30,000 foot view of the enterprises’ evolving partnerships with government, including how they began and how they evolved over time. These stories capture just enough of the steps and nuance to show a trajectory and major pivots—trends and changes that can inform your own journey with government partners.

**BUILD CHANGE**

*Build Change’s mission is to greatly reduce deaths, injuries, and economic losses associated with housing and school collapses caused by natural disasters. Build Change works both to transform the way governments and NGOs approach reconstruction post-natural disasters and to prevent deadly damage in the first place.*

**Regions Served**: Central America, South America, Asia  
**Legal Structure**: Nonprofit  
**Impact Area**: Housing, Infrastructure  
**FY 2017 Revenue**: USD $6.8 Million  
**Year Founded**: 2004

**In Brief: Government Partnerships Evolution**  
**Primary Government Partnership Goals**: Change Policy, Adopt

- **FIRST STEPS**: Began with a more reactive approach of entering countries post-disaster. Provided technical assistance to government entities, disaster-relief NGOs, and local construction sector to successfully shift reconstruction efforts from a top-down, donor-driven, giveaway approach to one that is homeowner-led, with culturally appropriate designs, and driven by conditional cash payments.

- **EVOLVING ROLES**: In post-disaster efforts, Build Change continues to provide technical assistance to government and its partners (including developing building specifications, training the local construction sector, and creating tools to streamline government processes) as well as conducting policy advocacy at the national level. After building evidence of cost-effective impact and developing strong government relationships, Build Change shifted efforts to include a more proactive approach, entering countries before (in addition to after) disaster strikes. Proactive approach includes technical assistance as well as policy advocacy to unlock subsidies and promote and implement retrofitting (i.e., strengthening an existing building). With strong international reputation and relationships with key development donors (e.g., USAID and World Bank), Build Change continues to enter an increasing number of countries by way of introductions and invitations.

- **NOTABLES & QUOTABLES**: Build Change engages at all levels of government. In addition to work at the international level—advocating for funding allocations and prioritization of resilient housing—it works at the national level to advocate for policy and building code changes, at the city level where the money for housing is often allocated and spent, and at the municipal level where building permits are approved.

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**CODE FOR AMERICA**

*Code for America (CfA) is working to transform government for the digital age. Mobilizing talent from the tech sector, CfA develops digital solutions that improve services for the most vulnerable populations.*

**Regions Served**: USA  
**Legal Structure**: Nonprofit  
**Impact Area**: Poverty, Government Transformation  
**FY 2017 Revenue**: USD $18.8 Million  
**Year Founded**: 2009
In Brief: Government Partnerships Evolution
Primary Government Partnership Goals: Adop, Change Policy, Outsource

FIRST STEPS: Supported capacity of city and county-level government offices by placing technology and design experts for yearlong fellowships. Proved that it is possible to provide lower cost, higher impact services when following a user-centered, data-driven, iterative approach. Recognized that greater impact could be achieved through longer-term engagement (vs. one year fellowships) and strategically-focused project selection (vs. responding to specific needs of each city government).

EVOLVING ROLES: CfA narrowed focus to vulnerable populations and associated services that often cross government siloes (e.g., food stamps, Medicaid, workforce for the formerly incarcerated). Within this focus, CfA plays multiple roles: analyzing effectiveness of existing services, developing and digitizing products and processes collaboratively with local government partners, and collecting data and creating feedback loops with government partners. Focus on data/feedback loops has led to ability (and the trusted relationships) to make policy recommendations to government. With successful projects at city and county levels, CfA is able to advocate for state government partnerships; with growing reputation, CfA receives proactive outreach and invitations to engage from both state and local governments. CfA continues to directly implement programs while also working closely with its government partners to build their capacity for, and a mindset of, a user-centered design approach.

NOTABLES & QUOTABLES: CfA thinks carefully about funding its work, raising philanthropic dollars to support the first three to four stages of product development to allow for flexibility in testing, and taking an approach that departs from the status quo. Once projects are more mature, CfA considers engaging in government contracts.

FUNDACIÓN CAPITAL

fundacioncapital.org

Fundación Capital works to build the human, social, and economic capital of individuals living in poverty, and does so at scale by partnering with governments and leveraging technology. Fundación Capital adopts a wide range of approaches, from embedding financial inclusion into social protection to developing digital solutions to enhance financial capabilities, all with the aim of eliminating poverty through asset-building.

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<tr>
<th>Regions Served</th>
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<th>Impact Area</th>
<th>FY 2017 Revenue</th>
<th>Year Founded</th>
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<tbody>
<tr>
<td>Central &amp; South America, Africa</td>
<td>Hybrid Nonprofit</td>
<td>Economic Empowerment, Poverty, Financial Services</td>
<td>USD $7 Million</td>
<td>2009</td>
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In Brief: Government Partnerships Evolution
Primary Government Partnership Goals: Change Policy, Adopt

FIRST STEPS: Developed and implemented a successful project embedding financial inclusion into social protection programs across the Latin American region, working closely with national governments. Results and relationships served as catalyst to develop additional financial and productive inclusion projects, and opened doors to engage on solution development and entry into new countries.

EVOLVING ROLES: Fundación Capital enters new countries either by invitation or through strong partners on the ground, and ultimately works in partnership with government in development of policies and programs to improve financial and productive inclusion. Fundación Capital spends time in the field identifying and building relationships with government partners at all levels, engaging with end-users to understand need and context, and co-creating solutions with country stakeholders (including financial institutions). If appropriate, it also adapts existing proven solutions to new country settings, considering local context and needs, or develops new solutions as necessary. It works toward increased government ownership by integrating initiatives into public social protection programs where possible.

NOTABLES & QUOTABLES: “We talk about our work as ‘co-creation’ as opposed to ‘influencing policy’. A top-down approach would make it seem that there is something inherently wrong with the system that needs change. Fundación Capital does focus on policy work but by working closely with governments to understand their priorities and strategic vision.” – Ana Pantelic, Chief Strategy Officer

LEARN MORE
- Code for America Skoll Awardee video
- New York Times article, “Code Cracking: Why is it so hard to make a website for the government?”
- Fundación Capital Skoll Awardee video
- Ford Foundation Case Study on Fundación Capital’s Graduation Approach, emphasizing the work in Colombia.
- Unlikely Allies, a short film by Skylight Pictures about Fundación Capital’s government partnership work around financial inclusion.
LAST MILE HEALTH

Last Mile Health’s mission is to save lives in the world’s most remote communities. The organization has worked for more than a decade to support governments to build national community health systems.

lastmilehealth.org

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<th>FY 2017 Revenue</th>
<th>Year Founded</th>
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<tbody>
<tr>
<td>Africa</td>
<td>Nonprofit</td>
<td>Health</td>
<td>USD $11.6 million</td>
<td>2007</td>
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In Brief: Government Partnerships Evolution
Primary Government Partnership Goals: Adopt, Change Policy

FIRST STEPS: Began work in partnership with the Liberia Ministry of Health (MOH) at inception, which was severely under-resourced following a decade of civil war and had limited medical doctor capacity. Embedded staff within the MOH to provide additional capacity and began proof-of-concept effort in one county to demonstrate that a professionalized Community Health Assistant (CHA) workforce could achieve superior performance at low cost.

EVOLVING ROLES: Following proof-of-concept, Last Mile Health began integrating the CHA model into the national public health system—writing policy and strategy documents to launch a National CHA Program, providing training and capacity building to county government (and other NGO implementing partners), supporting the creation of incentive systems and supervisory structures, and developing performance management systems. With national policy in place, LMH continues to advocate for additional resources for CHAs, from both the Liberia Ministry of Finance and international sources. LMH also continues to directly implement the CHA program in three of the 15 Liberian counties, using those sites to test, iterate, and inform changes on a national level.

NOTABLES & QUOTABLES: LMH is committed to supporting the community health workforce outside of Liberia, and is currently undergoing self-reflection to see where it could add the most value and in which country contexts. As part of this effort, LMH has launched the Community Health Academy, a digital platform to train, connect, and empower workers and health system leaders worldwide. The Academy supports Ministries of Health to offer free smartphone-based training courses for community health workers, as well as management courses on topics including building and scaling national CHA programs for a global audience of policymakers and program managers in partnership with EdX and Harvard University.

LEARN MORE
- Last Mile Health Skoll Foundation Awardee
- “Paying and investing in last-mile community health workers accelerates universal health coverage” by Minister of Health Wilhelmina Jallah, Deputy Minister of Health Francis Kateh, and Dr. Raj Panjabi for the BMJ Opinion (May 22, 2018).

PARTNERS IN HEALTH

Partners In Health (PIH) is working to ensure that access to healthcare becomes a basic human right afforded to even the poorest communities. PIH works in partnership with governments to build and scale healthcare systems in resource-poor settings.

pih.org

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<tr>
<th>Regions Served</th>
<th>Legal Structure</th>
<th>Impact Area</th>
<th>FY 2017 Revenue</th>
<th>Year Founded</th>
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<tbody>
<tr>
<td>Africa, South America, North America, Caribbean, Central Asia</td>
<td>Nonprofit</td>
<td>Health</td>
<td>USD $132.7 Million</td>
<td>1987</td>
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</table>

In Brief: Government Partnerships Evolution
Primary Government Partnership Goals: Adopt, Change Policy, Outsource

FIRST STEPS: Began providing basic healthcare to hard-to-reach rural populations in Haiti. Built evidence for its healthcare delivery model, expanded work in-country and, recognizing the key role of the public sector in sustainability and scale, began to partner closely with government through philosophy of “accompaniment”: the idea of bringing together patients, government, and funding institutions in support of working toward common healthcare goals.
EVOLVING ROLES: Having gained an international reputation, PIH primarily enters countries at the invitation of governments (often national-level). Even with a national invitation, PIH generally initiates new efforts through direct implementation at the local level, working alongside government partners to build communities’ trust, to gather evidence to inform health care system strengthening, and to shift to more complex health needs over time. PIH serves as long-term technical advisor to government, focusing on greater and greater health systems challenges and advocating for policy changes and allocation of resources to strengthen the overarching health care system. PIH’s goal is increasing the ability of its government partners to manage stronger, more resilient health systems.

NOTABLES & QUOTABLES: “Government has many layers and departments and individuals. You are stepping into a space that has its own motivating factors and politics, and you need to understand that context to negotiate an effective organizational commitment. If you’re working with one entity that has limited political power or control over its budget, there probably isn’t much power behind that agreement alone to influence the larger system.” –Rachel Gasana, Partners In Health’s Director of Partnership Strategy.

PRATHAM

Pratham is on a mission to improve the quality of education in India and worldwide. Pratham focuses on developing and delivering solutions that are low-cost and replicable and can be implemented at a large scale to deliver improved educational outcomes for children and youth.

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<tr>
<td>India</td>
<td>Nonprofit</td>
<td>Education</td>
<td>USD $31.6 Million</td>
<td>1995</td>
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In Brief: Government Partnerships Evolution

Primary Government Partnership Goals: Adopt, Outsource, Change Policy

FIRST STEPS: Began work in Mumbai with direct implementation of a preschool model to fill a gap in existing offerings. Served as proof of concept for Pratham model, which is driven by community needs, focused on learning outcomes, and maintains low costs. Success spurred demands from the public school system to create solutions for other school-age groups, which aligned with Pratham’s belief in strengthening, not replacing, existing educational systems and seeing government schools as a critical path to scale.

EVOLVING ROLES: Pratham worked with local public education partners to develop solutions to achieve improved learning outcomes, helping move the system beyond a focus on access to include quality of learning—all while leveraging the existing education system. Pratham continues to develop and test new solutions through direct implementation in a subset of schools, ensuring that solutions are easily replicable and scalable. Using rigorous evidence, it drives toward uptake and adoption of successful solutions by training all levels of administration and teachers within the government schools through a train-the-trainer approach. With a portfolio of proven models, Pratham receives invitations from other city and state governments to bring existing solutions or co-develop new solutions. Building on a data-driven approach, Pratham launched the Annual Status of Education Report (ASER) in 2005, which has generated data to drive policy shifts (including national policies focused on learning outcomes) and build upon Pratham’s methodology. Governments outside of India are also exploring replication of Pratham’s approach.

NOTABLES & QUOTABLES: Pratham uses a learn-by-doing approach both for its own solution development and for its transfer of programs to other partners. Pratham maintains direct implementation in a number of schools to serve as a learning laboratory for continued iteration and solution development and requires that new implementation partners spend time actually using the Pratham materials in the field to fully understand the approach and mindset before training those in the levels below them.
VILLAGEREACH

VillageReach is on a mission to save lives and improve health by increasing access to quality healthcare for the most underserved communities. VillageReach partners with ministries of health to solve healthcare delivery challenges in low-resource communities.

villegareach.org

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<td>Health</td>
<td>USD $6.7 Million</td>
<td>2000</td>
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In Brief: Government Partnerships Evolution

Primary Government Partnership Goals: Outsource, Adopt Change Policy

FIRST STEPS: Began with a vision of the government outsourcing to VillageReach to address last mile healthcare delivery challenges, starting with building a robust vaccine supply chain in Mozambique. Achieved successful supply chain results but realized that in order to scale model throughout the country, it would need to work more closely with government to align solutions with existing government systems and incentive structures.

EVOLVING ROLES: VillageReach changed its approach to focus on developing and testing solutions and moved into a capacity building role, with the government as the primary client (as opposed to initially envisioned role of government as a buyer of services). VillageReach works hand-in-hand with government at all levels to determine challenges and needs with respect to healthcare at the last mile and pulls from portfolio of tested innovations to refine and adapt solutions to fit the context. It carefully builds capacity of government partners to take over management of solutions, with a focus on long-term systems change. Recognizing that competency transfer is essential for sustainable adoption, VillageReach collaboratively develops tools to document solutions, creates criteria to evaluate the transfer process, and maps out roles and responsibilities to ensure readiness at all levels to take on the responsibility of implementation.

NOTABLES & QUOTABLES: “We rarely go in and know exactly what the solution will be. Solutions evolve as you implement them. This should happen. It’s important to find champions in the government who are interested in the iteration process.” –Emily Bancroft, President, VillageReach

LEARN MORE

- VillageReach Skoll Foundation Awardee video
- Chipatala cha pa Foni (CCPF, Health Centre by Phone): case study by UNESCO-Pearson Initiative for Literacy.
- Lessons Learned in Reaching the Final 20: Building a Next-Generation Immunization Supply Chain in Mozambique, VillageReach report

WATER & SANITATION FOR THE URBAN POOR ADVISORY, INDIA

wsup.com/approach/wsup-advisory

Water & Sanitation for the Urban Poor (WSUP) Advisory tackles the challenge of urban water and sanitation by partnering with local water, sanitation & hygiene (WASH) service providers to test new models to improve coverage in low income urban communities and slums. In India, WSUP Advisory’s work focuses on increasing capacity of government bodies at the local, state, and national levels to achieve an ambitious vision for access to quality water and sanitation across India.

<table>
<thead>
<tr>
<th>Regions Served</th>
<th>Legal Structure</th>
<th>Impact Area</th>
<th>FY 2017 Revenue</th>
<th>Year Founded</th>
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</thead>
<tbody>
<tr>
<td>India</td>
<td>For-profit (Community Interest Corporation)</td>
<td>Water, Sanitation, Infrastructure</td>
<td>(Not publicly reported)</td>
<td>2015</td>
</tr>
</tbody>
</table>

In Brief: Government Partnerships Evolution

Primary Government Partnership Goals: Outsource, Adopt, Change Policy

FIRST STEPS: Note: WSUP Advisory India is one program of the greater WSUP organization’s for-profit consulting arm, WSUP Advisory CIC. Through WSUP and WSUP Advisory’s international reputation in effectively working with governments on WASH initiatives, WSUP Advisory was selected by USAID to support the Government of India in creating scalable solutions under a new national mandate.

EVOLVING ROLES: WSUP Advisory recognized the importance of engaging a local, Indian program manager to help navigate complex government systems. Additionally, since WSUP Advisory was new to India, it began direct implementation work in one key city to build credibility and derive evidence and best practices at the local level. The city-level credibility allowed it to share best practices with state and national bodies to drive learning, capacity building, and mobilization of finance, and to influence policy. WSUP worked to package its approach so that other government partners can use the tools to improve urban sanitation.

NOTABLES & QUOTABLES: “Government is often focused on immediate needs, and that is OK. Give them quick wins that meet their needs, and you can set up your relationship for longer-term goals. Understand their challenges, and help them solve them. You are there to help them and to succeed in their program.” –Akhilesh Gautam, India Country Program Manager, WSUP Advisory

LEARN MORE

- Water & Sanitation for the Urban Poor (WSUP) Skoll Foundation Awardee video
- Public-Private Partnerships: Promoting Collaboration Between Private Enterprises and Public Institutions, WSUP website
REFERENCES


2. Throughout the Scaling Pathways series, we use the term “social enterprise” interchangeably with the terms “social venture” and “impact enterprise” to mean a nonprofit or for-profit organization that aims to achieve social and/or environmental impact. We use “social entrepreneurs” to indicate the leaders of these organizations.

3. Throughout this paper, when we say government, we mean host-country governments and are including all levels (national, regional, local, etc.). We acknowledge that host-country governments are just one lever in complex impact ecosystems which include many other government (e.g., funder/partners, such as the US Agency for International Development and the UK’s DFID) and quasi-government actors (e.g., World Bank), as well as potential partners from other sectors (corporate, other NGOs, etc.).

4. Unless otherwise noted, all quotations in this theme study are from interviews conducted by Kim Langsam, Ellen Martin, and Erin Worsham between April to July 2018.


6. All mentions of a survey throughout the paper refer to the survey delivered by the Scaling Pathways team to 100+ social enterprises in the Skoll Foundation and USAID Development Innovation Ventures portfolios. For more information on the survey respondents, see Appendix A: Project Overview.


8. This point is also aligned with existing literature. For example, see Andrew Stern, in “Want Your Big Bet To Pay Off? Don’t Forget About Government Capacity,” Stanford Social Innovation Review, 16, no. 2 (2018). https://ssir.org/articles/entry/want_your_big_bet_to_pay_off_dont_forget_about_government_capacity, states, “A review of these efforts reveals that approximately 80 percent of shortlisted organizations had government adoption as their primary end game.”


11. Martin and Osberg, 77-105.


16. As a reference, the Duke Global Health Institute’s Evidence Lab created an evaluation toolkit that provides ways healthcare social enterprises can evaluate their work and communicate results within these tighter timelines and with limited resources: “Evidence Lab at the Duke Global Health Institute,” Duke Global Health Institute, 2018. https://globalhealth.duke.edu/evidence-lab/toolkit.


18. Dutt, Kwauk, and Robinson, 15.


The Innovation Investment Alliance (IIA):
The Innovation Investment Alliance (IIA) is a funding and learning partnership between the Skoll Foundation and USAID’s Global Development Lab, with support from Mercy Corps, that has invested nearly $50 million in eight proven, transformative social enterprises to scale their impact. In 2017, with all its funding committed, the IIA is focusing on drawing out lessons on scaling that are applicable to the social enterprise community with the aim to inform the ongoing conversation on how to create systems-level change and sustainable impact at scale.

The IIA’s partners include:

- **The Skoll Foundation** drives large scale change by investing in, connecting, and celebrating social entrepreneurs and the innovators who help them solve the world’s most pressing problems. Skoll brings an expertise in identifying and cultivating social entrepreneurs. Learn more at www.skoll.org.

- **The U.S. Global Development Lab (The Lab)** serves as an innovation hub. It takes smart risks to test new ideas, and partners within USAID and across other actors to harness the power of innovative tools and approaches that accelerate development impact. The Lab brings together diverse partners to catalyze the next generation of breakthrough innovations to advance USAID’s mission to save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance. Learn more at www.usaid.gov/GlobalDevLab

- **Mercy Corps** empowers people to survive through crisis, build better lives, and transform their communities for good. Mercy Corps brings its experience in developing field-based programming in over 40 countries and investing in disruptive start-ups to the selection, evaluation and management of organizations selected for funding. Learn more at www.mercycorps.org.

The Center for the Advancement of Social Entrepreneurship (CASE) at Duke University:
CASE is an award-winning research and education center based at Duke University’s Fuqua School of Business. Since 2002, CASE has prepared leaders and organizations with the business skills needed to achieve lasting social change. Through our research, teaching, and practitioner engagement, CASE is working toward the day when social entrepreneurs will have the skills, networks, and funding needed to scale their impact and solve the world’s most pressing social challenges. Learn more at www.caseatduke.org.